

38886 - He bought some land in order to sell it after a while – how should he pay zakaah on it?

the question

How should zakaah be paid on land which was bought with the aim of leaving it for a while then selling it?.

Detailed answer

If a person has bought land with the intention of selling it after a while, one of the following two scenarios must apply:

1 – He aims to save the money so that he will not spend it on anything else, but he does not intend to trade or make a profit. In this case there is no zakaah on the land.

See question no. [34802](#)

2 – He does intend to trade and make a profit, in which case this land comes under the heading of trade goods, so zakaah must be paid on it.

The value of trade goods should be worked out at the end of one year on the basis of their current value, not the price for which they were bought, and the zakaah must be paid on them. The rate of zakaah that must be paid is one-quarter of one-tenth, i.e., 2.5%.

For example: if you bought land for one hundred thousand riyals, and when zakaah becomes due on it its value is now one hundred and fifty thousand riyals, then when one year had passed you must pay the zakaah of one hundred and fifty thousand riyals. The converse also applies. If you bought it for one hundred thousand riyals and when one year has passed its value is now only fifty thousand riyals, then you only have to pay zakaah on fifty thousand riyals.

See Fataawa al-Lajnah al-Daa'imah, 9/334; Fataawa wa Rasaa'il al-Shaykh Ibn 'Uthaymeen, 18/205, 236

Note:

It should be noted that the year for reckoning zakaah on trade goods does not begin from the time one bought the land or other product, rather it begins from the time when the wealth with which you bought those goods reached the nisaab (minimum threshold).

Based on this, the year for this land is the year for the money with which you bought it.

See question no. [32715](#).