



89805 - Should he use bank interest to pay off taxes?

the question

It is compulsory on every resident (whether he is a citizen or not) in the country I live in to pay tax. Sometimes the tax that should be paid is too much, and sometimes it is normal. Some people think that the country does not have the right to collect taxes from people; so they use the interest they get from the banks to pay the tax. What is your opinion about this?.

Detailed answer

Praise be to Allah.

It is not permissible to deposit money in riba-based banks, unless that is necessary to protect the money, if there is no Islamic bank that is free from riba. In that case one must limit it to putting money in current accounts only [i.e., those that do not bear interest], so as to commit the lesser of two evils, and because necessity should not be exaggerated.

If any interest is paid on the deposited money, then it must be got rid of, by spending it on various charitable causes.

The Standing Committee for Issuing Fatwas was asked: I am a student in Britain, and we have to pay some taxes to the government, such as road tax and another tax (VAT) of 15% on anything we buy except food and children's clothing. Now there is a new tax on municipal services which are provided the local municipality, such as education, waste disposal, swimming pools, parks, leisure centres and social services. Since we do not benefit from most of these services, as they are contrary to the teachings of our religion, and we only benefit from education, waste disposal and children's playgrounds, and we are obliged to pay these taxes, which are between 3000 and 4000 Saudi riyals per year, my question is: Is it permissible for me to put some money in a deposit account, which is a riba-based account that yields 12% interest per year, and pay some of these taxes using this interest that I will get from this account? Because paying these taxes will put



pressure on me financially.

They replied: It is not permissible for you to open an interest based account in order to pay off taxes with this interest, because of the general meaning of the evidence that riba is haraam. End quote.

Shaykh 'Abd al-'Azeez ibn Baaz, Shaykh 'Abd al-Razzaaq 'Afeefi, Shaykh 'Abd-Allaah ibn Ghadyaan.

Fataawa al-Lajnah al-Daa'imah (13/366)

See the answer to question no. 292

And Allaah knows best.