

Ruling on zakaah that is paid to the department of zakaah and income tax
I own an association and I pay an amount of Zakah (2.5% of my capital money) to the department. of Zakah and income tax. Considering it as Zakah of trade, if I stop paying it, this will disturb many needed procedures for me, for example, requiring any information update in my documents or bringing employees from overseas. I have to pay this amount but I read in some books that it is not considered Zakah, and that I have to pay Zakah separately myself regardless what I pay to the department. Please clarify this matter, as this is an important question to every company and association in the KSA. May Allah guide you to the best.

Praise be to Allaah.

So long as it is demanded of you in the name of zakaah and you pay it with the intention of paying zakaah, then it is zakaah, because the authorities have the right to demand zakaah from the rich and spend it on the causes on which zakaah is to be spent. You do not have to pay any other zakaah from the wealth on which you have paid zakaah to the state.

But

if you have other wealth or profits on which you have not paid zakaah to the state, then you must give it to the poor who are entitled to it, and others who are entitled to zakaah. And Allaah is the Source of strength. End quote.

Shaykh ‘ Abd al- ‘ Azeez ibn Baaz (may Allaah have mercy on him)