VARIOUS ZAKAH QUESTIONS

Q: 11- (1a) Is Zakah' payable on a Bungalow / House irrespective of how big it may be, which is occupied by us? If Zakah' is payable, should it be on cost or on the Market Value?

b) If any loan is taken against the Bungalow or House, should Loan amount be deducted before calculating `Zakah' Amount?

A: (a) Zakah is not payable on the Bungalow/House which you own and utilize for residential purposes. However, if the Bungalow/House is purchased or built with the intention of resale, then Zakah will be payable on its market value.

b) A loan taken against the Bungalow/House can be deducted from the Zakatable amount.

Contemporary fatawaa