20057 - Is there any zakaah on their house, shops and jewellery?

the question

I want exact figure of zakat to be paid by us.our family consists of 3 brothers married having children and parents,living together.
1- We have big house in which we r residing,
2-we have second house of indian rs.
3 million value.3-we one business with capital of 2.5 million
4-we have shop of 4 million and we have some different assets of 1 million rs. having jeweellery worth one million rs.how much zakat we have to pay.

Detailed answer

Praise be to Allah.

Firstly:

The Muslim does not have to pay zakaah on the house in which he lives – even if there is more than one house – or on the car which he has for his own use – no matter how valuable it may be.

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

There is no zakaah on houses if they are for living in… but with regard to land, houses, stores and the like that are prepared for sale, zakaah is due on these according to their value each year when a full year has passed, regardless of whether their value has risen or fallen, if the owner has firmly resolved to sell them.

Majmoo' Fataawa al-Shaykh Ibn Baaz, 14/173

Secondly:

There is no zakaah on shops and property used for business themselves; there is no zakaah on

land or buildings or on the furnishings and vessels in the store, no matter how much they are worth, unless these things have been prepared for sale, in which case zakaah is due on them. This is what the scholars call zakaah on trade goods.

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

The basic principle is that everything that is prepared for sale is subject to zakaah, and things that are used in the shop are not subject to zakaah.

Majmoo' Fataawa wa Maqaalaat Mutanawwi'ah li'l-Shaykh Ibn Baaz, 14/183

The way in which the zakaah is worked out is:

The value of the goods that are in the store at the end of the year is worked out, then the zakaah is paid on them at a rate of one-quarter of one-tenth, i.e., 2.5 % of the value. See question no. 26236.

The scholars of the Standing Committee said:

Trade goods are those which have been prepared for sale and purchase of all kinds or property. Zakaah must be paid on them if their value reaches the nisaab of gold and silver, and the owner took possession of them with the intention of trading them. Their value in gold and silver should be estimated at the end of the year, in favour of the poor and needy. The basic principle concerning that is the verse in which Allaah says (interpretation of the meaning):

"O you who believe! Spend of the good things which you have (legally) earned"
[al-Baqarah 2:267]

i.e., what you have earned by trade; this was the view of Mujaahid and others. Al-Baydaawi and others said: Spend of the good things which you have earned, i.e., the obligatory zakaah.

And Allaah says (interpretation of the meaning):

"And those in whose wealth there is a recognised right"

[al-Ma’aarij 70:24]

Trade comes under the general meaning of wealth, so there is a due which the Prophet (peace and blessings of Allaah be upon him) defined as being one-quarter of one-tenth. The wealth of trade is the most important kind of wealth, so it is more apt that it be included in the meaning of this aayah than any other kind of wealth. It was narrated that Samurah ibn Jundub (may Allaah be pleased with him) said: “The Messenger of Allaah (peace and blessings of Allaah be upon him) used to command us to pay zakaah on that which we had prepared for sale.” (Narrated by Abu Dawood)

‘Umar said to Hamaas, “Pay the zakaah on your wealth.” He said, ‘I only have some quivers and leather.” He said, “Estimate how much they are worth and pay the zakaah.” Imam Ahmad (may Allaah have mercy on him) quoted this story as evidence.

It was narrated from Abu Hurayrah (may Allaah be pleased with him) that the Messenger of Allaah (peace and blessings of Allaah be upon him) said: “With regard to Khaalid, you have been unfair to Khaalid, because he is keeping his shields and weapons for the purpose of jihaad.” (Agreed upon). Al-Nawawi and others said: This indicates that it is obligatory to pay zakaah on trade goods, otherwise the Prophet (peace and blessings of Allaah be upon him) would not have explained Khaalid’s excuse.

Al-Bukhaari and Muslim narrated a marfoo’ report from Abu Hurayrah (may Allaah be pleased with him) in which it says: “The Muslim does not have to pay zakaah on his slave or his horse.” Al-Nawawi and others said: This hadeeth is the basis of the view that there is no zakaah on wealth kept for personal use.

Shaykh ‘Abd al-‘Azeez ibn ‘Abd-Allaah ibn Baaz, Shaykh ‘Abd al-Razzaaq ‘Afeefi and Shaykh ‘Abd-Allaah ibn Qa’ood.

Fataawa al-Lajnah al-Daa’imah, 9/186, 187

Thirdly:

With regard to the jewellery that you own, if it is gold and silver then you have to pay zakaah on it at a rate of 2.5% if it reaches the nisaab; the nisaab for gold is approximately 85 grams.

If it something other than gold and silver – such as rubies and coral – and it is worn as adornment, then there is no zakaah on it. If it is acquired for the purpose of trade, then zakaah must be paid on it.

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

Gold is the thing on which zakaah is due; as for precious stones and diamonds, no zakaah is due on them unless they are for trade purposes.

Majmoo' Fataawa wa Maqaalaat Mutanawwi'ah li'l-Shaykh Ibn Baaz, 14/121

The scholars of the Standing Committee said – in a fatwa that covers more than was mentioned in the question –

The fact that zakaah must be paid on coins – whether gold or silver – has been proven in the Qur'aan and Sunnah and by scholarly consensus. Trade goods are not sought in and of themselves, rather what is sought through them is coins, whether gold or silver. Matters are judged according to their purpose, because the Prophet (peace and blessings of Allaah be upon him) said: "Actions are but by intentions." Hence zakaah is not due on a slave who is acquired as a servant, or on a horse that is acquired to be ridden, or on a house that is acquired to be lived in, or on a garment that is acquired to be worn, or on chrysolite, rubies, coral etc that are acquired for use as adornments. But if all of these or similar things are acquired for the purpose of trade, then zakaah must be paid on them, because the purpose behind them is to acquire gold and silver coins or whatever is used in their place… Based on this, whoever withholds zakaah on whatever trade goods he has is sinning…

Fataawa al-Lajnah al-Daa'imah, 9/312, 313

The questioner says, "And we have some different assets of 1 million rs." If these things are gold or silver, or prepared for sale, then zakaah is due on them; if what is referred to is things that are

used such as cars, furniture, etc, then there is no zakaah on them.

In conclusion:

The questioner should evaluate the products that he has at the end of the year and add their value to whatever money, gold and silver he has, and then pay zakaah on the total amount, at a rate of one-quarter of one-tenth (2.5%).

And Allaah knows best.