Q: (1) We pay income tax and wealth tax regularly. The rate of wealth tax often corresponds to the rate of Zakah. Can we deduct the amount of such taxes from Zakah?

A: The payment of government taxes cannot discharge you from the obligation of Zakah. However, if you have paid the taxes prior to Zakah valuation date, as explained in answer to the previous question, the amounts of taxes so paid need not be included in your zakatable assets. But if you have not paid the taxes upto the Zakah' valuation date, even though they have become due, you cannot deduct the amount of taxes from the zakatable assets.'

Contemporary fatawaa