

Q: 7 (a) We have a firm which does import and export business. This firm also invested in a Building. The building stands in the name of a Partnership Firm. Part of the Building is given to a factory on rental basis.

b) Is 'Zakat' payable on the Building value? Also whether on the original cost of the Building, the Depreciated Value or the Current Market Value?

A: a) As mentioned earlier, if the building is not acquired or built with an intention to re-sell it, then no Zakah will be payable.

Only such part of the rent shall be liable to Zakah which stands in your balance on the Zakah valuation date of each year and which has not been spent.

b) However, Zakah shall be paid on its market value if the building is acquired or constructed with a clear intention of re-sale. In which event, it becomes stock-in-trade.

Contemporary fatawaa