78607 - Is zakaah due on business premises?

the question

In 1996 I bought a shop for my brother to work in, but the shop has remained closed until now; my brother has not worked in it and I have not benefited from it. It did not enter my mind that zakaah may be due on it until recently. The price of the shop when I bought it was 400,000, then the price dropped to 300,000 in the year 2000. Now the price is between 700,000 and 800,000. In the coming year, in sha Allaah, I will try to open the shop so that someone can work in it and benefit from it.

I hope that you can advise us as to whether zakaah is due on it or not. What can I do if I do not have enough money to pay zakaah?.

Detailed answer

Praise be to Allah.

The Muslim does not have to pay zakaah on his car, house or shop, even if the value of these things is great. Rather zakaah is due on things that are bought and sold for the purpose of trade and profit, which are called “trade goods”. If a person has any property or real estate – land, houses or shops – which he has acquired for the purpose of trade, buying and selling, then he should work out their value at the time when zakaah becomes due and pay one-quarter of one-tenth. But if a person has acquired that property to live in, or to farm it, or to rent it out or to buy and sell in it, then no zakaah is due on it.

The scholars of the Standing Committee said:

Wealth that people own is of various types. With regard to money, zakaah is due on it if it reaches the minimum threshold (nisaab) and one hijri year has passed. In the case of agricultural land, zakaah is due on the grains and crops on the day of the harvest, not on the land itself. In the case of land or buildings that are rented out, zakaah is due on the rent when one year has passed, not

on the land or building itself. If the land, building or other goods are for trade, then zakaah is due on them when one year has passed, and you should pay zakaah on the profit when one year has passed for the capital, if the capital has reached the nisaab. End quote.

Fataawa al-Lajnah al-Daa'imah, 9/331

Based on this, you do not have to pay zakaah on this shop.

And Allaah knows best.