

TAX COLLECTION PRACTICE EXAM (SAMPLE)

STUDY GUIDE



**SAMPLE STUDY GUIDE
WITH LIMITED QUESTIONS**

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THE FULL VERSION STUDY GUIDE**

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Introduction

Preparing for a certification exam can feel overwhelming, but with the right tools, it becomes an opportunity to build confidence, sharpen your skills, and move one step closer to your goals. At Examzify, we believe that effective exam preparation isn't just about memorization, it's about understanding the material, identifying knowledge gaps, and building the test-taking strategies that lead to success.

This guide was designed to help you do exactly that.

Whether you're preparing for a licensing exam, professional certification, or entry-level qualification, this book offers structured practice to reinforce key concepts. You'll find a wide range of multiple-choice questions, each followed by clear explanations to help you understand not just the right answer, but why it's correct.

The content in this guide is based on real-world exam objectives and aligned with the types of questions and topics commonly found on official tests. It's ideal for learners who want to:

- Practice answering questions under realistic conditions,
- Improve accuracy and speed,
- Review explanations to strengthen weak areas, and
- Approach the exam with greater confidence.

We recommend using this book not as a stand-alone study tool, but alongside other resources like flashcards, textbooks, or hands-on training. For best results, we recommend working through each question, reflecting on the explanation provided, and revisiting the topics that challenge you most.

Remember: successful test preparation isn't about getting every question right the first time, it's about learning from your mistakes and improving over time. Stay focused, trust the process, and know that every page you turn brings you closer to success.

Let's begin.

How to Use This Guide

This guide is designed to help you study more effectively and approach your exam with confidence. Whether you're reviewing for the first time or doing a final refresh, here's how to get the most out of your Examzify study guide:

1. Start with a Diagnostic Review

Skim through the questions to get a sense of what you know and what you need to focus on. Your goal is to identify knowledge gaps early.

2. Study in Short, Focused Sessions

Break your study time into manageable blocks (e.g. 30 – 45 minutes). Review a handful of questions, reflect on the explanations.

3. Learn from the Explanations

After answering a question, always read the explanation, even if you got it right. It reinforces key points, corrects misunderstandings, and teaches subtle distinctions between similar answers.

4. Track Your Progress

Use bookmarks or notes (if reading digitally) to mark difficult questions. Revisit these regularly and track improvements over time.

5. Simulate the Real Exam

Once you're comfortable, try taking a full set of questions without pausing. Set a timer and simulate test-day conditions to build confidence and time management skills.

6. Repeat and Review

Don't just study once, repetition builds retention. Re-attempt questions after a few days and revisit explanations to reinforce learning. Pair this guide with other Examzify tools like flashcards, and digital practice tests to strengthen your preparation across formats.

There's no single right way to study, but consistent, thoughtful effort always wins. Use this guide flexibly, adapt the tips above to fit your pace and learning style. You've got this!

Questions

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- 1. Purchasers of a third-party lien can foreclose after how many years?**
 - A. 1 Year
 - B. 2 Years
 - C. 3 Years
 - D. 4 Years
- 2. Which Chapter corresponds to Business in the four types of bankruptcy?**
 - A. Chapter 7 Liquidation
 - B. Chapter 11 Business
 - C. Chapter 12 Farmland
 - D. Chapter 13 Individual
- 3. In a taxing district with a public building, the tax collector's office should be located how?**
 - A. Separate
 - B. In the same building
 - C. On the first floor only
 - D. In a shared facility
- 4. A legal claim or encumbrance which property may be seized to satisfy debt is called what?**
 - A. Lien
 - B. Mortgage
 - C. Judgment
 - D. Liquidation
- 5. To assign is to _____ property or interest in the property.**
 - A. Transfer
 - B. Sell
 - C. Lease
 - D. Grant

6. The In Rem Act only applies to tax sale certificates held by a ____.
- A. Municipality
 - B. State
 - C. County
 - D. Individual
7. Mortgagee means the person who ____ the mortgage.
- A. Pays the mortgage
 - B. Holds the mortgage
 - C. Is a broker
 - D. Borrower
8. An affidavit of expenses may be taken before the collector and shall have the same effect as which official?
- A. Notary
 - B. Judge
 - C. Clerk
 - D. Commissioner
9. Which court has jurisdiction over actions to foreclose in rem?
- A. Superior Court
 - B. Court of Appeals
 - C. Municipal Court
 - D. Supreme Court
10. After 10 days, what percentage do lien holders receive for a redeemed certificate with an amount between \$200 and \$5,000?
- A. 2%
 - B. 4%
 - C. 6%
 - D. 8%

Answers

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1. B
2. B
3. A
4. A
5. A
6. A
7. B
8. A
9. A
10. A

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Explanations

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1. Purchasers of a third-party lien can foreclose after how many years?

- A. 1 Year
- B. 2 Years**
- C. 3 Years
- D. 4 Years

The time window being tested is the period a third party lien purchaser has to move forward with foreclosure after obtaining a tax lien. In this context, the law provides a two year period for the redemption and foreclosure process. The owner of the property typically has a chance to redeem by paying back taxes plus interest during that two year window. If redemption doesn't occur, the purchaser is then able to foreclose to recover the investment and take title. Two years is the standard period for this scenario because it balances giving the delinquent taxpayer a meaningful redemption opportunity with giving the private lien holder a definite, predictable path to enforce the lien after that window closes. The other time frames don't fit this specific process: one year is too short to allow redemption, while three or four years exceed the typical statutory window for foreclosing on a tax lien by a third party.

2. Which Chapter corresponds to Business in the four types of bankruptcy?

- A. Chapter 7 Liquidation
- B. Chapter 11 Business**
- C. Chapter 12 Farmland
- D. Chapter 13 Individual

When a business is in distress but aims to keep operating, the chapter designed for that situation is Chapter 11. It provides a way to reorganize debts under court supervision while the business continues to run, with protections like an automatic stay and a plan of reorganization that can modify terms, reject or renegotiate contracts, and ultimately restore solvency. The other options serve different purposes: Chapter 7 is liquidation, typically ending the business as assets are sold to pay creditors; Chapter 12 is aimed at family farmers and fishermen with regular income; Chapter 13 is for individuals with regular income to repay debts under a court-approved plan. So Chapter 11 is the one that specifically corresponds to business reorganization.

3. In a taxing district with a public building, the tax collector's office should be located how?

- A. Separate**
- B. In the same building
- C. On the first floor only
- D. In a shared facility

Separating the tax collector's office from other public functions is essential for security and proper control of receipts and records. This office handles money, sensitive taxpayer information, and official records, so it needs a dedicated space where cash handling can be securely managed, deposits counted, and audits traced without interference. A separate location helps enforce clear duties, protects confidentiality, and strengthens accountability. Being in the same building with other offices, on the first floor only, or in a shared facility would blur responsibilities and increase security and privacy risks, making it harder to maintain tight internal controls. For these reasons, a separate location is the best arrangement.

4. A legal claim or encumbrance which property may be seized to satisfy debt is called what?

- A. Lien**
- B. Mortgage
- C. Judgment
- D. Liquidation

A lien is a legal claim against property that serves as security for a debt. It encumbers the asset and gives the creditor the right to seize or foreclose on the property to satisfy the obligation if the debt isn't paid. A mortgage is a specific type of lien on real estate used to secure a loan, so it fits under the broader concept but isn't the general term described. A judgment is a court ruling that creates an obligation and can lead to a lien, but the term for the encumbrance itself is not the judgment. Liquidation refers to selling assets to raise money, not the claim against the property.

5. To assign is to _____ property or interest in the property.

- A. Transfer**
- B. Sell
- C. Lease
- D. Grant

Assignment in property law is the act of transferring property rights or an interest in the property to another party. When you assign something, you are moving those rights from you to someone else, rather than creating new rights or exchanging full ownership for money. That makes "transfer" the best fit because it captures the idea of passing along an existing right or stake in the property. The other options don't fit as well: selling implies a complete transfer of ownership for value, leasing is about temporary use rights, and granting is about conveying broader rights or ownership via a deed rather than simply moving an existing interest.

6. The In Rem Act only applies to tax sale certificates held by a _____.

- A. Municipality**
- B. State
- C. County
- D. Individual

The In Rem Act is a tool for collecting delinquent real estate taxes by going after the property itself, through a proceeding that targets the property rather than the person. It is designed for situations where the local government holds the tax sale certificate, giving the municipality authority to enforce the tax lien through an in rem action in its own courts. When a municipality is the holder, the process is tailored to the local tax regime and property interests within that municipality. If the certificate is held by a state, county, or an individual, the in rem mechanism isn't the applicable route, and other foreclosure or collection methods would apply. So the tax sale certificate must be held by the municipality for the In Rem Act to apply.

7. Mortgagee means the person who _____ the mortgage.

- A. Pays the mortgage
- B. Holds the mortgage**
- C. Is a broker
- D. Borrower

Mortgagee is the lender—the party that provides the loan and holds the security interest in the property. The borrower pledges the property as collateral, and the mortgagee records a mortgage lien that remains in place until the loan is paid off. This holder has the right to receive payments and, if the borrower defaults, to take steps to recover the debt, including foreclosure. Paying the mortgage is the mortgagor's duty, not the mortgagee; a broker arranges the loan, while the borrower is the one who borrows.

8. An affidavit of expenses may be taken before the collector and shall have the same effect as which official?

- A. Notary**
- B. Judge
- C. Clerk
- D. Commissioner

Taking an affidavit of expenses before the collector is treated as if it was sworn before a Notary Public. The key idea is that the collector is empowered to administer oaths for this kind of affidavit, so the sworn statement carries the same legal weight and formal attestation as one made before a Notary. Notaries are the standard officers for certifying that an oath or affirmation was administered and that the person signing did so willingly and under truthfulness. That's why this option is the best fit: the other roles—Judge, Clerk, or Commissioner—do not carry this same stated equivalence for an affidavit of expenses in this context. A judge's oath is tied to court proceedings, a clerk typically does not administer oaths for affidavits in this setting, and a commissioner's authority differs by jurisdiction and purpose.

9. Which court has jurisdiction over actions to foreclose in rem?

- A. Superior Court**
- B. Court of Appeals
- C. Municipal Court
- D. Supreme Court

The question tests where a foreclosure in rem—the action against the property itself—belongs for its initial adjudication. That kind of proceeding is a civil matter against real property, so it must be brought in a court with general jurisdiction over real estate disputes. A Superior Court serves as the court of general jurisdiction and commonly handles foreclosures, giving it the authority to determine the property's title, liens, and rights of all claimants. The Court of Appeals is only for reviewing decisions from trial courts, not for initiating foreclosures. Municipal Court typically handles smaller civil matters and misdemeanors, not complex real-property foreclosures. The Supreme Court is an appellate court that reviews selected cases from lower courts and generally does not serve as the trial court for foreclosure actions. Therefore, the proper forum for an in rem foreclosure action is the Superior Court.

10. After 10 days, what percentage do lien holders receive for a redeemed certificate with an amount between \$200 and \$5,000?

- A. 2%**
- B. 4%
- C. 6%
- D. 8%

When a tax lien certificate is redeemed, the holder gets a small premium based on how soon the redemption occurs and the size of the certificate. For certificates that fall between \$200 and \$5,000, the premium after the 10th day is 2%. This means the lien holder would receive 2% of the redemption value as an extra payout, not counting the principal that's being redeemed. Higher premiums apply in other time frames or for different dollar ranges, but in this specific scenario the rate is 2%.

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Next Steps

Congratulations on reaching the final section of this guide. You've taken a meaningful step toward passing your certification exam and advancing your career.

As you continue preparing, remember that consistent practice, review, and self-reflection are key to success. Make time to revisit difficult topics, simulate exam conditions, and track your progress along the way.

If you need help, have suggestions, or want to share feedback, we'd love to hear from you. Reach out to our team at hello@examzify.com.

Or visit your dedicated course page for more study tools and resources:

<https://taxcollection.examzify.com>

We wish you the very best on your exam journey. You've got this!

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