190247 - Does being in debt mean that zakaah is no longer due? Can he delay zakaah because he has no cash available?

the question

In our country we have been affected by war and we were expelled from our land 23 years ago. Praise be to Allah, my father and I are settled now and we have a business. We borrowed money in order to settle and start a business, the value of which was 1 million. When we worked out the value of zakaah that we owe on the property and trade goods that we have in our possession, it was estimated to be 7 million, and the trade goods on which zakaah is due are worth 5 or 6 million.
My questions are:
1. Are we required to pay zakaah, as we have not paid it all these years because we were not able to pay off the debt of 1 million? Was it correct for us not to pay zakaah?
2. We do not have any cash now, if we are required to pay zakaah. We helped a brother of ours to pay off a debt he owed, so that he could pay off the borrowed amount without paying the interest that had been agreed upon. Is it possible for us to waive this debt and thus pay off the zakaah that we owe?
3. We own some property in the country where the war was, that we took possession of after the war ended, and we are planning to sell this property in order to pay off debts and so that we can buy a house in the place where we live now. Is this property subject to zakaah?.

Detailed answer

Praise be to Allah.

Firstly:

Zakaah is due on trade goods according to the correct scholarly opinion. Whatever has been prepared for trade is subject to zakaah if it reaches the nisaab or minimum threshold and one hijri

year has passed since the capital was acquired.

Secondly:

According to the correct scholarly view, debt does not mean that zakaah is waived. If a person owns the minimum threshold and one hijri year has passed, he must pay his zakaah, even if he owes a debt that brings his wealth lower than the minimum threshold. But if he pays off his debts before the new zakaah year begins, and his wealth falls below the minimum threshold, then he does not have to pay anything.

Thirdly:

Based on the above, you have to pay zakaah for the years during which you did not pay zakaah when it was due from you. The fact that you did not know that debt does not waive the obligation of zakaah does not cancel out the obligation that was due from the wealth, even if it does mean that the burden of sin for not paying zakaah on time is waived.

Fourthly:

If a person lends money to someone, he does not have the right to let him off and count it as part of his zakaah. This is the view of the majority of scholars. So you do not have the right to count what you lent to this person as being part of your zakaah. But if you gave him the zakaah of your wealth, and he returned it to you in order to pay off his debt or part of it, there is no blame on you for that.

See the answer to question no. 13901. Based on that, it is not permissible for you to count what you lent to this man as part of your zakaah.

Fifthly:

If zakaah is due from a person and he does not have any cash with which to pay the zakaah, then he has the choice: either he can sell some of the wealth on which zakaah is due and pay the zakaah; or he can give some of the trade goods that he has that are equal in value to the zakaah

he owes, if those goods are things that will be of benefit to the poor, such as food, clothing and so on; or this zakaah may remain something that he owes until he acquires cash with which to pay zakaah, if selling something on which zakaah is due will affect him adversely. See the answer to question no. 177963

Sixthly:

With regard to the property in the land where war occurred, if you could not dispose of it or reach it because of the war, no zakaah is due on it for the past period, because it comes under the ruling on property that was usurped and could not be disposed of. But as you have been able to obtain it and dispose of it, then to be on the safe side you should pay zakaah of one year on it for what has passed, even if it was many years. See the answer to question no. 129657

All of this applies if this wealth was things on which zakaah is due in the first place, such as cash, gold, silver and the like. As for property such as agricultural land and real estate, there is no zakaah on that at all; rather zakaah is due on the crops and returns. During wartime, there were no crops or returns.

And Allah knows best.