

## **10823 - If a person has land and other property, does he have to pay zakaah on it?**

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### **the question**

If a person has land and other property that is not invested and that does not bring in any income or returns, does he have to pay zakaah on it?.

### **Detailed answer**

No zakaah is due on this land and property unless he has prepared it for sale.

The way in which its zakaah is calculated is that its value should be calculated after one (Hijri) year has passed, then one-quarter of one-tenth should be paid as zakaah, i.e., 2.5%.

But if this property is prepared for a person to use, or he uses it for business purposes such as renting it out and the like, and he is not trading in it, then there is no zakaah on it in this case.

Shaykh Ibn 'Uthaymeen said, discussing the issue of zakaah on stores:

Trade goods refers to wealth that is prepared for trade. The dealer does not seek these goods for themselves, rather he seeks their profits. Hence we are obliged to pay zakaah on their value and not on the goods themselves.

So the phrase "trade goods" refers to anything that is prepared for trade, whatever type it is. This heading covers most of the things on which zakaah is to be paid, because it includes real-estate, fabric, vessels, animals, and everything else.

Zakaah is obligatory on trade goods, and the evidence for that is as follows:

1 - It is included in the general meaning of the verse in which Allaah says (interpretation of the meaning):

“And in their properties there was the right of the Saa’il (the beggar who asked) and the Mahroom (the poor who does not ask others)”

[al-Dhaariyaat 51:19]

And the Prophet (peace and blessings of Allaah be upon him) said to Mu’aadh ibn Jabal when he sent him to the Yemen: “Teach them that Allaah has enjoined upon them charity (zakaah) from their wealth, to be taken from their rich and given to their poor.”

Undoubtedly trade goods are a kind of wealth.

If someone were to say that the Messenger (peace and blessings of Allaah be upon him) said, “The Muslim does not have to pay zakaah on his slave or his horse,” our response would be yes, that is correct, but he did not say that there is no zakaah on trade goods that are not sought for themselves but are sought for their value. The phrase “his slave and his horse” refer to his own possessions, i.e., things that are his own property and that he uses and benefits from, like his horse, or his slave, or his clothes, or the house in which he lives, or the car that he uses even if it is for hire (i.e., a taxi). On all of these things there is no zakaah, because a person acquires them for his own use, and he does not acquire them in order to trade them in the sense of buying them today and selling them tomorrow. Based on this, whoever quotes this hadeeth to say that there is no zakaah on trade goods is making a far-fetched claim.

Secondly:

The Prophet (peace and blessings of Allaah be upon him) said, “Actions are but by intentions, and each person will have what he intended.” If we were to ask the trader or businessman what he wants from this wealth, he would say “I want gold and silver.”

If I buy the goods today and sell it tomorrow and make money on it, the objective is not to acquire the object itself at all. Based on this, we say that zakaah on trade goods is obligatory according to the texts and according to analogy, even though the texts are not specific, rather they are general in meaning.

Al-Sharh al-Mumti', 6/141-142

Then he said, giving an example of that:

A man bought a car in order to make money from it (i.e., to sell it and make a profit from it). This is trade goods whose value reached the nisaab and he intended to sell it when he bought it, so he has to pay zakaah on it. But if he bought the car in order to use it, then it occurred to him that he should sell it, then there is no zakaah on it, because when he took possession of it, he had no intention of doing trade. So he has to have the intention of doing trade at the moment when he acquires it. If he buys something for the purpose of trade but it does not reach the nisaab, and he does not have anything else he can add to it, there is no zakaah on it, because one of the conditions of zakaah is that the wealth should reach the nisaab.

Al-Sharh al-Mumti', 6/142.

Shaykh Ibn Baaz (may Allaah have mercy on him) said:

Land that is prepared for sale is subject to zakaah. The evidence for that is the well-known hadeeth narrated from Samurah ibn Jundub (may Allaah be pleased with him) who said: "The Messenger of Allaah (peace and blessings of Allaah be upon him) commanded us to pay zakaah on everything that was prepared for sale."

But if the land is bought to keep, and not re-sale, whether it is intended for farming, housing, rental or whatever, there is no zakaah due on it because it is not being prepared for sale. And Allaah knows best.

Majmoo' Fataawa wa Maqaalaat Mutanawwi'ah li'l-Shaykh Ibn Baaz, 14/160

And Allaah knows best.