

Published on Al-Islam.org (https://www.al-islam.org)

Home > Jurispudence Made Easy > Dialogue on Khums

Dialogue on Khums

Clutching a copy of the Holy Qur'an, my father went into the room where we usually conduct these dialogues. His expression suggested reverence and serenity. No sooner had he sat, he bent and kissed The Book, lifting it with both his hands and giving it to me.

Receiving it with both hands, I was overwhelmed by a sense of dignity and sublimity. My father then asked me to open The Qur'an and recite some verses, starting with part ten.

* I opened The Book and recited,

"And know that whatever thing you gain, a fifth of it is for Allah, the Messenger, the near of kin, the orphans, the needy, and the wayfarer, if you believe in Allah and in that which We revealed to Our servant, on the day of distinction, the day on which the two parties met; and Allah has power over all things". (8/41).

My father interrupted me, saying:

- Could you repeat what you have just recited?
- * I repeated part of the verse.
- Thus far is sufficient.

I could hear him murmur, as though he was talking to himself, "And know that whatever thing you gain, a fifth of it is for Allah...". He raised his head and addressed me. Do you know that khums is waiib?

* Confidently, I said, yes, yes I know.

He stood up and gave me a volume of a book entitled, "Al-Wasa'il", The Means. The author is Mohammad bin al-Hassan al-Hur al-Aamili. He asked me to open the book and read from the chapter of "al-Khums".

* I read for him a number of hadiths related from the Prophet (s.a.w.), Imams Ali, al-Baqir, as-Sadiq, and al-Kadhim (a.s.) on the subject of Khums.

Among the traditions, I read was one related on the authority of Imran bin Mousa. He was quoted as saying, "In the audience of Imam Mousa bin Ja'far – al–Kadhim (a.s.), I recited the verse of Khums. He retorted, "Whatever was Allah's is His Apostle's; and whatever was the Apostle's is ours". He, the Imam, added, "By Allah Almighty! if Allah has made the believers' sustenance easily available with, say, five Dirhams, they should set aside one Dirham, that is Allah's share, and take ownership of four pure (halal) ones".

I also read a hadith transmitted on the authority of Mohammad bin al-Hassan al-Ash'ari, "Some of our companions wrote to Abu Ja'far ath-Thani, al-Jawad (a.s.): Could you tell us about khums? Is it deductible from all types of earnings, be they little or plenty, and how? He wrote in his own handwriting: Khums is (deductible from income) after allowing for one's provisions".

- * During the Dialogue on Prayer, you said to me: Do not say your prayer, wearing clothes whose Khums tax was not paid. You reiterated this when we were discussing matters of Hajj. You said: Cleanse your property by setting aside, where applicable, khums and zakat due on it, before you embark on your journey for pilgrimage. Do I have to pay khums tax on all my property?
- Khums is payable on the following:
- 1. Whatever Muslims take in war booty, movable and immovable property, from the unbelievers they lawfully engage in war.
- 2. What is owned, of metals, by way of mining, such as gold, silver, copper, iron, sulphur, etc. Also, crude oil and coal, after deducting production and processing cost, provided that the quantity extracted and ready for marketing is not less than the equivalent value of fifteen mithqal sairafi of gold coins or more.
- 3. Treasures, provided that their value is not less than the equivalent of fifteen mithqal sairafi of gold and one hundred and five mithqals of silver, excluding excavation costs.
- 4. What has been extracted from the sea or big rivers by way of diving, such as pearls and corals, provided that the value thereby is not less than the equivalent of one gold Dinar (equivalent to 4.25 gm).
- 5. Some types of licit money mixed with illicit money.
- 6. Annual profits acquired through trade, industry, agriculture, presents, any other means of income, including wages and salaries and.....

I interjected, "Does this mean that profits made by bussinessmen should be liable for khums tax?"

- Not only businessmen are required to pay khums on their returns, rather everyone who is making a profit of a kind or earning income, including you and me.
- * How does a businessman go about calculating khums due on his profits?
- He should take stock of his cash and merchandise, a year after setting up in business; he should, though, exclude the following:
- a. His capital.
- b. Any costs incurred in the process of conducting the business, i.e. transport, electricity, telephone, rent, storage, taxes and the like.
- c. All personal outgoings, i.e. expenditure on food, drink, clothes, house, furniture, transport, medical treatment, and other similar expenses, including paying debt, buying presents, travelling, that are considered within one's normal lifestyle, but not bordering on the lavish side. Having allowed for all such expenses, he should set aside 20% on the net profit and pay it in khums.
- * Could you give me an example?
- Suppose at the end of the year, you own ten thousand Dinars in cash and twenty thousand Dinars in merchandise, making a total of 30,000 Dinars. And suppose you started the year with a capital of 15,000 Dinars. Expenses arising from trading totalled 1,000 Dinars and personal and family expenses totalled 4,000 Dinars. Thus, your net profit, after deducting these expenses, shall be 10,000 Dinars, i.e.

30,000 - 20,000 = 10,000 on which khums should be paid thus:

10,000 @ 20% = 2,000 Dinars

- * On which date should I start calculating profits, so that I can pay tax after the lapse of one year?
- From the date you make the profit till the lapse of one full year, provided that you did not use any of the profit for food, drink, and the like. If you make your living of a profession or a salary, you fix your tax year from the date you started earning income.
- * If I bought clothes for me, but did not wear them for one year, do I have to pay khums on them?
- Yes, you have to pay khums on the price of the clothes. So do the owners of any household effects or provisions that were not used during the whole year.
- * Do I take it that whatever is left of personal or domestic goods and provisions, i.e not used or consumed, etc. should be liable for khums tax?
- Yes, at the appointed date of your tax year, you should carry out an inventory control of all excess

goods and provisions, and set aside its fifth, either in kind or the value thereof.

- * When I carry out the evaluation of such items, do I have to take into account the price when they were bought or the current market value?
- Rather, their current market value.
- * Suppose I did not pay khums on a particular item on which khums tax had to be paid?
- It is not permissible to have the right of disposal over such item, unless you have paid knums on it. It is permissible, though, with the permission of the Marji', should he see that an interest is served in so doing.
- * What shall be the responsibility of the heirs of the deceased person who had a khums liability and who did not leave a will saying so?
- They should take the amount of khums due out of his estate, as a matter of priority over other shares. However, the estate of the rebellious, who withheld paying khums, could revert to the believing among his heirs; and it is not incumbent on the inheritor to pay the khums liability on behalf of the legator.

This is the case too with everything the devout Muslim assumes ownership of from sources, that do not pay khums, by way of business or for free. Thus, the recipient has the right of disposal over such property. The same goes for the property, of a person who does not pay khums, if he has been given free hand, but without ownership; the benefit would be the recipient's and the sin shall be on the person who withheld the khums, if he was at fault.

My father paused for a while. I took the opportunity to ask him a question.

- * What shall be the position of a businessman, a landlord, an industrialist, an employee, a student, or others who did not pay attention to paying khums on their gains years on end, then it dawned on them to pay the prescribed religious tax?
- Such people should pay khums on all these gains, except for their yearly provisions, but on everything in excess of their need.
- * Could you give me an example?
- Suppose you bought a second house, i.e. other than the one you live in, you should pay khums on it. Khums should also be paid on furniture, and other goods, bought, but not used, thus becoming surplus to one's requirement.
- * What about items that fall within one's yearly provision, such as the house, furniture and the like?
- If such items were bought with the gains of that year, i.e. when he bought the house or furniture and

used them, no khums shall become due. This also goes for other goods and provisions of similar nature.

- * What if the house was bought, for one's own use, with profits that were accumulated from previous years plus the profits of the year in which he bought the house, as is the case of many people nowadays?
- They should consult the Marji', or his deputy, to reach a settlement with regard to the portion of previous years' profits and that of the year they bought the house. Should the amount of profits made during previous years be determined, khums must immediately be taken out of such profits.
- * If the person concerned was in no position to pay the khums due immediately?
- The Marji', or his deputy, may allow him to pay it by instalments, after he considers it as a debt to be settled by him without default.
- * I am now living with you in the same house. Do I have to pay khums, or should the khums payments you make suffice?
- Yes, you must pay khums on profits accrued, but not used, during the year, because you did not need to.
- * Being a student, suppose, during the summer recess, I worked part time and earned some money and spent it to buy clothes or the like. Am I required to pay tax on it?
- If you spent it on things of personal use, no khums shall be due. If, however, you saved it or part thereof till one year has passed, khums becomes due on the savings.
- * Someone bought a shop with its contents for a particular premium; he then set aside the khums due on the purchase price after the lapse of one year. Should he cater for khums on the amount of appreciation of both the premium and the goods every year?
- No, it shall be incumbent on him to pay khums on the extra profit, should he sell the shop and not spend the returns on buying provisions during the year.
- * Do cutlery and chinaware, used as ornamental objects, warrant exemption from khums?
- If it is widely accepted among one's peers as such, no khums tax shall be due as they are considered among other household effects provided during the year.
- * Suppose I had a certain amount of money that is net of khums. I chose to convert it into another currency. The value of the latter became two-fold, compared to the original currency. I further chose to save it beyond the first year. Do I have to pay khums on it?
- You are not required to pay khums on the excess amount of appreciation, so long as your intention

was to save the money.

- * Some foodstuffs are subsidised by the state, i.e. their price is cheaper than comparative merchandise sold privately in the market. If the owner of these subsidised items did not consume some of them, and the first anniversary of their purchase came and went, should the calculation of the khums due on such goods be made according to the subsidised price or market price?
- Khums should be calculated in line with the market price at the time of paying khums.
- * A plot of land was lawfully bought, and made use of, by a person. However, it is registered with the land registry office in another person's name. Thus, the latter has the right of disposal over the land. Should the original buyer pay the khums due on it now, or postpone payment until it is officially registered in his name?
- He should pay khums on it now, should the case satisfy the aforesaid criteria of khums.
- * What about the pension received by retired people? Do they have to set khums aside on receipt thereof or delay payment of khums until the new tax year?
- Khums should be paid on the surplus amount in the new tax year.
- * Should I set khums aside, to whom shall I give it?
- Khums is two halves. One half is the right of the Awaited Imam (May Allah hasten his reappearance), to be spent in the avenues that please him, with the permission of [the most erudite Marji', who is fully aware of of avenues of public interest], or it could be paid to him directly. The other half should be spent on the poor and the wayfarers among practising Hashimites; and committed Muslims among the orphans of the believers.

The Hashimites here mean the descendants, from the father side, of Hashim, the grandfather of the Noble Prophet Mohammad (s.a.w.).

It is to be noted, however, that [it is not permissible to give khums money to one's own dependants, such as father, mother, wife, and offspring]; it is not permissible, too, to give it to him who shall spend it in haraam avenues; [what is of consequence is that giving such money away should not lead to aiding the recipient to commit a sin, although he might not spend it in a haraam act. It is also not permissible to give khums money to those who forsake prayer, consume intoxicants, and flagrantly flout religious injunctions].

Source URL:

https://www.al-islam.org/jurispudence-made-easy-sayyid-ali-hussaini-sistani/dialogue-khums#comme