22426 - Do I Pay Zakah If I Am in Debt?

the question

If a person is in debt that is equal to all the wealth that he has in his possession, or more than that, is he required to pay Zakah on the money that he does have, if one year has passed since he acquired it?

Summary of answer

The one who has any zakatable wealth must pay Zakah on it, when one year has passed since he acquired it, even if he has debts, according to the more correct of the two scholarly opinions. Prophet Muhammad used to command his agents to take Zakah from those who owed Zakah, and he did not tell them to ask them whether they had any debts or not.

Detailed answer

Praise be to Allah.

Shaykh `Abd Al-`Aziz ibn Baz (may Allah have mercy on him) also said:

“The one who has any “zakatable” wealth must pay Zakah on it, when one year has passed since he acquired it, even if he has debts, according to the more correct of the two scholarly opinions, because of the general meaning of the evidence that Zakah is obligatory upon everyone who has wealth on which Zakah is due, if one year has passed since he acquired it, even if he has debts.

The Prophet (peace and blessings of Allah be upon him) used to command his agents to take Zakah from those who owed Zakah, and he did not tell them to ask them whether they had any debts or not. If having debts meant that one did not have to pay Zakah , the Prophet (peace and blessings of Allah be upon him) would have told his agents to ask the people who were paying Zakah whether they had any debts or not.” (Majmu` Fatawa wa Maqalat Mutanawwi`ah, 14/51)

Shaykh `Abd Al-`Aziz ibn Baz (may Allah have mercy on him) also said:

"… But if you pay off the debt with cash in hand before one year has passed, there is no Zakah on what you have spent to pay off the debt; rather Zakah is due on whatever is left, if one year has passed and it reaches the minimum threshold (Nisab)."

Shaykh Ibn `Uthaymin (may Allah have mercy on him) was asked about a person who has capital worth two hundred thousand riyals and owed a debt of two hundred thousand riyals, and was paying it off at a rate of ten thousand per year – does he have to pay Zakah?

He replied:

"Yes, he has to pay Zakah on the wealth that is in his possession, because the texts which speak of the obligation of Zakah are general in meaning, and do not make any exceptions. No exception is made for one who is in debt. As the texts are general in meaning, we have to follow them.

Moreover, Zakah must be paid on wealth, because Allah says (interpretation of the meaning):

"Take Sadaqah (Zakah) from their wealth in order to purify them and sanctify them with it, and invoke Allah for them. Verily, your invocations are a source of security for them; and Allah is All-Hearer, All-Knower." [At-Tawbah 9:103]

And according to the Hadith narrated by Al-Bukhari from Ibn `Abbas (may Allah be pleased with him), when the Prophet (peace and blessings of Allah be upon him) sent Mu`adh (may Allah be pleased with him) to Yemen he said: "Tell them that Allah has enjoined Zakah from their wealth." So Allah and His Messenger have stated that Zakah has to do with the wealth itself, not with the person`s obligations towards others; debt has to do with personal obligations towards others. They are two separate issues, so Zakah must be paid from the wealth that is in your possession, and the debt is a personal responsibility.

Each person must fear his Lord and pay Zakah on the wealth that is in his possession, and seek the help of Allah to pay the debt that he owes, saying: O Allah, pay off the debt that I owe and make me independent of means.

Perhaps if he pays Zakah on the wealth that is in his possession, that may be a means of bringing blessing to this wealth and causing it to grow, so that he may discharge his duty of paying his debts. If he withholds Zakah, however, that may be a cause of his becoming poor, so that he always sees himself as being in need and not able to pay Zakah. Praise Allah if He makes you one of the givers and not one of the takers." (Majmu` Fatawa Al-Shaykh Ibn `Uthaymin, 18/39)

And he said, in another Fatwa on the same issue (18/38):

"If the debt is currently due and repayment is being demanded, and he wants to pay it off, in that case we say: Pay off the debt, then pay Zakah on what is left after that if it reaches the minimum threshold at which Zakah becomes due.

That is supported by what the Hanbali jurists said about Zakat Al-fitr. They said that being in debt does not mean that one should not pay it.

Similarly, it is reported that `Uthman (may Allah be pleased with him) used to say during the month of Ramadan: "This is the month of your Zakah, but whoever is in debt, let him pay it off." This indicates that if a debt is currently due to be paid, and the debtor wants to pay it off, that should take precedence over Zakah. But if a debt is not yet due to be paid off, the Zakah must still be paid, beyond a doubt."

It says in Fatawa Al-Lajnah Ad-Da`imah (9/189):

"The correct scholarly view is that being in debt does not mean that Zakah should not be paid. The Prophet (peace and blessings of Allah be upon him) used to send his agents to collect the Zakah, and he did not tell them to see if the people were in debt or not."

For more details, please refer to the following answers: 106434 , 125854 , 32468 , 13901 , 50014 , and 316052 ,

And Allah knows best.