

Zakat

AND
ITS POVERTY ALLEVIATION GOAL



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CHAPTER TWO

FACTORS THAT MOTIVATE PAYMENTS OF ZAKAT ON INCOME AND INCOME TAX AMONG IIUM STAFF

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Syezlin Hasan*

INTRODUCTION

Although there are quite a number of differences between *zakat* and income tax, one fact is discernible in the practice of the two; they are both compulsory payments in Malaysia. This portrays, to some extent, the similarity between the two as they are deductions from one's income or wealth, albeit *zakat* and tax are imposed by spiritual and political powers, respectively. Interestingly, Islam recognises love of wealth as part of *fitrah* of individuals; just like the notion of exchange theory or rational choice theory in conventional sense whereby human being, by his very nature, is considered to be selfish and egocentric, for he strives at maximising benefits and minimising costs. Incidentally, with these conflicting facts of obligatory payment on one hand and self-centered nature of individual on the other, people may attempt to evade the payments of both *zakat* and tax as its due despite the importance of both; otherwise there must be some forces, or rather factors, to serve as motivations which would induce the concerned people to pay.

In spite of the belief that *zakat* is an influential instrument in poverty eradication and that it bridges income inequality in the society, there still some agitations that the actual payment of *zakat* among eligible Muslims, which is *sine qua non* to the realisation of its objectives; is quite low as compared to tax proceeds (Kahf 1987; Chowdhury 1991; and Muda, Marzuki and Shahrudin, 2006). Over history, Muslims of various generations has been eluding the payment of *zakat*; which in various cases retarded this great institution from serving its potential impact in the society. Prominent among these incidences was the scenario during the time of Abu Bakr *r.a.* (immediately after the death of the Prophet [peace be upon him, (pbuh)]) when some Arab clans rebelled and refused to pay *zakat* even though they remained Muslims. As reported by Abu Hurayra *r.a.*, after a long dialogue between Abu Bakr and Umar *r.a.* on whether those rebels should be fought, Abu Bakr decided to declare war against them.

With the revitalisation of *zakat* institution in Muslim countries and communities in contemporary times this problem of *zakat* evasion still exists. However, as reflected in most Muslim countries' fiscal systems, the countries seem to regard conventional taxation as more important compared to *zakat*. Taxation system evolves to become an integral part of the fiscal system, whereas *zakat* becomes just a voluntary institution.