

Introduction to Zakat

(Part One)

Introduction:

Muslims must be familiar with the basic details of *zakat*:

- The Definition and Basic Concept of Zakat
- The Ruling on One who Refuses to Pay Zakat
- Who is Obligated to Pay Zakat
- The types of wealth upon which *zakat* must be paid
- The sub-category of *zakat*, which is *zakatul-fitr* (*zakat* that is paid after fasting during the month of Ramadan).

The Definition and Concept of Zakat

Linguistically, the word *zakat* comes from the root word *zaka*, which means to grow or increase. Some scholars have explained that *zaka* also means, to clean and purity. Both definitions are associated with the concept of *zakat*, which is charity that purifies one from greed as well as increases ones wealth. *Zakat* might appear to physically decrease one's wealth but Allah who is the Provider and Sustainer of all things declares that the wealth is increased for the one who gives in *zakat*. Allah says,

“And that which is given in gift (to others), in order that it may increase (your wealth by expecting to get better in return) from other peoples property, has no increase with Allah, but that which you give in *zakat* seeking Allah's countenances then those, they shall have a manifold increase.” (*Ar-Room* 30:39)

Allah also says,

“Take *Sadaqah*¹ (alms) from their wealth in order to purify them and sanctify them with it, and invoke Allah's Blessing for them.” (*At-Tawbah* 9:103)

The above Qur'anic verses help us understand the concept of *zakat*. According to the Qur'an *zakat* is a purification of the heart that cleans it from greed and stinginess. It is also a type of loin given to Allah, which grows and increases one's provisions.

The technical meaning of *zakat* according to the Shari'ah (divine law) is **“a portion of ones wealth (*maal*) prescribed by Allah to be given to the categories of those entitled to it.”**

The Ruling on One Who Refuses to Pay Zakat

Zakat is an obligation upon those who are required to pay it. If one rejects the obligation to give *zakat* he or she is considered a disbeliever. If one accepts the obligation of *zakat* but fails to pay it do to neglect he/she has committed a major sin. Allah says,

¹ The *sadaqah* is used in this verse because *zakah* is a type of *sadaqah* that has a compulsory obligation attached to it.

“And let not those who covetously withhold that which Allah has bestowed on them of His Bounty thinking that it is good for them (and they do not pay the obligatory Zakat). Nay, it will be worse for them; the things, which they covetously withheld, shall be tied to their necks like a collar on the Day of Resurrection. And to Allah belongs the heritage of the heavens and the earth; and Allah is Well-Acquainted with all that you do”. (*Soorah Ali-Imraan 3:180*)

Abu Hurayrah narrated that the Prophet (saws) said,

“Whoever is made wealthy by Allah and does not pay zakat on his wealth, then on the Day of Resurrection his wealth will be made like a bald-headed poisonous snake with two poisonous fangs. It will encircle his neck and bite his cheeks and say, ‘I am your treasure.’ After saying that the Prophet (saws) then recited the above verse from *soorah Ali-Imraan*, “*And let not those who covetously withhold that which Allah has bestowed on them of His Bounty thinking that it is good for them (and they do not pay the obligatory Zakat).....*”

The Condition to Pay Zakat

Zakat is obligatory upon every Muslim who is:

1. Be a Muslim
2. The owner of the minimum amount of surplus wealth (*nisaab*) required to pay *zakat* on.
3. Free (not a slave)
4. Have full ownership of the wealth or assets that *zakat* is due upon
5. The holder of surplus wealth for one Islamic year (roughly 12 days shorter than Gregorian calendar). – (One year does not apply to agricultural produces or business products. *Zakat* is due at the time of harvest or inventory).

Zakah is Obligatory upon Four types of Wealth

1. Livestock (domesticated animals): camel, cattle, sheep and goats
2. Agricultural products (orchards, crops, grain)
3. Money: Gold, silver and cash
4. Business products (Merchandise)

Money: Gold, Silver and Cash

The Conditions for Paying Zakat on Money

It is required to pay *zakat* on money that has reached the minimum amount (*nisaab*) and has been in one’s possession for one Islamic year (roughly 12 days shorter than Gregorian calendar). This wealth is considered surplus wealth, which is money that is not used on a daily basis.

The Nisaab (minimum required wealth) on Money

Determining the minimum amount of paper money (cash) depends on current value of gold and silver. Paper money is based on the value of gold and silver.

Zakat must be paid on gold and silver whether they are used in the form of coins, ornaments and decorative materials. However, gold and silver carry a different ruling when they are used as a woman's ornaments and jewelry.

During the time of the Prophet Muhammad (saw) gold was used in the form of the dinar and silver was used in the form of dirham. Dinar and dirham were valued by weight not the amount of coins.

The Prophet Muhammad (saw) was reported to have said,

“There is no *sadaqa* on anything less than five *uqiyyas* of silver.” (Ahmad and Muslim)

Five *uqiyyas*² is equal to 200 dirham is 595 grams of silver. Twenty *mithqaal* of gold is equal to 85 grams of gold. One *mithqaal* is equivalent to about four grams of gold.

Understanding the *nisaab* of gold, silver and paper Money

The minimum amount of gold that one must pay *zakat* on is twenty *mithqaals*, which is equal to 85 grams. The minimum amount of silver that one must pay *zakat* on is two hundred *dirham*, which is equal to 595 grams of silver.

The value of gold and silver is not fixed; it fluctuates from time to time, therefore you will find that it is worth more at one time and less at another.

Because paper money is based on the value of gold and silver the *nisaab* for paper currency will fluctuate from time to time and place to place. For the sake of simplicity, 85 grams of gold and 595 grams of silver are equal to about 4,321.00 U.S. dollars; therefore the *nisaab* for paper money is roughly around \$4,321.00.

Required *zakat* payment

The owner of the minimum amount of wealth (*nisaab*) must pay 2.5 % annually.

Business Products

The Conditions for Paying *Zakat* on Business Products

Allah has made it lawful for Muslims to engage in business and to make profits, provided that they do not indulge in unlawful and unfair practices. Allah commands that Muslims observe truthfulness and honesty while conducting business transactions. Also business engagement must not be a hindrance to the remembrance of Allah, or to the fulfillment of spiritual and material obligations prescribed by Allah.

Business products are called '*urud at-tijaara*, which means anything that is used for the purpose of trade for profit. This includes, machinery, furniture, clothing, foodstuffs, ornaments, jewelry, livestock, agricultural produces, land, buildings etc. '*Urud at-Tijaara* is defined as anything that one buys in order to sell for profit.

The *nisaab* (minimum required wealth) on Merchandise

A Muslims who owns business goods for sell, equal to the *nisaab* of money (roughly, \$1,500.00) at the end of a *zakat* year must pay 2.5 % on the merchandise he owns. This does not include the equipment or items needed to maintain the business products, much as, trucks to transport goods etc.

² Uqiyyas

Required *zakat* payment

After one lunar year one should inventory the business items in his business and determine the valued amount of merchandise in stock. Once he determines the amount he must pay 2.5% of the gross net value if it amounts to the *nisaab* of money.

Livestock (domesticated animals): camel, cattle, sheep and goats

The Conditions for Paying *Zakat* of Livestock:

Zakat is due on those animals that you feed and water. If a farmer provides the food and water he must give *zakat* on the livestock.

There are four matters that exempt one from paying *zakat* of livestock:

1. If the animals are taken out to pasture (grazing land) then there is no *zakat* on them. For example, if a Sheppard to take the flock out for feeding.
2. The animal is used for work, like Ox or cows that pulls a plow to cultivate the soil.
3. Offspring of livestock that were not in possession for one lunar year.
4. Livestock that does not meet the minimum require amount (*nisab*).

The *nisaab* (minimum required wealth) on livestock and the required *zakat* payment:

Number of Sheep/Goats	<i>Zakat</i>
40 to 120	One sheep
121 to 200	Two sheep
201 to 300	Three sheep
For every additional 100	One additional sheep

The following table shows the amounts to be paid in the case of cattle (with thirty being the minimum or *nisab* below which one is not required to pay anything):

Number of Cattle	<i>Zakat</i>
30 to 39	A young bull or young cow, one year old
40 to 59	A young cow, two years old
60	Two young, one year old cows
For an additional 30	A young, one year old cow
For an additional 40	A young, two year old cow

The following table shows the amounts to be paid in the case of camels (with five being the minimum or *nisab* below which one is not required to pay anything):

Number of Camels	<i>Zakat</i>
5 to 9	One sheep
10 to 14	Two sheep
15 to 19	Three sheep
20 to 24	Four sheep
25 to 35	A she-camel which is a year old
36 to 45	A she-camel which is two year old
46 to 60	A she-camel which is three year old
61 to 75	A four year old camel
76 to 90	Two young she – camels
91 to 120	Two three year old camels

121	Three young she-camels, for every additional forty, a young she-camel is due: for every additional fifty, a three year old she – camel is due
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Agricultural products (orchards, crops, grain)

The Conditions for Paying *Zakat* on Agriculture:

Zakat is due on agricultural product that are stapled not those items that are perishable. Stapled foods are non-perishable goods that can be stored on the shelf for long periods of time such as cotton, sesame, rice, chickpeas etc. Staple foods do not go bad shortly after harvest. Perishable foods like fruits and vegetables that rot and go bad shortly after harvest if not eaten.

Zakat is paid on perishable foods that are used as business products, then they fall under a different category. Perishable good that are used for personal use do not require *zakat* payment.

The *nisaab* (minimum required wealth) on Agriculture

The minimum amount (*nisab*) on agricultural product is five *wasqs*. A *wasq* is an amount used to determine yield of a harvest. If the harvest is less then five *wasqs* no *zakat* is required.

Required *zakat* payment:

- If the agricultural product was watered naturally by rainfall, ten percent of the yield is due for *zakat* payment.
- If the agricultural product was watered through irrigation or mankind intervention only five percent payment of the yield due for *zakat*.