

Fatawa Taxes 2004

Receiving from Tax and Other Welfare Benefits

Subject: Receiving Canada Child Tax Benefit While Abroad

From: Islam on line

Sent: Sunday, October 31, 2004

Question from Saudi Arabia

In Canada, the government offers what's called CCTB or Canada Child Tax Benefit where they help the parents by paying money for their children's growth. This money is paid to the Canadian citizens and landed immigrants and only to those who are staying in Canada. I am temporarily out of Canada with my family for almost a year. Is it halal to receive and use this money for personal purposes?

Jazakum Allahu Khairan for your constant help

Yours,

My Answer

Bismi Allah al Rahman al Rahim

Al Hamdu li Allah Rabb al 'Alamin

wa al Salatu wa al Salamu 'ala Sayyidina Muhammad wa 'Ala 'Alihi wa Ashabihi Ajma'in

Dear Br. Abdul,

Al Salamu Alaykum Wa Rahmatullahi Wa Barakatuh

Receiving child support from the government is permissible provided you do not submit false statements or cheat in documents because lying and cheating are prohibited. Child support is the right of people who live in a country, depending on the domestic laws.

Wa Allahu A'lam

Wa Alhamdu li Allah Rabb al 'Alamin

Wassalam

Sincerely,

Dr. Monzer Kahf

Subject: Asylum Seeker Taking Social Aid from Government

From: Islam on line

Sent: Monday, June 07, 2004

Following is a feedback from a questioner whom we (not your answer) gave Fatwa previously. We will be very appreciative if you read the question and the answer and give him your answer regarding his feedback. Jazakum Allah khairan and may Allah bless you and reward you abundantly for the great effort you do for Muslims all over the world.

Question from Pakistan

Assalam-oAlaikum,

I am living in Norway as an asylum seeker for covering my expenses i have to take social aid from government. Although i have got work permit but its not easy to find a

job because of language problem and the stamp on my ID which shows my asylum status. Every one hesitates to give you any job if they find out that you are an asylum seeker. Still i have got an offer from one shopkeeper but he is not willing to give me white job, means i 'll not be able to get any allowances, i 'll not be able to pay any tax, i 'll not be able to show this job on paper etc. I just wanted know with these conditions am i allowed to do this job 'cuz i need money to support my family, i don't want to take any aid from non-Muslims & specially i want to fulfill my mothers wish of HAJJ. Am i allowed to pay expenses for her Hajj with this job.

Date 4/26/2004 YOUR ANSWER was: "As for taking allowance from the government, it is permissible as it is based on your needs. In view of the government, you are qualified to take the allowance. As for the issue of work, if your work permit allows you to work and your work is halal (lawful) according to the Shari`ah, then it is allowed to work. However, if it is illegal to work without showing your paper, then you are supposed to follow the laws of the country where you live and there is nothing wrong in taking the aid." If you are still in need of more information, don't hesitate to contact us.

Thanks for your reply. With this mail I have understand one thing very clear and that's about social aid. We can take social aid from government if we are in need no matter you are living in a muslim country or in any other religious country. All you have to do is to follow sharia & the law of that country. Now as far as myself is concerned I can live on social aid which I take from government but what about my family back home in Pakistan. I have got family of about 6 persons and their source of income is almost nothing. All of them depends on the money which I send them on monthly basis which is not enough and every time when I talk with my mother & other family members of mine they talk about their problems and then I feel totally helpless and sad. No matter what every body says money matters and that's a fact. When I sked you about the job where I can work without showing my papers and paying tax. I just want to work to cover the needs of my family. I don't want to have this job for fun & I have no intentions to make it a habit. Whenever I will find any white job where i can pay tax & every thing then I will quit this job. But just for time being I want to do this job so that my family can survive. Please reply me in detail. I really don't wanna do any thing which is against the teaching of my Great Religion. I personally think that Islam is not so strict. If you have any serious need then you can do things which Islam doesn't allow in normal circumstances. The job offers which I have is on a Dry Clean Shop and the other is on Fast Food Restaurant but in restaurant they also sell the meet of pig. I am very confused and have no idea what to do. I need an Islamic solution through which My Allah won't get angry on me and the problems of my family also gets solved.

Jazakum Allahu Khairan for your constant help

My Answer,

Bismi Allahi al Rahmani al Rahim,

Al Hamdu li Allahi Rabbi al 'Alamin, wa al Salatu wa al Salamu 'Ala Sayyidina

Muhammad wa 'Ala 'Alihi wa Sahbihi 'Ajma'in,

Dear Br. Farooq

Assalamu Alaikum wa Rahmatu Allahi wa Barakatuh

I appreciate and generally agree with the Fatwa given to you previously. Yet I have to add certain details as follows:

It is not permissible in Shari'ah to do a job that is religiously prohibited such as serving alcohol or pork. Yet working in a restaurant that serves them is permissible

provided your job description does not require you to serve any prohibited substance.

It is also prohibited to do any thing that may hurt your future. This means that while disobedience of a local man-made law may expose you to punishment that is usually determined in the law and is not considered a religious violation, it becomes religiously not permissible if it will hurt your future. We all know that violation of law is not a good thing to do, but yet all of us speed drive sometimes, is driving above the speed limit a religious violation? I believe it is not unless it exposes you or other people's persons or property to any harm. Do violations of the laws that regulate employment, custom duties, taxation, traffics. etc., carry a religious meaning? I argue that they do not carry any religious meaning unless they cause harm to persons and/or properties. Such violations have legal punishment and whoever accept to take the risk of the punishment may do that on his/her own without attaching a religious meaning to his/her action whether positive or negative and unless they cause harm to persons and/or properties they are pure worldly matters not religious!

Wa Allahu A'lam,

Wa al Hamdu li Allahi Rabbi al 'Alamin,

Wa Assalam,

Sincerely,

Dr. Monzer Kahf

Are Government Salaries Haram because they come from Taxes?

Subject: Salaries from Haram Stuff Taxes

From: Islam on line

Sent: Sunday, November 07, 2004

Question from Malaysia

As-Salamu `alaykum wa Rahmatullahi wa Barakatuh. Dear respected scholars, I have a question regarding government taxing on haram stuff, such as gambling premises, alcohol, etc. What is the hukum of these money? These taxes are among some of the government earnings that are used by the government to pay the salary of the government servants. Can we, the government servants, use these money? Is it halal for the government, and eventually, for us?

Jazakum Allahu Khairan for your constant help, and may Allah reward you abundantly for your cooperation especially in these blessed days.

Yours,

My Answer

Bismi Allah al Rahman al Rahim

Al Hamdu li Allah Rabb al 'Alamin

wa al Salatu wa al Salamu 'ala Sayyidina Muhammad wa 'Ala 'Alihi wa Ashabihi Ajma'in

Dear Br. ,

Al Salamu Alaykum Wa Rahmatullahi Wa Barakatuh

You should realize that these are two separate issues:

- 1 - The issue of your salary given to you by the government for your work: this is Halal if you do the job needed from you. it is none of your business where does the government gets its money from.
- 2 - The issue of taxes, and taxing Shari'ah-prohibited businesses: the government may have some Haram income, it is a problem of the government, both the law makers and the executive branch, they should purify the government revenues from any Haram. For Haram businesses taxes are allowed, according to Shari'ah. Government may tax these businesses up to 100% of their income and it will be Halal for the government because Haram money can be taken away by the government. The government should cancel the licenses of Haram businesses and prevent all their activities. Taxing them is the least a Muslim or wise government can do.

Wa Allahu A'lam

Wa Alhamdu li Allah Rabb al 'Alamin

Wassalam

Sincerely,

Dr. Monzer Kahf

Going for Hajj Using Tax Refund

Subject: Hajj with Income Tax Return

From: Islam on line

Sent: Tuesday, November 23, 2004

Question from the USA

Dear respected brother, I'm writing in regards to umrah , my question is it the same as to hajj that a muslim's money must be from halal sources. like if a muslim use his income tax return(that is a tax that the u.s. take from you for a year ' s time then return it) sometimes with a little more for there use of it.would this be riba or non halal money to use . thank you, brother in the deen (abu mas'ud)

Jazakum Allahu Khairan for your constant help

Yours,

My Answer,

Bismi Allahi al Rahmani al Rahim,

Al Hamdu li Allahi Rabbi al 'Alamin, wa al Salatu wa al Salamu 'Ala Sayyidina

Muhammad wa 'Ala 'Alihi wa Sahbihi 'Ajma'in,

Dear Br. Abu Mas'ud

Assalamu Alaikum wa Rahmatu Allahi wa Barakatuh

A Muslim should only use Halal income for every thing, no difference between Hajj, Umrah, food, education tuition and any other expenses. Tax return money is certainly Halal because it is yours. If in the letter you receive, it is clearly mentioned that the IRS added interest, the interest only is forbidden and you should give it to Muslim charity. Do not return it to the IRS. Then use the rest for any purpose including Hajj and Umrah.

Wa Allahu A'lam,

Wa al Hamdu li Allahi Rabbi al 'Alamin,

Wa Assalam,

Sincerely,

Dr. Monzer Kahf

Using Earned Interest to Pay Taxes

Subject: Inheritance and paying taxes out of interest

From: Islam on line

Sent: Wednesday, July 21, 2004

Dear Dr. Monzer,

My father passed away a month ago and left me, my brother and my step mum a house and a financial inheritance. We cannot sell the house because my step um still wants to live in it. The problem is that me and my brother, as co-owners, will have to pay yearly taxes over the house even though we do not live in it and get no return. Now, the financial inheritance is quite high but we will need this to pay the yearly taxes (of around 300-500 euros). If my step um stays in the house for another thirty years even the inheritance will not be enough to pay the taxes, and obviously, living in Egypt, my income is not high enough to pay for them. My brother proposed to put our financial inheritance into a bank account that returns a lot of interest. This would allow us to pay the yearly taxes from the yearly interest and to keep the actual inheritance to use for ourselves. If I don't do this I will lose practically the whole inheritance just paying taxes (and possibly getting into depth in the end). My question is whether it is halal to use interest to pay taxes over a house. I will need to know within one and a half week because then i will need to sign papers confirming whether i will open such a bank account or not.

Jazzak Allah khairan How much mail storage do you get for free?

Rahma

My Answer:

Bismi Allah al Rahman al Rahim

Al Hamdu li Allah Rabb al 'Alamin

wa al Salatu wa al Salamu 'ala Sayyidina Muhammad wa 'Ala 'Alihi wa

Ashabihi Ajma'in

Dear Sr. Rahma

Assalamu Alaykum wa Rahmatullahi wa Barakatuh.

First Let us pray to God to shower the soul of your deceased father with mercy and forgiveness.

I want to make a few points about inheritance clear before we discuss the interest and taxes. And I will assume that there are no other survivors, specifically you do not have parental grand parents. Of course all our discussion is from Shari'ah point of view:

- 1- If you are a female as it may appear from your name, and your step mother is Muslimah and your father did not leave any last will, the distribution of all the assets, together, left by your father (net after paying all debts including already due taxes) is: $\frac{3}{24}$ to your stem mother, $\frac{7}{24}$ to you and $\frac{14}{24}$ to your brother.
- 2- If you are a male, the same will be: $\frac{2}{16}$ to your step mother, $\frac{7}{16}$ to each of you and your brother.

- 3- If your step mother is not a Muslimah, she is not given any share from the inheritance and all goes to you and your brother either equally if two males or at 2 to 1 ration if you are female.
- 4- If your father left a last will that mentions distribution outside the three of you, such a distribution is valid only up to one third of the net estate as defined above. If the last will distributes to the three of you only in any manner that is different from what is mentioned above, it is not valid at all and only the above distribution is the one that is a must from Shari'ah point of view. Any one who is assigned more than what is mentioned above, even if the law of country where the property is located allows it, must give back to the one who got less in order to go back to the distribution as mentioned above. It is forbidden to take the extra.
- 5- If your step mother is not Muslimah and your father left a last will in which he assigned her some property or some portion, it is only valid up to one third of the net estate and the remainder must be distributed to you and your brother as mentioned above regardless of what is mentioned in the last will. Any thing differently is not valid from Shari'ah point of view and sinful for the taker (of more than the Shari'ah assigned share) and for the person who made the last will.

Now let us come to the taxes:

- a- Of course future taxes will be the liability of the persons who own the taxable property. It is not necessarily the responsibility of you and your brother alone and your share of this liability is proportional to your share in the property.
- b- If your stepmother is going to be an owner of part of the estate (whether by inheritance as a Muslimah or by a last will as a non-Muslimah) and she wants the house, the three of you can agree on the distribution so that her share will be in the house, all or part, this way she is going to be responsible for all or part of the property tax, If she is not going to be getting any thing, you can assign a rent on her to pay the taxes and other expenses and may be get some income.
- c- Although technically you are not responsible for your stepmother, but morally and out of kindness to your deceased father you should take care of his surviving wife after his death if you can do it especially if she has no income and she doesn't have sufficient resources to pay for her needs including residence.
- d- Another issue is also at stake, whether she is Muslimah or not. That is the law of the land. Many European countries have laws to the effect that the spouse (in this case the wife) inherits the residence the couple lives in. If your stepmother invokes these laws she is going to win, though not permitted in Shari'ah. But if she wins she will take the house along with the tax liability so that you are not responsible for its taxes.

Putting money on interest to pay the taxes from the interest:

- I- It is forbidden to place money on interest regardless of the purpose, even if it were to give the interest to charity! From Shari'ah point of view the contract itself is not even valid.
- II- If an interest happens to accrue to you for certain reason, you can't use it to pay your liability, even to the bank that pays it to you. You cannot use it for anything that benefits you by giving you an advantage or relieving you from liability; simply because according to Shari'ah this money is not yours and the only thing to do with it is to return it to the payer but we do not do that because the payer (the bank) takes it as a business to earn for interest differential between lending and

getting deposits, therefore we treat it as money that has no owner. It must be given to Muslim charity.

- III- In other words, placing funds on interest is sinful, and using the interest for taxes is another sin; both are prohibited.
- IV- There is another alternative; Europe today has several banks that have department abiding by the rules of Shari'ah. such as the newly established Islamic bank of Britain and the Islamic division of the HSBC in UK and may be some other European countries. You can deposit funds in these banks and get Halal return instead of the Riba-based banks.

Wa Allahu A'lam

Wa Alhamdu li Allah Rabbi al 'Alamin

Wassalam

Sincerely,

Dr. Monzer Kahf
