

98015 - He has an internet café – how should he pay zakaah on it?

the question

I own a shop that provides internet services for university students and others. I have completed a year since I bought it. I do not know how to pay the Zakat on its earnings. And as you know, the shop that provides such services is not selling actual goods. It offers services which we charge for. Do I have to pay Zakat on the equipment in this shop? Should Zakat be paid out of the capital that was used in establishing the shop or out of the profits made of it? If the whole profit was spent within a year, shall I pay Zakat of the profit I made or of what remains of it?.

Detailed answer

Firstly:

The goods that are found in business premises are of two types:

1 – Things that are prepared for sale, such as tools, clothing and so on. These are subject to zakaah because they are trade goods.

2 – Things that are prepared for use and not for sale, such as manufacturing equipment, office furniture, photocopiers and computers that are not for sale, rather they are to be used by the employees or workers. There is no zakaah on these, rather zakaah is to be paid on the money that they bring in.

Secondly:

Once it is known that zakaah is only due on the profits that result from the what the company owns of equipment, tools and furniture – then in order for zakaah to be due on the profits, they must reach the nisaab (minimum threshold) and one year must have passed. The nisaab is the equivalent of 85 grams of gold. If one year has passed but the profits did not reach the nisaab, or

they reached the nisaab but you disposed of them before one year had passed, then no zakaah is due on them.

Thus it is clear that there is no zakaah on the equipment that you own, and there is no zakaah on the capital that you put into the café. Rather zakaah is due on the money that has been earned, if it reaches the nisaab and one year has passed. But if it was spent before the year passed, then you do not have to pay zakaah.

If the money (accumulated from the profits) decreases but it does not become less than the nisaab, then you should pay zakaah on what is left after one year has passed.

And Allaah knows best.