

Paying zakaah from the Goods in Trade itself or According to the Market Value

Question: When calculating zakaah for stock in trade, must the zakaah be Calculated using the cost price plus the profit? For example, if the stock cost the trader? 100000 and his markup is 50%, will he calculate the zakaah on 150000, even though the same goods can now be purchased for 100000? In such a situation. it would be in the best interests if the trader to pay the zakaah from the goods itself. However, if this is given to a Madrassah, it would be of no benefit for the students because they cannot use goods like suits and pants. Will it be alright for a trader to then use the zakaah amount kept aside and to purchase something else of the value from his own money, which would be of use to the recipients?

Answer: When the year has passed, the zakaah will be calculated according to the value of the stock at that point in time. While it is permissible to pay the zakaah from the stock itself, one may also pay the monetary equivalent. One should opt for the option that will benefit the poor most and which will best fulfil their needs. One should not look only to one's personal benefit.

It will therefore be useless to give suits and pants to students of Deen. In fact, this would be detrimental to them. One should therefore give them the cash or something useful to them of the same value.

When a person keeps money aside for zakaah, it is not compulsory for him to pay the same money as zakaah. The zakaah will be discharged if he pays it in cash or kind from other money. He may then use the money kept aside to replace the money spent in zakaah. And Allaah knows best what is most correct.

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