

Taxes in Islam and Islamic civilization from an Islamic perspective

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Author (s) :

Syed Raza Shah Gilani

Assistant Professor, (Law) at Abdul Wali Khan University Mardan,. Pakistan,

Email: sgilani@awkum.edu.pk

Muhammad Haroon Khan

Deputy Registrar & Assistant Professor Department of Shariah & Law, Islamia College Peshawar, Pakistan, Email: haroon@icp.edu.pk

Ali Mohammed AlMatrooshi

Colonel in Dubai Police General Department of Human Rights Dubai, Email: a.matrooshi@gmail.com

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Abstract & Indexing



Abstract:

In accordance with what is necessary for the common good, the State has the right and the ability to impose responsibilities and organise obligations on persons within its borders. A tax is one of the most significant compulsory duties placed on individuals by the state. To impose mandatory levies on persons or corporations by governments was the definition of taxation. Almost every nation collects some form of taxation, usually from its citizens, to fund governmental operations and services. The tax is collected for the benefit of the State Treasury by forcibly deducting a portion of individual income. To meet these commitments, governments impose taxes on their citizens as a means of raising revenue to fund essential services and advance the nation's economic, social, and political agendas.

Keywords: *Taxation in Islam, Zakat, Khumsans and Ushr*

Introduction

This article seeks to answer the question: Is taxation lawful under Islamic law? There are five main parts to this article. The first examines Islam as a religion and its judicial foundations broadly. The fundamental Islamic legal sources of the Quran and the Sunnah are discussed, together with the subsidiary sources of the Ijma and the Qiyas within the framework of Islamic Law. In the second part, we examine the Islamic perspective on taxation as a source of public income and the power of the Wali al-Amr (the head of state, who may be a king, president, or prince) to levy taxes and other forms of fiscal charge. The final part of this analysis focuses on Islam's ultimate goals. The fourth section compares Zakat and tax from the Islamic scholars' point of view, and analyses these views which could be called a Fatwa. Finally, a conclusion is provided.

The monetary duties of individuals under the framework of Islamic law are represented by zakat and other resources from Kharaj, jaziyah, and tithes, all of which are seen to be gifts from Allah (Ushour). But some Islamic jurists have argued that these financial resources do not mean that the state is not allowed to assign individuals financial obligations other than what the Islamic law defined in the Quran and Sunnah. Most modern jurists see the state has the right to impose taxes as well as those mentioned by the Islamic law. Thus, the state, whether under Islamic law or under positive legislation, has the right to impose taxes on individuals. Islamic and legal jurists have researched this point to find a legal justification base for the right of the state to impose taxes on individuals. Finally, the main question that should be addressed in this section, is there a tax in Islamic law? and to what extent that the Islamic principles are contented to taxation or there is alternative regulation of taxation. Is tax in Islamic law original law or temporary exemption case? To address that question above, the Quran, Sunnah, Islamic jurists' opinions need to be examined.

The regulation system in Islamic law

Regulation may be a sign to distinguish justice system specifically in relation to fundamental regulations and provisions within the area of private rights, civil and criminal. In Islamic law, the regulation of these areas is based on the original Islamic legal texts and the Holy Scriptures, such as the Holy Quran and Sunnah. And with the idea of not wasting time and space, the teachings of which govern

the fundamental Islamic principles, allow the implementation of the law to be opened to novel emerging incidents for interpretation from evaluation and individual scholars or Islamic organisations.(Çizakça, 1989) Yet, there are parts of the fundamental Islamic principles which contain elaborated guidelines on the procedure with legal situations such as punishments for specific crime and inheritance.

However, it should be pointed out that that the implementation of regulation these fields is far away from symmetrical across the Islamic world. The main principles are determined in the original texts, which are the Quran and Sunnah, and researchers and interpreters whose interpretations or commentaries most nearly express the original law have brought about developments through a series of extraordinarily varied and even discordant understandings of Islamic law. This may be because of the variety of cultures across old civilisations and the hugely varying financial situations of various Islamic countries.(Ganiyev & Zinatullayev, 2020; Suryanto et al., 2018)

Apart from this tendency by jurists to interpret Islamic law differently, for several hundred years, is considered to be one of the most respected, just and broadly implemented legal systems noted in the history of the law. Also, Islamic law has developed many teachings; not through formal educational or official lawmakers. But instead through groups of jurists each following a particular doctrine. However, now only four schools are still in existence. In historical order they are Hanafi, Maliki, Shafii and Hanbali schools, and they are prevalent in specific geographical areas, for instance, Maliki School can be found in range of areas including Morocco, Algeria, Libya and part of Egypt.(Syahbandir et al., 2022) While Hanafi school can be located in Turkey, Syria and Jordan. However, the core differences between them are more theoretical than regional.

Primary Sources of Islamic Law

In Islamic law, there are four primary sources: the Noble Quran, the Sunnah, Ijma and Qiyas, and the majority of Muslims consider them as primary sources in that order. Thus, they will be described as follows.

The Noble Quran

In recent decades, there has been a rise in the number of books and articles written by western experts on Islamic studies and the Holy Quran. Because the Holy Quran has remained at the very centre of any Islamic political system or school of thought, it seems likely that this is the case. So, learning Islamic law or its sources requires an understanding of the Holy Quran.

According to Abdu Haqq, "that which should be recited, read, or studied" best describes the book that contains the revelation from Allah to his Prophet Muhammad (peace be upon him), and the name "Quran" refers to this book in a more technical sense.

For this reason, the Quran plainly states that jurists are to "take what the Messenger assigns to you, and deny yourself that which he withholds from you"(Irkhami, 2019) (so accept what the Messenger assigns to you, and deny yourselves that which he withholds from you). And be afraid, for Allah's punishment is severe. It is clear from this passage that the Sunnah is an important resource for understanding the Quran. From another point of view, the Quran prohibits a specific levy called "maks". The basic Islamic law texts govern relations and transactions, to ensure justice and prevent repression. Whatever Almighty God has permitted in transactions, contains equity and corrects the problem of peoples, and whatever is forbidden includes repression and corruption.

Furthermore, there is a consensus among Muslim jurists that maks is forbidden. Yet they disagree on the interpretation of this term. Maks was defined by Ziauddin Ahmad in his article Ushur and Maks in Early Islam as “a levy usually imposed at the rate of 10% of the saleable commodities at the octroi posts”.(Nigamaev et al., 2018) There is a wide argument about tax in Islam, and Islamic jurists have discussed this topic deeply, so for the coherence of the present research, it will be examined later in this article.

The Sunnah.

The root meaning of ‘Sunnah’ in the Arabic language according to Ibn Manthour is the method that may be either good or bad. In addition, Sunnah signifies the meaning of God’s precedent, in Quran “Such has been God’s precedent with those who passed away before. You will find no change in God’s system”.(Al-Mamun et al., 2020) Thus, for instance, when a person is on the Sunnah, it means that person following the guidance of Prophet Muhammed peace be upon him.

Imam al-Shafi had stated: The first form of the Prophet's Sunnah prescribes the same as what God has revealed in His Word, the second type explains the main principles of the Qur'an and clarifies the will of God, and the third type is the Messenger of God's rulings on subjects for which no guidance is given in God's Book. The Sunnah is the second source of Islamic law and religion, following the Quran in importance, and it elaborates on matters not covered by the former. In the same way, it is considered to be a separate and distinct source of legislation from the Holy Quran due to the fact that it may contain provisions not mentioned in the Quran, such as the rules for dispensing Zakat, which is mentioned in the Quran as a provision but clarified in the Sunnah into many rules. Furthermore, the Islamic faith, legislation, morality, values, penalties, and worships are all grounded on the teachings of the Quran and the Sunnah. When it comes to authoritative and legislative indication, the Quran and Sunnah are on same footing. If a text's authenticity and meaning are confirmed to be correct, then Islamic scholars will adopt the text's decision and apply it without regard to whether or not it was derived from the Quran or the Sunnah. So, the Sunnah is typically necessary and cannot be abandoned for interpreting the Quran.(Al-Mamun et al., 2020)

The progress of Sunnah was discontinued by the prophet Muhammed’s death; nonetheless, it had been narrated through the prophet’s companions to the next generation and generation by generation. But now, the Sunnah is accredited to distinguish between those considered rightfully attributed to their source or detail the faults of those of dubious by Muslim scholars. Both the Quran and Sunnah acquire a high legislative status forming the Islamic legislation, especially if we took into consideration the following Quranic verses.

Ijma as a Primary Source (Consent)

After the Holy Quran and the Sunnah, most Muslim jurists consider Ijma to be the third source of Islamic law. While some argue that Qiyas should be placed ahead of Ijma for reasons that are outside the scope of this discussion. While the Quran and the Sunnah are both textual sources, the Ijma is derived from the collective wisdom of Muslim jurists who are well-versed in both. Ijma is a third source that jurists turn to when neither the Qur'an nor the Sunnah provide sufficient proof for a new issue at hand (general agreement).

A- From Quran “And whoever opposes the Messenger after guidance has become clear to him and follows other than the way of the believers, we will link

him to what he has chosen for himself and drive him into Hell, the worst destiny".(Alkhateeb, 2017)

B- From Sunnah "My nation will not be unanimated on the misguidance of people"(Alkhateeb, 2017)

Ijma means "assembly" in Arabic, but it has a different connotation in Islamic law, where the universal consensus of the experts of the Muslim community as a whole form final Ijma. A number of passages in the Quran and Sunnah advise promoting Ijma for legislation, and there are other supporting pieces of evidence.

Qiyas (Analogy).

With the same effective cause (illah), a Sharia value can be transferred from one situation (asl) to another (qiyas). Qiyas seeks to apply the same decision from the Quran or Sunnah to a new situation based on the same illah. As an illustration of the use of qiyas, consider the Quranic injunction against engaging in commercial activity between the second-to-last call for Friday prayers and the conclusion of the prayer. This ban includes not just urban business but also farm labour and government service.

Another example for more clarification, qiyas was used in heroin prohibition as follow. There is no mention to heroin from the Quran and Sunnah. The Quran and Sunnah prohibit alcohol explicitly (asl) for the negative effect on the human mind (illah), so, from this (illah) Muslim jurists took the provision of alcohol prohibition, and then apply it to heroin, because they both have a negative effect on the human mind. Qiyas can be done by any Muslim jurist.

The texts of the Noble Quran and the Sunnah are finite and limited; while the numbers of potential issues are unpredictable and infinite. So, because of that, Qiyas is considered to be the most proper solution in case of missing injunctions either in the Noble Quran or Sunnah, practically when there is no consensus has been reached. Qiyas is the power of jurisprudential resources in the secondary rules of new matters.(Risso, 2018)

There are many verses from the Quran and Hadiths from Sunnah promote Qiyas (Analogy):

1- From the Quran, "O you who believe! Obey God and obey the Messenger and those in authority among you. And if you dispute over anything, refer it to God and the Messenger, if you believe in God and the Last Day. That is best, and a most excellent determination." The Noble Quran refers Muslims to use Analogy.

2- Sunni doctrine states that Before sending Mu'adh ibn Jabal to Yemen, the Prophet of Islam posed the following question to him: "How would you judge when the occasion of judging a matter arises?" I'll make my decisions based on the Quran, he said. If you look in the Book of Allah and find no answers, he questioned, "(What will you do)?" In line with the teachings of Allah's Messenger, he said. He said, "I will do my hardest to figure it out, and I won't hold back." The Prophet then gave him a peck on the chest and remarked, "Praise be to Allah, Who has helped the messenger of the Messenger of Allah to locate something which pleases the Messenger of Allah." Muslim legal scholars learned from this hadith that an analogy is distinct from (Ijtihad).(Pipes, 2017)

The importance of schools of thoughts in Islamic law

Some ignorant people may think that regulating laws on a broad range of views should not be recommended. Over and above some extremists might even believe that these diversities are inconsistencies with the legislation sources because these

Islamic sources are contradicting each other and for that reason they cannot be valid sources. On the other hand, there is a strong claim that variety of jurisprudential opinions consists of actions and beliefs especially in the common law where their provision should lie. Besides, more resources mean a wider horizontal legal framework and that should make laws more effective and useful for the community.

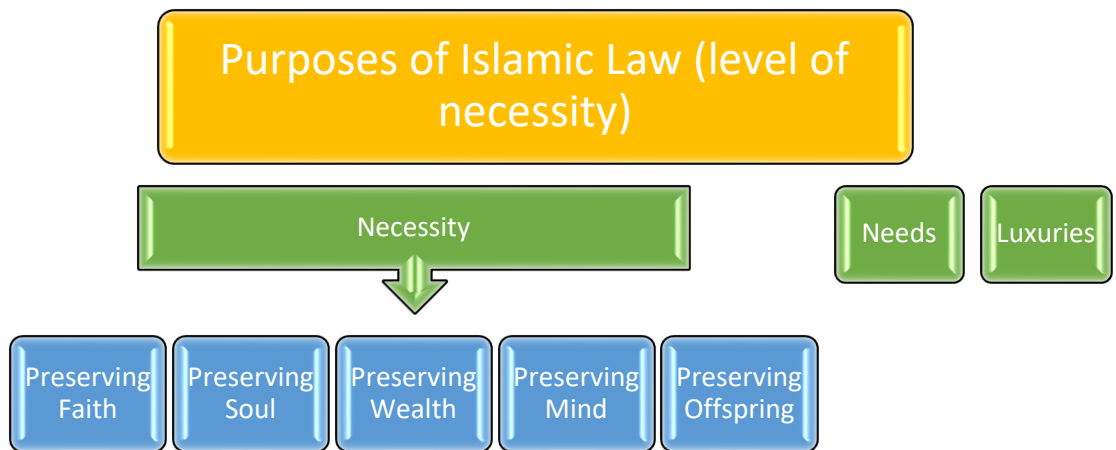
Muslim jurists' differing perspectives and interpretations are necessary. Although there may appear to be inconsistencies between various interpretations of the law, no one can dispute the authority of the law itself, hence all interpretations are valid. This means the texts are open to several interpretations, each of which may prove fruitful in finding an answer to the problem at hand. Differences amongst jurists will be difficult to reconcile due to the wealth of alternative readings of the primary texts when enacted and the diversity in approaches to measurement, but this will only increase their worth.

Islamic Objective (Maqasid Al-Shariah)

The term Maqasid might refer to more than a meaning, a principle, intend, purpose, objective or goal are the most popular meaning for the term Maqasid. Maqasid of Islamic law are the objective behind Islamic ruling and provide wisdom to the reason for issuing a law. There is also a general agreement that the preservation of these necessities is the objective behind revealed law. Take Zakat as an example, why Zakat is one of Islam principle, and it is an obligation on every Muslim adult. It enhances social welfare. Accordingly, it meets one of the Maqasid which is preserving wealth.

In addition, the Maqasid of Islamic law are categorised in certain levels which are necessity, needs and luxuries. A further classified on necessity which is preserving one's faith, soul, wealth, mind and offspring.

The chart below may help to demonstrate them more clearly.



Hierarchy of the purposes of Islamic law.(Soares, 2020)

Islamic law and Taxes

The provision on imposing a tax in Islamic Regulation

In Islamic law, there are many opinions about imposing tax similar to any other subjects in Islamic law and others laws. These opinions may be summarised into two major opinions:

- 1-The first group of Islamic jurists agree to impose a tax subject to conditions.
- 2-The second group prohibits imposing any kind of tax under any circumstances.

Both opinions and their evidence will be discussed below.

- 1- The opinion and evidence for Islamic jurists in favour of imposing tax

The Hanafi doctrine says that it is permissible to impose taxes on people, if there is a need for it, as they call them "Noa'ib". For instance, hiring people for security in cities, or built army, the redemption of captives and he continues: "This should be restricted if there is not enough money in the public treasury.(Nigamaev et al., 2018)

The Maliki doctrine declares that The Wali Al-Amr (The ruler) has the right to impose taxes for special circumstances and from the sayings of their jurists: Al-Shatbi says if Wali Al-Amr needs to re-establish the lack of soldiers to fill gaps, and protect the sovereign of the vast countries, and the public treasury, and increased the needs of the soldiers to what is not enough, it is fair to impose on the rich what he sees enough for them immediately to increase money for the public treasury until a money might be found at the public treasury from other sources , and then he may consider to employ taxes on yields and fruits and so on. In addition, in the past, the expenditure of public treasury was not wide and huge similar to contemporary practices.

Al-Shafei doctrine recognises the legitimacy of taxes on the rich if the Wali Al-Amr needs it for public interest. One of the greatest Islamic Shafei jurist Al-Ghazali in his book *Al-Mustasfa* states that if the sources of the state is free of money and the exchequer may not meet the army and soldiers' expenditures then soldiers may look for business for their sustenance. It may lead to a revolution or an enemy entering the land of the state.(Lewis, 2018)

In Hanbali doctrine, the scholars allow imposing a tax, and it was called (Al-kulaf Al-Sultaniah) which means Sultan's charge. These taxes were considered Jihad of money, Ibn Taymiyyah states that clearly in his book *Al-Fatawa*, what the Sultan takes from the wealthy people is considered as Jihad of money. He continues if they were required to give something to the Sultan, he would impose something from them when they sold, and sometimes taken from sellers, and sometimes from buyers.

The opinion and evidence for Islamic jurists who prohibit imposing taxes

This group of jurists consider that any kind of tax is forbidden due to that the only required financial obligation is Zakat; otherwise, all other financial kinds are optional. Their evidence is that Zakat is the only financial obligation, and when it is paid, there is no other right to take other's money. Additionally, there is hadith which is always cited by who prohibits imposing tax, the Prophet Mohammad said: "When you pay the Zakat you have fulfilled what is required of you".(Irkhami, 2019)

To sum up, and after revealing all the four main Sunni schools' opinions, it is obvious that there are no verses from The Quran or hadiths from Sunnah for such kind of any type of taxes. However, all of the Islamic schools looked at other general Islamic sources to permit it. For instance, all of the Islamic jurists found that the public interests are the major reason for imposing taxes, and neither The Quran nor Sunnah has explicit evidence to prohibit it. Another point, all the verses in The Quran which indicate the need for mercy and good cooperation between Muslims can be used as evidence for validating imposing taxes. What's

more, there are Islamic Qua'ed (Islamic rules) which may be used for imposing taxes, for example, (the privet damage is afforded for pushing the public damage), and (preventing mischiefs is better than bringing benefits). On contrary, there are sort of taxes which are forbidden for the reasons discussed above, similarly, inheritance tax.

Features of tax-structure in Islam

Imposition of additional taxes in Islamic states is similar to legal taxes in other countries. The ground in Islamic law is that the required worships are the only obligations on Muslims including Zakat and its kinds such as Zakat Al-Fittr. However, some people might consider it apart from tax, but it cannot be exempted or exceeded on what The Quran or Sunnah says. Besides, the distribution of Zakat is defined and specified in eight distinct categories. Subsequently, it is fair distribution and it leads to justice among the society and taxes may come when the obligation worship (Zakat) did not fulfil the need for the society.

A- Conditions for imposing taxes: these conditions are extracted from jurists' opinions which were mentioned above

- 1- There is a real public need whatever its kind military, developmental or social, and this need must be authorised by experts in that field.
- 2- When all other financial obligations failed to cover that need. And to do that, financial obligations, such as Zakat and kharaj must be collected, and then impose a tax just to cover that need.
- 3- The tax must be in the limitation of that need because when it exceeded, it becomes forbidden.
- 4- The tax must be imposed on the riches first, without the low incomes, and justice must be sought, and no discrimination between groups. Finally, it can be taken either in money or something else such as products or lands.

B- Conditions for distributing taxes: these conditions are extracted from jurists' opinions which were mentioned above

- 1- Tax should be distributed legally because Islamic forbids squandering, that can be found in The Quran CH17:27 "The extravagant are brethren of the devils, and the devil is ever ungrateful to his Lord".(Gilani, 2019) Similarly, there many examples for squandering which can be occurred as an investment fund, sources of the stated or the priorities of the state's needs.
- 2- Tax should be distributed on the need of the reason that has imposed for. For instance, if it is imposed for the army, it must be distributed to the army, and that is including building houses, hospitals and schools. What's more, it cannot be distributed on luxuries or entertaining. The reason behind that is to achieve justice and fairness.
- 3- The collector should have some characters, such as justice, honesty, good morals.(Nigamaev et al., 2018)

The basis of the right of the state to impose a tax on legal legislation

Firstly, from its objectives, taxes in the Islamic concept are based on an assumption according to the Islamic source from the Quran, the Sunnah or other secondary sources from Islamic legislation, whereas taxes in the conventional legal concept from some of the economists do not rely on an assumption on some of the Islamic law, but may be imposed on the basis of the theory of State authority or on any other basis and theories that are used to justify the imposition of the taxes. This is the opposite of the situation in the Islamic legislation since everything must be compatible with Islamic law either with the text of the Quran, Sunnah or secondary sources of Islamic legislation.

Secondly, taxes in customary international law is a source of the state's fixed resources, in addition, legal and economist jurists continue to emphasise in imposing taxes, whereas taxes from the Islamic perspective, is imposed for emergency circumstances, That is, the state can be found in prosperity without imposing due to the idea of the state's own sources of funding.(Djatkiko, 2019)

Thirdly, the tax is continuous, permanent, and is imposed through law as it affects the income of individuals and the whole society. The imposition of tax on a particular product or goods, especially the basic ones might lead to increase of these goods/prices on consumers or the individual people; therefore all of this constitutes a kind of importance. On the contrary, in accordance with Islamic legislation, it does not require this kind of law, but it is enough to have a decision from the Wali al-Amr or the governor explaining the mechanisms of imposition, its value, its reasons and the period of time in which the tax is imposed. In summary, taxes are imposed only with the decision of the Wali al-Amr or the law, as the case may be.

The differences between Islamic financial resources and Taxes in contemporary states

The Islamic financial resources

Since achieving public interests and securing the necessary needs of any society is the primary responsibility of the state, it cannot play its role in public expenditure unless there are regular and periodic financial resources that have been entrusted to it. As Islam is a life system for Muslims, Justice, mercy and equality, it is duty on Islamic state is to be a pioneer and a good example of taking responsibility for its children and ensure their basic needs and provide public services required by life, and achieve social solidarity among them. As it is the duty of the State to achieve the political, social and economic security of its citizens in addition to its religious and spiritual duties. Accordingly, did the Islamic state have financial resources at the time of the Prophet Mohammad (peace be upon him) and after him?

Certainly, there are sources of state financial, or how to spend the state and defend itself and help the needy and other implementation of the responsibilities entrusted to them, and the most important of these resources, which relied on the state treasury in the beginning of Islam:

1- Zakat

“Zakat is a duty in Muslims’ private money for a specific group at a specific time.”(Khairuddin, 2022) Any person who is a Muslim must pay Zakat by cash, agricultural or commerce when his/her money reaches the prescribed quorum (Flat levy). He who has a quorum (Flat levy) must pay his Zakat to the state or the state will collect it to spend it on its beneficiaries. The Noble Quran says to require Zakat “Receive contributions from their wealth, to purify them and sanctify them with it; and pray for them. Your prayer is comfort for them. God is Hearing and Knowing”.(Alshater et al., 2021) And in another verse clearly shows the duty of Zakat “But if they should repent, establish prayer, and give zakat, let them [go] on their way. Indeed, Allah is Forgiving and Merciful.”(Mahomed, 2017) From these verses, it shows the importance of Zakat in Islamic law as financial resource for a state. Al-Razi in his well-known book Al- Tafsir Al-Kabir, interpreters this verse as it indicates that zakat is obligatory on every money that a person acquires, and the Zakat on trade and cash is included in it, because that is what he is described as being acquired. In addition, Zakat plays a fundamental rule on the society and individuals, for instance, how is Zakat

calculated, paid, and the time for paying it. Kabir Hassan in his paper states that in Islamic law, Zakat is an exceptional tool for poverty alleviation, he continues to suggest that each state has a responsibility for maintaining attracted environment for legal economy and business activities, subsequently, the state should enhance the institutions of Zakat and provide equivalent opportunity for all. Finally, Zakat has a lot of directives in Islamic law which this is not the right place to digression.

2- Khums (one fifth)

The second financial resource in Islam is Khums, the definition of this word has a discord between the two Islamic schools Sunni and Shia. And as this research concentrates only on GCC states generally, and Saudi Arabia in particular which are a Sunni states, the research will define Khums from the Sunni's perspective for the reasons above.

Khums is defined as the spoils of war and what can be extracted or mined from lands, for example, gold, silver and oil. The Quran commands that clearly in CH8:41 "And know that whatever spoils you gain, to God belongs its fifth, and to the Messenger, and the relatives, and the orphans, and the poor, and to the wayfarer, provided you believe in God and in what We revealed to Our servant on the Day of Distinction, the day when the two armies met. God is Capable of everything."(Abbas et al., 2018) And from Sunnah, there is a hadith when prophet Muhammed says "One fifth is compulsory to be paid (as Zakat) on buried Treasure."(Hafidhuddin, 2019)

3- Kharaj (Islamic tax on agriculture lands)

It is a type of tax, paid on the ground and paid annually by a certain amount of their agricultural crops or their money, and this amount is called Kharaj. This Kharaj may be a quarter, third or even half of the production. Furthermore, this resource is a tax imposed by the ruler of the state on the lands of the people after its becoming a part of Islamic states and the approval of its people.

Prophet Muhammad (PBUH) did so when Khaybar has become an Islamic land, and he kept the lands in the hands of its people in return for Kharaj performed to the general treasury.

4- Ushr (customs tax)

It is taken from the business or trade, whether taken ten, fifty or twenty five percent or what the state takes from those who goes along an Islamic state to others, and this is mush similar to customs tax today. This kind of resource was applied firstly during the time of the second caliph Omar. The reason for applying such like this, it is reciprocity, because Muslim traders at that time were being taxed from neighbour states such as Roman and Persian states.

5- Tax

It is exceptional, as it was explained earlier, and it is issued in especial circumstances, and without continuing thereafter, because it does not burden the citizens' shoulder.

The compatibility of Islamic financial resources with the contemporary tax concept

This will be showed below:

The similarities

Zakat is consistent with the tax in terms of aspects:

- 1- Both are paid by the taxpayer forcibly and mandatory if he refuses to pay.

The compulsion of Zakat is evident in the compulsory collection of Zakat when giving it. Moreover, when Prophet Muhammed enforced his

companions to pay Zakat, it shows clear example to mandatory Zakat similarly to tax.

2- Zakat and taxes are paid to local authorities.

3- Both are absent of any kind of direct recompense to payers. But on the other hand, it is paid as contribution from the members of that community.

4- Both must be paid cash.

5- Both may share their financial, social and economic objects.

(Muhammad, 2019)

Conclusion

In terms of their natures, payment of zakat is a godly act. Besides it is considered as a civil commitment towards the state.

In terms of their obligations zakat is only on the Muslims while the tax is on the Muslims and other citizens. Zakat is characterized by stability and continuity regardless of place or time because of its holy source and cannot be subject to the codification of alteration, contrary to the tax which may be subject to modification or cancellation depending on the authority and its law. In terms of object of their expenditure, Zakat has determined eight categories, which must be spent on them, while tax is not defined. It is directed by the state to cover public expenditure. Zakat applies on income and capital but taxes apply on either income or share capital. Another point zakat consists of collecting and spending regulations while tax has just collected.

This article examines the Islamic point of view on taxation in general. In addition, it shows if there are any contradictions between Zakat and tax or can taxes be an alternative mode of Zakat. This article presents the similarities and differences about Zakat and tax. Finally, this article shows that Zakat is not a tax and has wide uses.



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