

# What Are Tax Lien Certificates?

By Steven E. Waters

No matter what your age, it is never too late (or too early) to begin planning for the future. The longer plans are put off, the more money it's going to take to fulfill those plans. The only way to get out of the rat race is to get your money working hard for you. The stock market, real estate, and conducting business are all powerful ways to get money working for you.

Have you ever thought . . . "What would happen if I didn't pay my real estate taxes?"

Just in case you are still wondering, the collection of real estate property taxes is a major priority in every taxing district in the USA. If the county is unable to collect property taxes, it is also unable to provide important government services like police, fire, and schooling. Without the income produced from real estate property taxes, the local government would go bankrupt.

To avoid this, the county places a tax lien on the property with delinquent property taxes and then sells the delinquent tax debt to investors. Investors purchase tax lien certificates at local delinquent tax sales.

Tax Lien Certificates come in all sizes, from a few bucks to several million dollars. Tax Lien Certificates are auctioned off to the investor with the winning bid.

Everyone is happy, the county gets their money, the tax-delinquent home owners get more time to pay their delinquent property taxes, and the investor gets a real estate-secured, high return investment.

All over the USA, tax lien certificate investors are reaping massive annual returns of.....

\* 16% per Year in all 15 counties in the state of Arizona

\* 18% per Year in all 67 counties in the state of Florida

\* 50% per Year in all 254 counties in the state of Texas

In my opinion, government issued tax lien certificates are the ideal investment for your hard-earned dollar. Just imagine receiving predictable high-rate returns from the government. "How is it that?", you ask. Basically, you invest your money with the government and when the government collects the past due taxes, the government sends you a check, returning what you paid to purchase the tax lien certificate plus high interest.

Best of all, these government-issued tax lien certificates are "lock-box" safe. See, in the lending world, you have secured and unsecured loans. Take a real estate mortgage as an example; the loan is secured by the real estate you are purchasing. In the event you don't make your mortgage payments, the lender can seize the real estate as collateral. Welcome to the world of mortgage foreclosures. The lender can then sell the property at a local foreclosure auction to recoup their lost money.

When you invest in tax lien certificates, you are in the lending business! And, just like real estate mortgages, in the event the homeowner doesn't pay the taxes and interest, you can take the property FREE and CLEAR of the mortgage. Ideally, say 2-3% of the time, you might end up

with a premium piece of real estate for just the back taxes and fees. Ninety-seven to ninety-eight percent of the time, you will get annualized returns of 16%, 18%, up to 50% or more!

You can get tax liens in almost any amount, ranging from \$6 at the low end to several million at the high end. The best part is that these rates are fixed to stay high, regardless of what happens in the stock market, real estate prices, or interest rates.

Two things can happen when you buy a tax lien certificate, either you get high interest rate returns or you get the real estate for pennies on the dollar.

Stay tuned over the course of the next few weeks as I will discuss the perils and pitfalls of investing in tax lien certificates. In addition, I will offer some helpful tips and techniques giving you the competitive advantage at the tax sale auction.

Much Success,

Steven E. Waters

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Steven E. Waters is a licensed Real Estate agent in the State of Utah. He currently serves as President of Instant Income, Inc. He is an author and lecturer; He frequently appears in numerous real estate and entrepreneurship periodicals and websites. As an investor, he has many years of experience with tax lien certificates and tax foreclosure sales, residential single family construction projects and no-money-down investing. Waters has purchased tax lien certificates and tax deeds in several states and enjoys helping beginning investors simplify the process and procedures of investing in delinquent tax certificates and tax deeds. Waters is also an Internet site building Trainer with Enlightened Millionaire Institute.  
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