



# Tax Sale Defense Kit

How to stop a property tax sale

Written by John Quigley

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# Tax Sale Defense Kit

How to stop a property tax sale and keep (or sell) your house — by John Quigley

## The clock matters more than the dollar

Property tax delinquency moves faster than most homeowners realize. In some states (Texas, Mississippi, Arkansas), a single year of unpaid taxes can trigger a tax sale. In others (Pennsylvania, Illinois), you have 2-3 years. Once the property sells at a tax auction, the buyer holds a tax lien certificate or tax deed — depending on state — and you may lose the property entirely.

### TAX SALE IS IMMINENT

If you've received a 'Notice of Tax Sale' or 'Tax Deed Sale' letter, you typically have 30-180 days until the auction. Some states allow last-minute redemption, but it gets more expensive every week. Act today.

## Phase 1: Understand which type of tax sale your state runs

There are three main flavors:

State type	How it works	States (examples)
<b>Tax Lien Sale</b>	County sells a lien on your property to investors. You typically have 1-3 years to redeem by paying the back taxes.	FL, AZ, IL, CO, IN, MD, NJ
<b>Tax Deed Sale</b>	County sells the property outright at auction. There may be a 30-day redemption period (30 days to 2 years), but you must act quickly.	TX, CA, HI, MI, MS, ND, SC, VA
<b>Hybrid / Redeemable Deed</b>	Buyer gets the deed but you can redeem within a window (typically 90 days) by paying purchase price + interest.	GA, TN, PA, OH

## Phase 2: Find your exact deadline

- Call your county tax collector or assessor today
- Ask: 'What is the redemption deadline on parcel [your parcel number]?'
- Get the exact dollar amount to redeem (taxes + interest + penalties + fees)
- Confirm whether the property has been sold at auction yet or if it's pending
- If sold: ask for the certificate holder's name (you'll need this to redeem)

- Request a written statement of redemption amount, in case anyone tries to add fees later

## Phase 3: Choose your exit

Like foreclosure, tax delinquency has five main outcomes:

- **Redeem with cash on hand** — pay the full delinquent amount + interest. If you have savings or family money, this is the cheapest path.
- **Refinance or HELOC** — if you have equity and OK credit, a cash-out refi or home equity line can cover taxes. Requires 4-8 weeks; too slow if sale is imminent.
- **Sell traditional** — list on MLS. Buyer's title commitment will require taxes to be paid at closing. Requires 60-90 days; too slow if sale is in 30 days.
- **Sell cash** — close in 7-14 days. Cash buyer's title company pays the back taxes at closing from the sale proceeds; remainder comes to you.
- **Do nothing** — lose the property and any equity in it at the tax sale.

### QUICK MATH

If your back taxes plus a cash offer (~70% of value – repairs) still leaves you positive at closing, a cash sale is almost always the right call. You walk away with money, not a foreclosure record AND a tax deed loss.

## Phase 4: If a cash sale is the path

- Pull your most recent property tax bill — note the exact delinquent amount
- Estimate your home's value (use the free Cash Offer Estimator at [buyhousesincash.com/cash-offer-estimator](https://buyhousesincash.com/cash-offer-estimator))
- Run the math: estimated cash offer – back taxes = what you'd net
- If positive, get a written cash offer (24-48 hours typical)
- Confirm the buyer's title company can clear the tax lien at closing
- Sign the purchase agreement
- Title company orders payoff for back taxes, certificate-holder if applicable
- Close at the title company — taxes paid in full, you receive net proceeds
- Tax sale is canceled (county requires payment in full to release)

## Phase 5: Common tax-sale traps

Things that surprise homeowners during a tax sale rescue:

- **Interest compounds aggressively** — most states charge 12-18% APR on delinquent taxes. Every month you delay adds 1-1.5% to your redemption amount.
- **Certificate holders can charge fees** — once a lien is sold to an investor, they can sometimes add legal and administrative fees on top of the base redemption amount. Ask for an itemized total.
- **HOA liens can run alongside** — if your home is in an HOA, unpaid dues may also be subject to lien. Check before closing.
- **Some states allow tax-sale buyers to take possession during the redemption period** — meaning even if you can redeem, you may not be able to live there until you do.
- **Mortgage lenders may pay the taxes themselves** — if you have a mortgage with an escrow account, your lender may pay the delinquent taxes and then accelerate your loan. Read your mortgage clauses carefully.

### TAX SALE RESCUE SCAMS

Some 'tax sale rescue' companies are scams. Red flags: upfront fees, asking for the deed in exchange for paying your taxes, or promising they'll 'hold' the property for you while you 'catch up.' Reputable cash buyers (like BuyHousesInCash) charge zero fees and close at a real title company in your county.

## Tax sale in your near future?

We pay the back taxes at closing and you keep the equity.  
[buyhousesincash.com](http://buyhousesincash.com) · [hello@buyhousesincash.com](mailto:hello@buyhousesincash.com)

### About the author

John Quigley is the founder of BuyHousesInCash. He has bought hundreds of properties facing tax sale across all 50 U.S. states and writes every guide on the site. Contact: [hello@buyhousesincash.com](mailto:hello@buyhousesincash.com).