

Tax Lien Investing White Paper

Tax Lien Certificates Network

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Tax Lien Investing White Paper

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Why Tax Lien Certificates are [Better Investments](#)

Worldwide economic developments have opened up a new vista of investment opportunities. It has changed the way we look at various opportunities and concepts related to investment. People do not view investing in the stock market safer and secure any more. If one observes the ups and downs in the stock market consistently, s/he will find that most stocks produce an average return of only eleven percent. The risks are many, and there is no safety net by the government to ensure that market remains free from crash. Investors can easily lose their hard earned money if they make a wrong investment play. Investing in mutual funds is also not free from potential hazards. There are numerous incidents where people have lost their retirement savings parked in mutual funds. Often investors fail to do proper research about the company and put their money after being misguided by brokers, who are paid commission for selling stocks. They never think about the investors and their advice is not adequately backed by the knowledge of finances.

Many argue that investing in the real estate brings the best dividend. But we tend to ignore the risks associated with it. In the past couple of years, we have witnessed how ill proven is the myth that the real estate always appreciates. There are ups and downs in this sector also. When an industrial powerhouse moves out or local authorities make new regulations concerning construction or land norms, the “infallible” real estate price is forced to follow the economic downturn. The real estate received the severest jolt in the recent years when subprime crises forced major economies in the world to go into recession.

Make Safe and Smart Investment with [Tax Lien Certificates](#)

Tax Lien Certificates offer a secure alternative to people unwilling to invest their hard-earned money in the stock market, mutual funds, and real estate and take risks. Free from major negative side effects, this kind of investment is considered smartest investment vehicle in the modern age and suitable for all kinds of investors. The good part is that there is no risk involved and

Tax Lien Investing White Paper

Tax Lien Certificates Network

investors are assured of a return in their favor. If the lady luck smiles on you, you may get a deal of your life and own a home, condo, business, or land for a fraction of the market price. In the worst case scenario, the investor is assured of a set interest rate. It is always a win-win situation for the investor and there is no question of losing your money. Again investing in the tax lien certificates is easy and once the investors are aware of the strategies, they are sure to get the best return on their investment.

What are Tax Lien Certificates?

A lien is a method through which a lender can restrain the use of property by the owner if debts owed are not paid in time. Tax lien refers to encumber of property conducted by the government against delinquent taxes on the real estate. The government can mortgage the property to a third party in lieu of tax payments until the defaulter owner pays the taxes. However, it is slightly different from tax levy, where the authorities can actually sell the property to pay back taxes.

Investing in tax lien certificates provides guaranteed return on your hard earned money. It also gives you the avenue to contribute in the development of your area. Money raised through this method is used by the local government in constructing roads, improving infrastructure, and maintaining the police and fire departments.

Why You Should [Buy Tax Lien Certificates](#)

Compared to other investment opportunities, tax lien certificates offer higher rate of return combined with minimal risk. If you park your money in the bank, the return may not go over three percent (3%). Once you factor in the inflation rate, you actually lose the money by putting in the bank. If you are investing in shares or stocks, you are open to risks caused by market fluctuation and actual performance of the companies.

Considering these investments, buying tax lien certificates offer security and returns far better than other investment opportunities. Take the case the Florida State. The maximum rate of return on tax lien certificates in the

Tax Lien Investing White Paper

Tax Lien Certificates Network

state is 18 percent. This makes 1.5 percent per month, a very lucrative deal for your money.

Investors can use the “rule of 72” to figure out when their principle amount will be doubled. The rule is simple. Divide the interest rate by 72 and you will get the required number of years. Going by this, the 18 percent return on Florida tax lien certificates can double up you money in four years. We can only hope for so much earnings from the stock market and real estate while sitting in our homes and enjoying life. Among other states, Arizona offers 16% maximum return on tax lien investment. Iowa guarantees 2% per month, again a jackpot for people willing to invest in the field.

Getting the Property for [Pennies on the Dollar](#)

Investors investing in tax lien certificates may sometimes acquire a property for pennies on the dollar, but this is not a common occurrence. In practice, most tax liens are redeemed before the house or land is foreclosed. The redemption rates vary from state to state and also from county to county within the states depending on the location.

Based on the value of the house and the owner’s neighborhood, you can tell the likelihood that the taxes will be paid and the property redeemed.

The developing areas are most in demand and getting a house there would be a major feat. The economic downturn has considerably lowered the rate of redemption in poor communities. The redemption rate in such communities hovers around 80 percent. But even if you do not take ownership of a Tax Defaulted property, investing in tax lien certificates still offer better returns than most other investments.

Investment Safety

Tax lien certificates are safer from the investor’s point of view. There is no fear of market upheavals influencing them. It is the only kind of investment protected by the government. Your investment is secured against the property under State laws and the local government collects the interest for

Tax Lien Investing White Paper

Tax Lien Certificates Network

you. The tax lien certificate holder even enjoys superior benefits compared to a mortgage holder. He has de jure stake in the property by virtue of his position as first lien holder. The authorities are the guarantor of his money and the return is secured from any risk associated with other investment opportunities. Guaranteed investment safety makes buying tax lien certificates a smart choice.

Additional Tax Benefits

An advantage that I like about tax lien investment is the tax-free travel benefits. You are entitled to tax deductions on amounts spent for travel purposes to examine the property that secures your tax lien certificate. Trips made to find out or acquire the lien properties are also tax deductible. Many investors prefer to find the tax lien opportunities on the Internet and save time required for traveling. However, tax-exempt business trips can be coupled with your family vacation at the Government's expense.

My advise is to exploit the tax lien opportunities and make an on-the-spot analysis before buying any tax certificate. It gives you both the peace of mind and an escape from busy life. To take the maximum benefit of all tax benefits tax lien purchases offer, it is better to form a business entity as your tax lien investment arm. It is advisable that you always consult your lawyer and accountant to know the added tax benefits you have as a Sole Proprietorship, LLC, or a small corporation dedicated to tax lien investments.

Understanding the Tax Sale

The public auction is the most preferred mode of tax lien sales. The lien, which usually includes delinquent taxes and added costs incurred by the sale, is offered to all prospective investors on equal terms. These can be both person and Internet-based auctions depending on the locality. Outsiders are given an opportunity as well as the residents. There can be one or more lien auctions at a time.

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One of the following five methods is followed to determine the winning bidders in cases where more than one investor is interested in the same lien. These methods vary from state to state.

- **Bid Down the Interest:** The investor quoting the lowest rate of interest is accepted. The government rate of return stated in the law is fixed as the maximum. The interested parties are allowed to bid lesser rates of return. If two investors quote the lowest rate, the winner will be decided through random or rotational method.
- **Premium:** The investor ready to pay the highest premium wins the auction. However, it is considered addition to the lien amount and the investor may or may not get interest on it or the premium amount back after the redemption of the lien. The State of Colorado accepts this method.
- **Random Selection:** A computer-operated lucky draw is used to randomly select the investor from a number interested people. In smaller counties, authorities use rudimentary methods to find out the lucky winner.
- **Rotational Selection:** Based on first come first serve, the lien is offered to the bidder number one. If he refuses, the number two bidder has the chance to acquire it. But once a bidder refuses to invest, he cannot seek the option again.
- **Bid Down the Percentage of Ownership:** This method is only recognized in Iowa, and it favors the investor willing to bid for the lowest percentage of encumbrance on the property. It deters most investors because few are interested in liens that give less than full right on the property and its sale proceeds.

What about Unsold Liens?

Liens that remain unsold at public auctions are labeled as "struck." They are considered the property of the entity conducting the auction, in most cases the local government. Laws in some states have provisions allowing "over the counter" purchases of unsold liens. Usually, the better properties attract investors in the auction and the struck properties are mostly considered marginal or worthless liens. However, over-the-counter purchase offers

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Tax Lien Certificates Network

noncompetitive deals and can fetch good returns if purchased after thorough analysis.

Redemption Process Fundamentals

The redemption process begins after a specified period under the law and the investor has to wait. The law recognizes right of the owner to get back his property before turning it over to an investor. The specified "redemption period" gives the original owner a chance to pay taxes and get back his property. The owner is normally exempted from repaying the lien plus interest during this "waiting" period. The investor is also barred from establishing any contact with the original owner and seeking repayment of his money until the end of the redemption period. Doing so may result in forfeiting of tax lien certificate of the investor. The lien holder is liable to pay property taxes during the redemption period. If he fails to do so, the authorities may seek another tax lien investor to "buy out" the previous holder's liabilities.

The investor holding the tax lien certificate on the property is empowered to initiate foreclosure proceedings once the redemption period ends. He can begin the proceedings at his own cost seeking the ownership over the property or a tax deed sale of the lien giving the investor the right to bid first or participate in auction by making additional bids. The original owner can repay the lien with interest and costs of legal proceedings anytime before the foreclosure is granted. If the tax lien investor fails to start ownership proceedings within a specified time set under by state law, his claim lien is forfeited and he loses his investment. If there is substantial question of error of state law is found in a tax lien, the investor is repaid but interests are far lower than had the mentioned one.

Obtaining Legal Representation

Many investors are afraid of taking recourse to cumbersome legal proceedings seeking foreclosures if tax lien is not redeemed in time. In my view, it is next to any big foolish act. You should not give up your right easily and the gift that few lien investors are entitled to receive. Spending few thousand dollars

Tax Lien Investing White Paper

Tax Lien Certificates Network

on hiring an attorney is not a big concern as you are going to have the ownership of a property bought for pennies on the dollar.

I would recommend the tax lien investors to contact the BAR association in the county where the tax lien is located. You can make a phone call or visit the office to find out an attorney experienced in Real Estate, foreclosures, and/or tax lien matters. Always remain prepared for legal fight expecting that the original owner is ready to oppose your bid to seek the ownership. A well-informed attorney can save you even if there is a wrongful foreclosure, which is a rare occurrence. There can be a situation where the owner has paid the lien, but it is not entered in the records. The attorney can help you get back your investment with full interest paid and reinvest it in your next tax lien. Some states provides 8 to 12 percent of interest for investors who suffered due to errors by the local taxing authorities.

An experienced lawyer can also help you overcome the following roadblocks during the legal proceeding.

- Title deeds obtained by tax lien investors are quitclaim deeds, not insurable title. The investors are required to seek marketable titles to the properties, which calls for extra cost and legal help.
- The investor should also be aware of liability arising out of other governmental liens, including weed liens and demolition liens before seeking title to the property. Such liens are not part of the sale and continue to be there when the lien holder takes over the property.
- Legal help is vital if the original owner c bankruptcy, the claims bankruptcy. The court may lower the interest rate or waive off a part or the whole lien. The lien holder needs legal help to fight it.

[Learn the Local Law](#)

It is utmost important to be aware of the local law related to the tax lien certificates where the property is located. Even if you are lucky and actually take ownership of the property, it is always cumbersome to make out how you have to proceed and take over your new property. Law governing tax lien differ from one state to another and the counties within each state, every

Tax Lien Investing White Paper

Tax Lien Certificates Network

locality has specific rules and regulation. The investor need to know the person to contact, the offices to visit, and documents to submit with an unencumbered deed. For example, it is very easy to get a title deed in Arizona. Despite having plenty of struck properties, the state receives a platinum rating for it's easy to enforce system. An investor needs to wait for five years and after that can just visit the county tax collector and seek the title deed. The tax lien claim systems in other states are more complex. In my opinion, it is always better to hire a Real Estate Attorney to handle all the legal work and court proceedings. It only costs you few more dollars, but guarantees a hassle-free transfer of your new property

Tax Lien Certificates and the Internet

The Internet revolution has played a bigger role in ensuring better return and facilitates for tax lien certificate investors. The following three reasons demonstrate this advantage.

- Internet provides information and act as a medium for tax lien sales.
- Ease of research offers tax lien investors better opportunities.
- Information about foreclosures and failing markets are easy to get from online sources.

There has been considerable change in the tax lien market induced by the Internet over the last couple years. There was a time when most of us assemble at the courthouse steps of counties and states to bid for tax lien certificates. Gone are the days when the investors had to watch the County Assessor drop the gavel and stopped the bidding.

The onset of the Internet has opened up the whole new vista of opportunity regarding the tax lien investments. It has made available all tax lien information at once providing investors more bidding access and counties greater investor participation. For those, who lack time to travel or have conflicting bidding schedule, the Internet has become the savior. There is no need to travel to the counties and place the best bid. It can be done through the Internet auction. States, such as Florida and Indiana use cutting edge

Tax Lien Investing White Paper

Tax Lien Certificates Network

technology that offers the investors brighter chances to seek tax lien opportunities from the comforts of their homes.

Using the Internet for Tax Lien Research

I am happy that tax lien investors like me are now saved from standing in the line to get a chosen property. Again investors looking for tax lien investment in the best states are no more required to plan travel arrangements or make county-to-county visits to place their bids. Now we can do it simply by clicking the mouse and selecting them on our computer screen. In the past, it was tedious to visit and research the properties that I was eager to bid on. Now I can save time and money, as all information are available on the Internet.

It is with adequate Internet research that you can make your tax lien purchases sufficiently viable. It can make a difference between hitting a higher return, and owning a useless property laden with disaster for your money.

Look for Foreclosures and Market Details

Awareness of the financial, legal, and market details of the real estate in the area and around plays an important role in giving you a better return on your tax lien investment. It becomes more important when you look for residential tax lien investing. There are large number of real estate sites and blogs that offer updates on foreclosure laws, property values, and news on market updates. You can avail this at a mouse click make a good decision on tax lien investment. You can compare locations, property rates, recent sales, number of foreclosures, short sale figures, pollution level, basic amenities, taxes, and probable developments in any locality of the country.

It is essential that you check the status of the property for which you are about to place the tax lien bid. Through research you can find the perfect property for your purpose, to buy tax liens for better returns or for the acquisition. You can search on the Internet the mortgages on the default list or close to default. Usually, it is taken that if one is not paying his mortgage,

Tax Lien Investing White Paper

Tax Lien Certificates Network

he is also not paying taxes. On the Internet, you can find many properties written off by the banks and lending institution as bad debts or placed in unwanted inventory or for being seized for tax evasion. Make a list of those properties where taxes are unpaid and loans are written off. You have better chance to acquire them through tax lien investments.

Search the potential real estate markets and tax lien investment opportunities therein. There are some areas that have the potential to emerge as economic powerhouses in the near future. A tax lien investment there can earn rich dividend for investors. What they need to do is to research a bit on the Internet to find out such potential localities. I recommend the investors interested to expand their real estate portfolio to look for areas with weaker economy. The more the number of foreclosures, the greater is the chance to get good tax lien investment opportunity. You can acquire a new property almost at the half the cost in the market.

Pitfalls of Tax Lien Investing

More or less risk is associated with every investment. The lesser the downside, the better is the advantage that an investment vehicle carries. I recommend the potential investors to give a look at the tax lien certificate investing because its safety features and return guarantees vastly outweighs the pitfalls, a rare feature in any other investment vehicle. The following are a few points that a tax lien investors should keep in mind while investing.

Limited Liquidity

- Ensure that you have sufficient funds to invest. Limited liquidity tends to cause a problem while seeking a tax lien investment. In my view, it is the only stumbling block.
- Ensure that your investment is going to make money, not remain suspended due to any kind of problem that is associated with the property.
- Make sure that you get your tax lien certificate redeemed in time and successfully unlock your money with interest or complete the process of acquiring the title deed.

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Tax Lien Certificates Network

Payment Deadlines

- Ensure that you have full information about the payment terms. The investor is required to pay at the time of purchase or within 72 hours. Keep the money ready with you.
- Failure to pay in time results in cancellation of lien certificates purchased. The investor may also be barred from future sales.

Institutional Investors

- In "popular" states, the institutional investors often outbid the individual investors. Equipped with professional staff, resources, and better purchasing power, they make quick decisions. Their acquisition of valuable properties left the individual tax lien investors with worthless ones or poor choices.
- Again in many states there public auctions are not allowed for smaller homesteads. In Florida, it is \$100 or less amount.
- Institutional investors are ready to bid down the other liens as long as they are assured of full interest rate on properties.

Bidding Process

- The bidding process may be of disadvantage to some bidders. In case of "random" and "rotational" methods, tax lien investors have no control or choice over properties they want.
- In "bid down the interest" method, the return is less, almost below 1 percent, though the states guarantee a minimum return, 5 percent in Florida.
- In "premium" states, often the average tax lien investors are outweighed by bigger ones.

High Rate of Redemption

- The investors hope to get a good return and possibly the property. In many cases, particularly in case of mortgage, the liens are redeemed before the property is foreclosed. Again in cases where foreclosure is due

Tax Lien Investing White Paper

Tax Lien Certificates Network

to tax deed sales, numerous bidders participate making the chance to acquire remote.

Returns on Tax Lien Certificates and Tax Deeds by State

In the United States, the sale of tax liens varies from state to state. It ranges from only liens and sell deeds to both or a "hybrid" of the two. The following is a state-wise breakdown of tax lien investment rules in your state.

Tax Sales in Alabama

Alabama offers 12 percent return per annum on tax liens. The sales are scheduled in May. The government offers both tax liens and tax deeds at the state level. For more information investors should browse though the website of the Property Tax Division of Alabama's revenue department.

Tax Sales in Alaska

Alaska follows a different line. Private individuals are not allowed to buy tax lien certificates. Local government decides the deed process and the prices at auction are quoted based on fair market value. There is less chance to get any property for pennies on the dollar.

Tax Sales in Arizona

Arizona is a platinum lien state and its 16 percent annual interest rate is lucrative for investors. February is the month for tax lien sales generally. The procedure to seek title deed is the easiest and hassle free. However, tax liens sold to investors are subservient to state liens. Always ensure that the tax lien investing in the state does not conflict with the state lien over the property.

Tax Sales in Arkansas

Arkansas is a deed state. May is the month for auctions. The minimum bid price includes all the unpaid taxes and 20 percent of the prevailing market value of the property.

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Tax Sales in California

California offers only tax deeds. There is no fixed month for sales. There is facility of online tax lien sales, a popular among investors. But only some localities are available for online sales. State law gives green signal for lien sales, but county authorities rarely resort to it. The state statute prescribes 18 percent interest rate.

Tax Sales in Colorado

Colorado resorts to premium method to find out the prospective investor. The sales take place in November. October is the month to watch for online sales. The interest rate, which hovers around 15%, is usually nine points more the federal discount rate fixed in September.

Tax Sales in Connecticut

Connecticut offers a "hybrid" of tax liens and deed. The sales are usually scheduled for June and the county issues the buyer a deed around August. If the original owner pays the taxes along with 18 percent interest within a year, the deed automatically becomes invalid. But if he fails to redeem, the lien investor gets ownership of the property.

Tax Sales in Delaware

Delaware also follows the hybrid model. Sale dates vary and no fixed month. The state law allows the counties to have their own ways to carry out their tax sales. Tax lien investors are required to contact your local county office for sales.

Tax Sales in the District of Columbia

The District of Columbia follows tax lien sales. July is the scheduled month and the interest rate is fixed at 18 percent.

Tax Sales in Florida

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Florida is good state to find out tax lien investment opportunities. It offers both liens and deeds. Interest is 18 percent and a 5 percent return is guaranteed. May and June are the months when sales take place. Most of the counties offer online auctions. The redemption period is two years. Smaller counties are allowed to make deed sales in every two months.

Tax Sales in Georgia

Georgia offers a hybrid of deeds and liens. It imposes a 20 percent penalty on the redemption. Faster the redemption allows to pocket better the return. For example, if the original owner redeems after the month, the investor gets 120 percent rate of return. But if the lien is redeemed in the 12th month, the investor gets only 20 percent return on his money. Sales take place throughout the year.

Tax Sales in Hawaii

Hawaii also prefers hybrid model. The rate of interest is 12 percent. Sales take place twice a year, in June and November.

Tax Sales in Idaho

Idaho offers only deeds. May is the month to look for sales. Properties having delinquent taxes are subject to foreclosure under the state law, and the municipal administration is empowered to sale the deeds.

Tax Sales in Illinois

Illinois goes for lien sales. The state government imposes an 18 percent penalty. Counties decide their own sale dates. The tax lien investment rules are complicated and it is recommended that investors should do some homework before bidding.

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Tax Sales in Indiana

Indiana is another lien and has earmarked a 10-15 percent penalty. Investors can look for sales between August 1 and November 1. Each local government has its own set of rules governing tax lien investments. The procedure is complicated and requires adequate guidance.

Tax Sales in Iowa

Iowa sells liens and the annual interest rate is 24 percent, highest in the United States. Third Monday of June each year is the day when all sales go on. Two year redemption period is allowed.

Tax Sales in Kansas

Kansas favors deed sales. The state is viewed as the most favored by the tax lien investors. Several counties allow bidding below the sum of taxes owed by the property owner. In Sedgwick County, there is no minimum fixed for a bid. Investors can pick up any property for a tiny proportion of the taxes due.

Tax Sales in Kentucky

Kentucky is a lien state. It offers 12 percent return per year. Sales are scheduled in April and May. The maximum redemption period allowed is one year.

Tax Sales in Louisiana

Louisiana is a good example of hybrid state. The sales usually take place in the first four month of the year. It offers 12 percent interest rate along with 5 percent penalty. An investor stands to get 17 percent return on the investment at the end of the first year. The annualized return can be 72 percent if the property is redeemed after the first month.

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Tax Sales in Maine

Maine is a deed state. The lien rules favor the city and the private investors are at disadvantage. The taxes are collected only at the city level.

Tax Sales in Maryland

Maryland is a lien state and the interest rate varies county to county, between 6 to 24 percent. Baltimore City offers 24 percent return while Prince George's, Garrett, and Montgomery Counties have fixed it at 20 percent. Most of the sales occur between May and June.

Tax Sales in Massachusetts

Massachusetts is a hybrid state and the annual rate of interest is 16 percent. The rules governing tax liens and sales are among the most complicated in the country. Many investors remain away from the lien and deed sales in the state.

Tax Sales in Michigan

Michigan sells deeds and it is carried out throughout the year. Each county has its own set of rules. It can carry out the auction on its own or empower the state government to accomplish the sale.

Tax Sales in Minnesota

Minnesota is a deed state. Though sales are usually set for February, June, and October, the dates vary from one county to the other. A unique feature is that counties offer financing facilities to purchase properties.

Tax Sales in Mississippi

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Mississippi is a lien state and offers 18 annual interest. Last Monday of every August is the designated date for sales to take place. It also organizes the state-level sales of deeds on the first Monday of every April.

Tax Sales in Missouri

Missouri sells liens. It offers maximum 10 percent interest. The tax lien investing is not allowed for persons outside the county. Each county conducts its sales on the fourth Monday of every August. Jackson County is the only locality where two sales are held each year.

Tax Sales in Montana

Montana sells liens. The annual interest rate is fixed at 10 percent and there is provision for 2 percent penalty. July is the month when sales are carried out.

Tax Sales in Nebraska

Nebraska is lien state and offers 14 percent interest rate. Most sales are scheduled for first Monday in March every year.

Tax Sales in Nevada

Nevada sells deeds. It is viewed as one of the most favorable deed states by potential investors. Each county has its own sales date. The deed sales are given precedence over mortgages and judgment liens.

Tax Sales in New Hampshire

Hampshire also sells deeds. The sales dates vary according to counties. County office is the nodal agency for sales.

Tax Sales in New Jersey

New Jersey sells only liens with 18 percent interest rate. Counties decide their own sales dates. The bidding system in the states is altogether different

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Tax Lien Certificates Network

from other US states. Investors may need guidance before seeking tax lien investment in the state.

Tax Sales in New Mexico

New Mexico offers deeds. No fixed sales date. Deeds are subservient to any mortgage on the land. Investors must check the title of the property prior to purchasing.

Tax Sales in New York

New York sales deeds except in the New York City, where liens sales are allowed. Each locality schedules its sale dates.

Tax Sales in North Carolina

North Carolina is deed state. Investors looking for good deed investments found the state the best. The bidding starts at the lien amount, which keeps the prices low. The final cost of purchase includes tax dues, penalties, and legal costs.

Tax Sales in North Dakota

North Dakota offers lien sales. The annual interest rate is 12 percent. The second Tuesday of every December is the designated day for sales.

Tax Sales in Ohio

Ohio offers both deeds and liens. With variable sales dates, the state offers 18 percent return on liens. Counties exceeding 200,000 residents are allowed to offer tax lien certificates. The laws on deeds fixed the minimum price of a property at 66 percent of the appraised value, a difficult choice for investors looking for great return.

Tax Sales in Oklahoma

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Oklahoma sells liens. It offers lowest interest at 8 percent. Sales are scheduled on the first Monday of every October. Resale of struck liens occurs on the second Monday of every June.

Tax Sales in Oregon

Oregon is a deed state. Every county follows its own dates and sets its own minimum bid. The amount of bids usually remain high and bargains are rare. Investors can look for counties in the state offering competitive financing.

Tax Sales in Pennsylvania

Pennsylvania follows a hybrid models incorporating both liens and deeds. The rate of interest is 10 percent. Sales are held each month depending on the need of the counties.

Tax Sales in Rhode Island

Rhode Island is another hybrid state. It is the only state that has a double penalty system. The overall penalty is fixed at 10 percent while a penalty of 1 percent for each month is levied after the end of six-month period. It brings down the effective annualized rate of return for one year to 16% from 120% after a month.

Tax Sales in South Carolina

South Carolina is a lien state and follows double interest rate. Investors are set to get 8 percent if the lien is redeemed in the first six months. For more than six months, the rate of interest stands at 12 percent. The first Monday of October, November, and December are designated dates for sales.

Tax Sales in South Dakota

Tax Lien Investing White Paper

Tax Lien Certificates Network

South Dakota sells liens and the interest rate is pegged at 12 percent. In the recent past, several laws effecting changes in the power of the counties to sell liens have been made. Though the third Monday of every December is the designated day for sales, investors are required to keep in contact with local county office.

Tax Sales in Tennessee

Tennessee is a hybrid state and without any fixed sale date. The rate of interest is 10 percent at the maximum.

Tax Sales in Texas

Texas is a hybrid state. It has the highest rate of penalty in the country fixed at 25 percent. Sales are scheduled throughout the year and usually take place on the first Tuesday of every month. The annualized return on your investment varies from 25 percent to 300 percent depending on the redemption period.

Tax Sales in Utah

Utah sells deeds usually between May and June. Investors can hope to find dream properties in the state because the bids begin at the lien amount.

Tax Sales in Vermont

Vermont sells lien only. Dates of sales vary according to counties, but the interest rate is fixed at 12 percent in the state.

Tax Sales in Virginia

Virginia is a deed state. The minimum bid amount includes outstanding taxes, penalties, interest, and costs incurred for foreclosure. Sale dates are variable. There is no regular sale every year in localities, such as Arlington.

Tax Sales in Washington

Tax Lien Investing White Paper

Tax Lien Certificates Network

Washington is a deed state. In the King County of Seattle, the deeds are known as "tax foreclosures." No fixed date for sales. Counties notify dates on their own.

Tax Sales in West Virginia

West Virginia sells lien and the interest rate is fixed at 12 percent at the maximum. October and November are the months when most of the counties organize auctions.

Tax Sales in Wisconsin

Wisconsin is a deed state and sales occur twice a year, spring sales and summer sales. The appraised property value is the minimum bidding amount. Investors face a hard time to find good properties in counties where there is no gap between the appraised value and market prices. No regular yearly sales in the Dane County.

Tax Sales in Wyoming

Wyoming sells liens and maximum interest rate guaranteed is 15 percent. A penalty of 3 percent is also added. Usually sales are held between August and September.