

146371 - If a person buys land in order to protect his wealth, does he have to pay zakaah when one year has passed?

the question

There is a man who bought a piece of land, not with the intention of trading it; rather his intention in buying it was to protect his wealth and keep it from being lost, and when he needs the money he will sell it. Is zakaah due on it or not?.

Detailed answer

If a person buys land and does not intend to trade in it; rather his aim is to protect his wealth or some other reason, then he is not obliged to pay zakaah on the land even if it remains like this with him for ten years, because he did not intend to trade in it, and because of the report narrated by Ibn ‘Umar (may Allah be pleased with him) who said: “There is no zakaah on goods unless they are for trade.” Narrated by al-Bayhaqi and classed as saheeh by al-Nawawi in al-Majmoo‘ (6/5). Also classed as saheeh by al-Haafiz ibn Hajar (may Allah have mercy on him) in al-Diraayah, 1/261.

Al-Bahooti said in Sharh Muntaha'l-Iraadaat, 1/434:

“Goods” refers to that which is prepared for buying and selling in order to make a profit, even if it is currency. End quote.

Shaykh Ibn ‘Uthaymeen (may Allah have mercy on him) said:

“Trade goods” refers to that which a person prepares for the purpose of making money. Any kind of wealth that a person prepares for making money is regarded as trade goods, whether it is livestock, crops, grains, cars, machines or anything else. Hence you find a merchant offering an item and selling it in the evening, because he does not want the item in and of itself; rather the aim is to make a profit. So everything that is prepared for the purpose of making money is trade goods.

End quote from Sharh al-Kaafi.

He also said: Trade goods are kinds of wealth that a person prepares for business, i.e., he has no aim other than trading in them.

End quote from Liqa' al-Baab al-Maftooh, 78.

He was asked about one who puts his wealth in land, not intending to trade in it or build on it or cultivate it; rather he says, It is to protect my wealth, and if I need it (the money), I will sell it. Is zakaah due on that?

He replied:

No zakaah is due on it. Some of the fuqaha' even say that if he buys real estate with his money so as to evade zakaah, no zakaah is due on it! But this is like cheating [thus zakaah remains obligatory for him]. End quote from Thamaraat al-Tadween.

And Allah knows best.