

Conditions of *az-Zakāh* & ‘Zakātable’ Wealth

A. Conditions of *az-Zakāh*

1. Per Annum

Zakāh is not due on certain types of wealth until after a year has passed. If the period is less, the owner or possessor of the said wealth is not liable to pay *Zakāh*. That is the first condition.

The proof of it is in the words of the Prophet ﷺ: “*And a year has passed on it* (i.e. ‘Zakātable’ Wealth)” (Ar, *wa ḥāla ‘alayhi al-ḥawl*) (Reported by Abū Dāwūd).

2. Maximum Limit of Exemption

The second condition of *az-Zakāh* is the “maximum limit of exemption” (*an-niṣāb*). *An-niṣāb*, in Arabic lexicon, refers to “the place to which something returns or is set,” e.g. place of sunset, handle of a knife, or the like.

Technically, in the language of Islamic Law, *niṣāb* indicates “the amount of wealth that makes it mandatory on its possessor or owner to pay the *Zakāh*.” In other words, *niṣāb* is the maximum limit of exemption on which *Zakāh* is due, as evident from Islamic legal proof texts, which will be discussed shortly.

The concept of *niṣāb* is explained fully in Article No.3 in the *Zakāh* series.

B. Is *Zakāh* a tax?

Az-Zakāh is not simply an alms-tax, income tax, growth-capital tax, or the sort. Rather, it is a divinely ordained annual depreciation tax on the net worth of certain types of wealth owned by believers in the community with certain conditions.

C. Categories of ‘Zakātable’ Wealth

1. Animals

Among animals lawful for consumption, only the following three species are subjected to *Zakāh*: i) camels, ii) cattle, and iii) sheep or goats.

2. Gold & Silver Coins

The gold coins in circulation in Arabia and its environs were dinars, whereas the silver coins were dirhams, which constituted money during the time of the Prophet ﷺ.

3. Buried Treasure

The Prophet ﷺ said, “(The *Zakāh*) on buried treasure (ar-rakāz) is one-fifth (1/5)” (Reported by al-Jamā‘ah).

4. Agricultural Produce

The Prophet ﷺ said, “(On lands that) are watered (naturally) by rivers and (rain) clouds, (the *Zakāh*) is a tenth (1/10); and half of a tenth (i.e. 1/5) for that which is camel-irrigated or watered” (Reported by Aḥmad, Muslim & Abū Dāwūd).

5. Honey

The Prophet ﷺ used to take (as *Zakāh*) a tenth (1/10) of honey (Reported by Ibn Mājah).

6. Other Types of ‘Zakātable’ Wealth

These include all forms of money saved or invested in stocks, shares, bonds, equity markets; certificates of deposits (CDs), money markets, saving accounts, checking accounts; private and public bonds; loans unless used to purchase goods or services.

C. Non-‘Zakātable’ Wealth

No *Zakāh* is due on animals besides camels, cattle, and sheep and goats, such as horses, donkeys, mules, dogs, poultry, fish, pets, etc).

No *Zakāh* is due on precious metals, including pearls, rubies, diamonds, emeralds, etc, or natural

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resources like timber, bauxite, coal, natural gas, oil, etc.

No *Zakāh* is due on the merchandise inventory or items of trade of a business or investment real estate property; rather, *Zakāh* is due on profits or dividends of business ventures based on the aforementioned conditions.

No *Zakāh* is due on fruits and most vegetables.

There is no *Zakāh* due on those categories of wealth because of the absence of authentic proof in Islamic Law (*Sharia*).

Similarly, no *Zakāh* is due on jewelry made gold and silver and other metals. Scholars differ. According to the Māliki school of law (*madhhab*), *Zakāh* is due on jewelry if there is benefit in wearing it. According to Ḥanafī *madhhab*, *Zakāh* is due on jewelry only if it is gold or silver. According to the Shāfi'i *madhhab*, absolutely no *Zakāh* is due on jewelry.

Ash-Shawkāni wrote, "Those who claim that *Zakāh* is due on jewelry do not have authentic evidence, especially since it is narrated that when the Prophet ﷺ sent Mu'ādh, his Companion, with the news of Islam to Yemen, he ordered him to take from the wealth of the people who accepted Islam the *Zakāh* of one dinar out of every 40 dinars in their possession, as reported by al-Bukhāri (i.e. and

not anything from jewelry).
Allah knows best!