78842 - He deals in an’aam animals and in some cases one full hijri year has not yet passed. How should he pay zakaah on them?

the question

I have a rare type of goat, namely the Syrian goat, and it is an expensive kind, the price of some of which may reach 50,000 riyals. I keep them and sell their offsrping and I buy and sell them, and in some cases I do not keep them for a full hijri year. Raising them costs money for feed and veterinary care, and they are kept in a shed and do not go out and eat vegetation. I hope you can advise me whether zakaah is due on them and how it should be calculated; are they regarded as an’aam animals or trade goods?.

Detailed answer

Praise be to Allah.

Firstly:

The majority of scholars are of the view that no zakaah is due on an’aam animals (i.e., camels, cattle, sheep and goats) unless they graze freely on grass in the pasture and one full hijri year has passed for all of them or most of them. But if they are fed and their owner spends money on their feed, no zakaah is due on them, unless their owner intends to trade in them – as is mentioned in your question – in which case they are subject to the zakaah on trade goods.

So these goats that you have are not subject to the zakaah on an’aam animals, rather they are subject to the zakaah on trade goods.

See more details in the answer to question no. 40156.

Secondly:

It should be noted that some people make a mistake with regard to the beginning of the year for zakaah. They think that it is the moment when they buy the trade goods, but that is not correct.

Rather the year for trade goods is when the year from when one acquired the money with which one buys them has passed, if that money reaches the nisaab (threshold).

What this means is that if a person buys trade goods – such as goats that are fed etc – with gold or silver or cash that reaches the nisaab, then the year starts from the time when he took possession of that gold or silver or cash. Similarly, if he buys goats in return for a car that he trades, the year for the goats is the year from when he acquired the car.

The reason for that is that in trade you buy and sell, and exchange money or goods, and if the year is not based on the wealth which came before, there would be no zakaah on trade goods.

Shaykh Ibn ‘Uthaymeen (may Allaah have mercy on him) said, explaining this issue: If a person buys trade goods with money that reaches the nisaab, such as a man who has two hundred dirhams, and during the year he buys trade goods with it, the year does not start when he buys the good, rather it is based on the first, because the year for trade goods is to be based on the first.

Another example is if a man has one thousand riyals of which he takes possession in Ramadaan, then in Sha’baan of the following year he buys some trade goods. When Ramadaan comes, he must pay zakaah on those trade goods, because the year for trade goods is based on the year for the money with which they are bought.

The same applies if he trades goods that reach the nisaab for other goods. For example, a man has a car, and during the year he trades it for another car for the purpose of trade. The year should be based on the first car, because what is sought is its value, not the difference in the two products, and he did not buy the second car to use it, rather he wanted it so that he could trade it. End quote from al-Sharh al-Mumti’.

Based on this, if you took possession of ten thousand, for example, in Ramadaan, then you bought goats with it in Dhu’l-Hijjah, and you started to sell them or their offspring, and buy others, the year for zakaah is in Ramadaan. You have to work out the value of the goats that you have each year, then add to that the cash that you have, and pay zakaah on the total at a rate of one-quarter

of one-tenth. The year for zakaah will continue to be in Ramadaan unless the amount falls below the nisaab during the year, such as if a person sells what he has in Safar, for example, and he puts the money into buying land or a house to live in, then Allaah blesses him with wealth during Rajab, so he buys more goats to trade. Then the year for trading will start in Rajab.

And Allaah knows best.