189181 - They inherited wealth from their father and invested it in some business; how should they pay zakaah?

the question

We are three sons, three daughters and a mother. We inherited 14,500 Jordanian dinars from our father and we invested this money in some business; every month we get 215 Jordanian dinars. Is any zakaah due on this amount, because this money belongs to everyone?.

Detailed answer

Praise be to Allah.

Firstly:

The mother's share of the estate is one-eighth. The rest is to be divided among the sons and daughters, with each male getting the share of two females. If we realise that the nisaab (minimum threshold) for zakaah is the value of 595 grams of silver, then the share of each member of the family reaches the nisaab by itself, so each one should pay zakaah – one quarter of one tenth – himself, after one full (hijri) year has passed; he should pay it himself if he does not have any other wealth or he should add it to whatever of that wealth he owns.

The same should be done every year; the share of each individual should be examined. Any individual whose share reaches the nisaab, of gold or silver, must pay zakaah on it. Anyone whose wealth falls short of the nisaab is not obliged to pay zakaah on it.

Secondly:

Each individual may pay zakaah on his share, but if you have made the wealth as if it is the wealth of one individual, then zakaah should be paid on the entire amount.

See the answer to question no. 156008

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Thirdly:

Wealth that results from the capital is profits that should be divided among you according to the share of inheritance that each person had; whatever has been spent is not subject to any (zakaah); whatever has been saved should be added to one's wealth and zakaah paid on it when one full (hijri) year has passed.

The obligation to give zakaah, and the rate, vary according to the nature of the business in which the money has been invested. If the business has to do with trade goods and dealing in electrical or electronic goods and equipment that are sold to people, zakaah must be paid on the business at a rate of one quarter of one tenth. That should be based on the market value at the end of the year; zakaah must be paid based on that value. If the business is a commercial venture in which no goods are sold, such as if it involves vehicles for hire, apartments or other real estate for rent, or production tools, then no zakaah is due on it in the first place; rather zakaah must be paid on income generated, if it reaches the zakaah, when one full (hijri) year has passed.

See the answers to question no. 74987 and 69912

Fifthly:

We would like to draw your attention to something that may have been a mistake in your getting involved in this business, because you said in your question that the income is fixed – 215 dinars. This may mean one of two things:

(i) It is halaal, which is if the business is an apartment that is rented out, for example, and has a rent that is fixed at this amount. The same applies if the business is a car that is hired out to someone for this amount.

(ii) It is haraam, which is if there is a mudaarabah transaction with someone who does business with the money and gives you a fixed amount that is not a ratio of the profits. The reason why this is prohibited is that a transaction of this nature is a "loan that brings benefits." Any mudaarabah transaction in which the capital is preserved or brings an income of fixed value is a prohibited ×

transaction.

See also the answer to questions no. 122622 and 139631

We hope that the former is the case here.

And Allah knows best.