101 - Paying zakat on total wealth not just the amount greater than nisaab

the question

Should the Zakat be paid from the WHOLE money you have (if more than elnisab) or from the amount you have beyond elnisab (the remains from subtracting the nisab from the whole money) ?

Detailed answer

Praise be to Allah.

Al-hamdu lillah (all praise be to Allah). Al-Khiraqi (rahimahullah) said: "If it (nisaab al-zakaat) is reached then a quarter of 1/10 is due upon it and upon whatever exceeds it, no matter how small." Ibn Qadama (rahimahullah) in explaining this statement said: "Meaning that if the amount of silver has reached 200 (which is the nisaab of silver in dirhams as has been discussed in question # 64) and the dinars 20 (which is the nisaab for gold in the units of mathaqeel [see also question #64]) then one is obligated to pay zakaat upon it one quarter of 10 percent, as this has been established by his (the Prophet's , peace be upon him) saying 'for silver, one fourth of one tenth' " (Al-Mughni ma'a al-sharh il-kabeer, 2/600)

As for the meaning of the rest of the statement that what exceeds the nisaab no matter how small, it means that 1/4 of 1/10 (i.e. 2.5%) is also due upon this surplus difference. Thus, the overall meaning is that if monetary wealth surpasses the amount of nisaab, then zakaat is due upon it all, and not upon the surplus only, nor upon the amount of nisaab only, but on the total. Note that zakaat must be paid on the excess amount over nisaab, regardless of how small. This is the opinion taken by Malik and al-Shaafi'i and jumhoor al-ulemaa'. (see the source quoted above)