224770 - Is zakaah due on what a Muslim owns of cars and houses?

the question

Is zakaah due on what a person owns of cars, houses and the like, as personal property?

Summary of answer

Conclusion:

Everything that a person owns of wealth and property, apart from gold, silver and cash, is not subject to zakaah, unless it is for trade, such as cars, real estate and so on.

And Allah knows best.

Detailed answer

Praise be to Allah.

Firstly:

The scholars divided wealth into two categories:

1. Naqd (cash), which refers to gold and silver, and what takes the place of that namely paper currency.

Zakaah is due on this category if it reaches the nisaab or minimum threshold as prescribed in Islamic teaching, and one full year has passed since it was acquired.

1. ‘Ard (property), which includes everything of value that a person may own other than cash, whether it is real estate or movable property.

An-Nawawi (may Allah have mercy on him) said: ‘With regard to ard (translated above as

property), the linguists said that this refers to all categories of wealth other than gold and silver.

As for ‘arad, this refers to all kinds of worldly wealth, including gold and silver and other things.

End quote from Tahreer Alfaaz at-Tanbeeh (p. 114). See also: az-Zaahir fi Ghareeb Alfaaz ash-Shaafa‘i by al-Azhari (p. 108).

Everything that a person possesses of real estate, animals, furnishings, clothing, books and so on is called ‘ard (pl. ‘urood). No zakaah is due on this category, unless it is intended for trade.

Property and goods that the Muslim is keeping for trade are subject to zakaah, whether they are real estate properties, animals, furnishings, electrical appliances, parts (e.g., for cars and appliances), books, food items, clothing, fabric, textiles, construction materials, cars, and so on. The issue of zakaah on trade goods has been discussed in question no. 47761 .

As for goods that a Muslim keeps for any other purpose apart from trade, such as if he is keeping them and using them, such as clothing, furnishings, cars, the house he lives in… Or a house he acquires to make money from it, such as property that he rents out, or a car that he hires out (taxi) – no zakaah is due on this category of goods, according to scholarly consensus, no matter how much of it he acquires or how valuable it is.

This is indicated by the report narrated by al-Bukhaari (1463) and Muslim (982) from Abu Hurayrah (may Allah have mercy on him), who said: The Prophet (blessings and peace of Allah be upon him) said: “No zakaah is due from the Muslim on his horse or his slave.”

Ibn al-Mulaqqin said: This hadith is the basic principle regarding all personal property: no zakaah is due on it. End quote from at-Tawdeeh li Sharh al-Jaami‘ as-Saheeh (10/448).

Ibn ‘Abd al-Barr said: In this hadith, in terms of fiqh, we see that horses are not subject to zakaah and slaves are not subject to zakaah. By way of analogy, the scholars applied the ruling on slaves and horses to clothing, furnishings, vessels, gemstones, other goods and houses, and everything that a person may own except gold and silver, crops and livestock. According to the scholars, this applies so long as these goods are not intended for trade. At-Tamheed (17/125).

An-Nawawi (may Allah have mercy on him) said: This hadith is the basis for the ruling that personal property is not subject to zakaah. … This is the view of all the scholars, from the earlier and later generations.

Sharh Saheeh Muslim (7/55).

Ibn Hazm said: The scholars are agreed that no zakaah is due on items that are acquired for personal use and not for trade, such as gemstones, rubies, mattresses, blankets, clothing, vessels of copper, iron or lead, and so on. Al-Muhalla bi'l-Aathaar (4/13).