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Sharia and Legal Legitimacy of Zakat Deduction from Tax Base Laws: A Comparative Study

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Abstract

Objective: The objective of this study is to examine the Sharia and legal legitimacy of deducting zakat from the tax base under contemporary financial laws. The study aims to clarify whether such a deduction can be justified from an Islamic jurisprudential perspective and modern legal frameworks, while assessing its impact on fiscal justice and taxpayers' financial obligations. **Theoretical framework:** The theoretical framework of this study is based on Islamic jurisprudential principles governing financial obligations, particularly zakat, alongside contemporary legal theories of taxation and fiscal equity. It adopts a dual approach that combines classical fiqh concepts with modern public finance principles to analyze the relationship between religious duties and state-imposed taxes. **Literature review:** The literature review covers classical Islamic jurisprudential sources on zakat and public levies, as well as contemporary academic studies addressing taxation, fiscal justice, and zakat management. It also examines comparative legal literature and institutional reports discussing tax deductions and financial policies in Muslim-majority countries. The review reveals a lack of integrated studies that jointly address Sharia and legal perspectives on zakat deduction. **Methods:** This study employs a qualitative research methodology based on doctrinal legal analysis and comparative jurisprudential examination. Selected contemporary financial laws are analyzed and compared with established principles of Islamic jurisprudence to assess the legitimacy and conditions of deducting zakat from the tax base. **Results:** The results indicate that zakat deduction may be considered legitimate under certain Sharia and legal conditions, particularly when it prevents double financial burden and promotes fiscal justice, provided that clear regulatory frameworks are established. **Implications:** The study provides practical guidance for legislators and policymakers seeking to harmonize zakat obligations with modern tax systems while ensuring fairness and transparency. **Novelty:** This study offers an original comparative analysis that bridges Islamic jurisprudence and contemporary financial law in addressing zakat deduction policies.

Keywords: zakat, tax Base, tax deduction, islamic jurisprudence, financial law.

INTRODUCTION

The relationship between religious financial obligations and state-imposed taxation has long constituted a complex and sensitive issue within both Islamic jurisprudence

and modern legal systems [1]. In Muslim-majority countries, this complexity becomes more pronounced due to the coexistence of zakat as a mandatory religious duty and taxation as a compulsory legal obligation enforced by the state. While zakat is rooted in divine command and serves specific social and economic objectives, taxation operates as a sovereign tool designed to finance public expenditures and ensure the functioning of governmental institutions. The intersection of these two systems raises fundamental questions concerning justice, legitimacy, and financial equity [2].

Zakat occupies a central position in Islamic economic thought as one of the five pillars of Islam. It represents not merely a financial contribution but a comprehensive mechanism aimed at achieving social solidarity, redistributing wealth, and alleviating poverty. Its legitimacy, sources, rates, and beneficiaries are explicitly regulated by Islamic jurisprudence, leaving limited discretionary authority in its implementation [3]. Conversely, taxation is characterized by flexibility and adaptability, allowing states to design tax systems in accordance with economic needs, fiscal policies, and public interests. This divergence in nature and objectives creates an inherent tension when both obligations are imposed simultaneously on the same individual or entity [4].

In contemporary financial systems, this tension manifests in what is often described as a “double financial burden,” where taxpayers are required to fulfill both zakat and tax obligations without any form of coordination between the two [5]. Critics argue that such an arrangement undermines the principle of fiscal justice, particularly when zakat is paid in full and yet does not reduce the individual’s tax liability. Proponents of this view contend that zakat, as a compulsory financial duty, should be recognized within the tax framework to prevent excessive financial pressure and promote fairness. On the other hand, opponents argue that zakat and taxation serve fundamentally different purposes and beneficiaries, and therefore should remain institutionally separate [6].

The issue of deducting zakat from the tax base has emerged as a practical policy response to this dilemma [7]. Tax base deduction refers to allowing the amount of zakat paid by a taxpayer to be subtracted from the income or assets subject to taxation, thereby reducing the overall tax liability. This approach has been adopted, in varying forms, by several Muslim-majority countries as part of their efforts to integrate Islamic financial principles into modern fiscal systems. However, the legal and Sharia legitimacy of such deductions remains a subject of significant debate among jurists, legal scholars, and policymakers [8].

From a Sharia perspective, the core question revolves around whether recognizing zakat within the tax system aligns with Islamic principles or compromises the independent religious nature of zakat [9]. Classical Islamic jurisprudence addressed the issue of additional financial levies imposed by the state, often under exceptional circumstances such as public necessity or defense. While many jurists permitted such levies under strict conditions, they emphasized the avoidance of injustice and excessive burden on taxpayers. In this context, the question arises as to whether tax base deduction constitutes a legitimate mechanism to harmonize zakat with state taxation while preserving the objectives of Sharia [10].

From a legal standpoint, the issue raises concerns related to equality before the law, neutrality of tax systems, and the balance between religious accommodation and fiscal efficiency [11]. Modern financial laws are generally founded on principles of universality and uniformity, whereby tax obligations apply equally to all taxpayers regardless of religious affiliation. Allowing zakat deductions may therefore prompt questions about preferential treatment and the implications for non-Muslim taxpayers. At the same time, legal systems increasingly recognize the importance of

accommodating religious practices where such accommodation does not undermine public order or fiscal stability [12].

The comparative dimension of this study is particularly significant, as different countries have adopted divergent approaches to the issue [13]. Some jurisdictions allow full deduction of zakat from the tax base, others permit partial deductions or tax credits, while many maintain complete separation between zakat and taxation. These differences reflect varying legal traditions, interpretations of Islamic jurisprudence, and fiscal priorities. Examining these models comparatively provides valuable insights into the practical implications, advantages, and limitations of each approach [14].

Despite the growing body of literature on zakat management and Islamic public finance, existing studies often address zakat and taxation as separate domains [15]. Few works undertake an integrated analysis that combines Sharia principles with contemporary financial legislation in a comparative framework. This gap in the literature highlights the need for a systematic examination of zakat deduction policies that accounts for both jurisprudential legitimacy and legal coherence. Addressing this gap is essential not only for academic purposes but also for informing policymakers seeking to design equitable and sustainable fiscal systems [16].

This study, therefore, seeks to contribute to the ongoing discourse by examining the Sharia and legal legitimacy of deducting zakat from the tax base under contemporary financial laws. It adopts a comparative approach to analyze selected legal frameworks alongside established principles of Islamic jurisprudence. By doing so, the study aims to assess whether zakat deduction can serve as a viable mechanism for achieving fiscal justice, preventing double financial burden, and enhancing compliance with both religious and legal obligations [17].

Ultimately, the significance of this research lies in its potential to bridge the divide between normative Islamic principles and practical legal systems. As Muslim-majority countries continue to reform their financial and tax structures, the integration of zakat into modern fiscal policy remains a pressing challenge [18]. Providing a clear, balanced, and principled analysis of zakat deduction from the tax base may contribute to the development of policies that respect religious obligations while maintaining legal consistency and economic efficiency.

LITERATURE REVIEW

Academic discussions on the interaction between religious financial obligations and state fiscal systems have expanded considerably within Islamic economics, public finance, and comparative legal studies [19]. Classical Islamic jurisprudence treated zakat as an independent religious obligation governed by fixed rules regarding its rates, sources, and beneficiaries. Early jurists such as Abu Yusuf, Al-Mawardi, and Ibn Taymiyyah also addressed the permissibility of additional financial levies imposed by the state, particularly under conditions of public necessity (*al-nawā'ib*). These foundational discussions shaped later debates on the legitimacy of combining zakat with other fiscal obligations without violating principles of justice and equity [20].

Within classical fiqh literature, a clear distinction is maintained between zakat as a divinely mandated act of worship and other forms of state-imposed financial contributions. Contemporary scholars, notably Yusuf Al-Qaradawi, emphasize that zakat cannot be replaced or nullified by taxation due to its devotional nature and defined objectives (*maqāṣid*). At the same time, jurists have generally accepted the conditional permissibility of state levies when justified by public interest, provided

that such measures do not lead to injustice or excessive financial burden. This position remains influential in modern discussions on zakat and taxation [21].

Modern Islamic economic scholarship frequently conceptualizes zakat as a mechanism for poverty alleviation, income redistribution, and social justice [22]. Numerous studies argue that zakat contributes to economic stability by transferring wealth from surplus holders to disadvantaged groups. Research published in specialized journals highlights the potential role of zakat in complementing public finance systems if supported by effective institutional arrangements. Nevertheless, much of this literature treats zakat as operating parallel to national fiscal systems rather than as an integrated component of public financial policy [23].

The issue of deducting zakat from the tax base has gained prominence in recent academic discourse, particularly in Muslim-majority countries undergoing fiscal reform [24]. Proponents argue that tax base deductions offer a pragmatic solution to the problem of double financial burden faced by Muslim taxpayers. Recognizing zakat payments within the tax framework is viewed as a means of enhancing compliance, promoting fiscal fairness, and aligning public finance policies with religious values. Empirical studies focusing on countries such as Malaysia and Indonesia indicate that tax incentives related to zakat payments have encouraged formal zakat collection and strengthened institutional transparency [25].

In contrast, legal scholars have raised concerns regarding the constitutional and legal implications of allowing zakat deductions. From a public law perspective, taxation is generally governed by principles of neutrality, equality before the law, and uniform application. Allowing deductions based on religious obligations may raise concerns about preferential treatment, especially in pluralistic societies [26]. These issues are widely discussed in comparative tax law literature and policy reports issued by international organizations such as the OECD and the International Monetary Fund, which emphasize the importance of maintaining fiscal neutrality and sustainability [27].

Comparative legal studies demonstrate that regulatory approaches to zakat and taxation vary significantly across jurisdictions. Malaysia permits zakat payments to be deducted from taxable income under federal law, reflecting a policy choice aimed at integrating Islamic financial obligations into the tax system [28]. Indonesia adopts a more limited approach, allowing deductions only when zakat is paid through officially recognized institutions. Pakistan, by contrast, maintains a separate zakat system with minimal interaction with income tax regulations. These differing models illustrate how legal traditions, political considerations, and institutional capacity influence national policies regarding zakat and taxation [29].

Despite these comparative insights, the literature also identifies several practical challenges associated with zakat deductions. Common concerns include difficulties in verifying zakat payments, limited institutional capacity, and issues related to transparency and accountability in fund allocation [30]. Scholars caution that, without strong governance frameworks, zakat deductions may be subject to misuse or may adversely affect public revenues. Such concerns are echoed in governance-oriented research conducted by institutions such as the Islamic Development Bank and the Islamic Financial Services Board, which stress the need for regulatory clarity and effective oversight in zakat administration [31].

From a Sharia governance perspective, recent studies increasingly emphasize the importance of aligning zakat-related fiscal policies with the objectives of Islamic law (*maqāṣid al-sharī'a*). Researchers argue that principles such as the removal of hardship (*raf' al-ḥaraj*) and the promotion of justice (*'adl*) support coordinated

approaches between zakat and taxation [32]. However, they also caution against subsuming zakat entirely under state authority in ways that compromise its religious character. Maintaining this balance remains a central theme in contemporary jurisprudential debates [33].

Although the existing literature offers valuable theoretical and empirical contributions, it remains fragmented [34]. Many studies focus solely on jurisprudential analysis without addressing legal implementation, while others emphasize legal or economic perspectives without sufficient engagement with Sharia principles. Moreover, comprehensive comparative analyses that systematically evaluate zakat deduction policies through both jurisprudential and legal lenses remain limited. This gap underscores the need for integrated research that bridges normative theory and practical regulation [35].

Accordingly, the present study seeks to extend existing scholarship by providing a comparative jurisprudential and legal analysis of zakat deduction from the tax base under contemporary financial laws. By synthesizing classical fiqh, modern legal theory, and comparative regulatory practices, it aims to contribute to a clearer and more coherent understanding of how zakat and taxation can coexist within equitable and sustainable fiscal systems.

METHODOLOGY

This study adopts a qualitative doctrinal research methodology to examine the Sharia and legal legitimacy of deducting zakat from the tax base under contemporary financial laws. The qualitative approach is particularly suitable for this research, as the subject matter involves normative analysis of Islamic jurisprudential principles and legal doctrines rather than quantitative measurement. The methodology is designed to provide an integrated assessment that combines Sharia analysis, legal examination, and comparative evaluation within a coherent analytical framework [36].

The first component of the methodology consists of Sharia jurisprudential analysis. Classical and contemporary fiqh sources are examined to identify the foundational rules governing zakat, the permissibility of additional public financial obligations, and the principles of financial justice in Islamic law [37]. This analysis focuses on juristic discussions related to the coexistence of zakat and state-imposed levies, the prevention of double financial burden, and the conditions under which public authority may impose fiscal obligations beyond zakat. The objective of this stage is to establish the Sharia criteria against which contemporary legal practices are evaluated [38].

The second component involves doctrinal legal analysis of contemporary financial and tax legislation. Relevant statutory provisions, regulatory frameworks, and official policy documents are analyzed to assess how zakat is addressed within modern tax systems. Particular attention is given to legal concepts such as the tax base, tax deductions, equality before the law, neutrality, and fiscal justice [39]. Through this legal analysis, the study evaluates whether zakat deduction mechanisms are compatible with fundamental legal principles governing taxation in modern states [40].

A comparative legal approach constitutes the third component of the methodology. Selected Muslim-majority jurisdictions are examined to illustrate different regulatory models governing zakat and taxation. The selection of jurisdictions is based on the diversity of legal approaches and the existence of explicit legal treatment of zakat within tax legislation [41]. This comparative analysis enables the study to identify

similarities, differences, and practical implications of various zakat deduction models. The key analytical dimensions applied in the comparative assessment are summarized in Table 1.

Table 1. Analytical Dimensions of Zakat Deduction Policies

Analytical Dimension	Description
Sharia basis	Jurisprudential justification for zakat deduction
Legal treatment	Recognition of zakat within tax legislation
Scope of deduction	Full, partial, or no deduction from the tax base
Institutional mechanism	Authorized bodies responsible for zakat collection
Fiscal objective	Prevention of double burden and promotion of fiscal justice

As shown in Table 1, the study evaluates zakat deduction policies across multiple dimensions that reflect both Sharia and legal considerations. This structured approach allows for a systematic comparison of different regulatory models and facilitates a balanced assessment of their legitimacy and effectiveness [42].

The fourth component of the methodology applies the objectives of Islamic law (*maqāṣid al-sharīʿa*) as an evaluative framework. Core objectives such as justice (*ʿadl*), prevention of hardship (*rafʿ al-ḥaraj*), and protection of public interest (*maṣlaḥa*) are used alongside legal principles to assess whether zakat deduction policies achieve their intended ethical and social purposes without undermining legal consistency or fiscal sustainability. This normative evaluation ensures that the analysis remains grounded in Islamic jurisprudential values while engaging with contemporary legal standards [43].

Overall, this methodological design enables a comprehensive and balanced examination of zakat deduction from the tax base. By integrating Sharia jurisprudential analysis, doctrinal legal examination, and comparative evaluation, the study provides a rigorous framework for assessing the legitimacy and feasibility of harmonizing zakat with modern tax systems. This approach allows the research to move beyond purely theoretical discussion and offers policy-relevant insights grounded in both Islamic law and contemporary financial legislation [44].

RESULTS AND DISCUSSION

The analysis of Sharia jurisprudential sources and contemporary financial laws reveals several significant findings regarding the legitimacy of deducting zakat from the tax base. These findings demonstrate that the issue cannot be approached through a purely legal or purely religious lens; rather, it requires an integrated evaluation that considers jurisprudential principles, legal doctrines, and practical fiscal outcomes. The results are presented below, followed by a critical discussion of their implications.

Sharia-Based Findings on Zakat Deduction

The jurisprudential analysis indicates that classical Islamic law recognizes zakat as a distinct and mandatory financial obligation with clearly defined rules. However,

juristic discussions on additional state-imposed levies establish an important principle: public authorities may impose financial obligations beyond zakat when justified by public necessity and collective interest, provided that such impositions do not result in injustice or excessive hardship. This principle forms the Sharia foundation for considering coordination mechanisms between zakat and taxation [45].

The findings suggest that deducting zakat from the tax base aligns with Sharia principles when it serves to prevent double financial burden (*raf' al-haraj*) and promotes fairness (*'adl*). Jurists who support such coordination emphasize that zakat deduction does not nullify taxation but rather acknowledges the financial capacity already reduced by a compulsory religious obligation. Conversely, the absence of coordination may lead to disproportionate financial pressure on Muslim taxpayers, which contradicts established jurisprudential principles of justice [46].

Legal Findings from Contemporary Financial Laws

The legal analysis of contemporary tax systems demonstrates considerable variation in how zakat is treated within fiscal legislation. Some legal systems explicitly recognize zakat payments as deductible expenses, while others maintain strict separation between religious obligations and taxation. These differences reflect varying interpretations of tax neutrality, equality before the law, and the role of religion in public finance [47].

The results indicate that legal systems allowing zakat deductions tend to justify this approach through fiscal equity and administrative efficiency. By contrast, systems rejecting such deductions emphasize uniformity and neutrality, particularly in pluralistic societies. However, strict neutrality may overlook the practical reality that zakat is not a voluntary contribution but a compulsory obligation for Muslim taxpayers, which raises concerns about substantive rather than formal equality [48].

Comparative Results Across Jurisdictions

The comparative analysis highlights three dominant regulatory models: full tax base deduction, conditional deduction, and institutional separation. These models differ significantly in their legal rationales and practical outcomes. Table 2 summarizes the comparative results of the analyzed jurisdictions [49].

Table 2. Comparative Results of Zakat Deduction Models

Model	Key Characteristics	Legal Rationale	Sharia Assessment
Full deduction	Zakat is fully deductible from the tax base	Fiscal integration	Strong alignment with justice
Conditional deduction	Deduction subject to institutional conditions	Regulatory control	Moderate alignment
No deduction	Complete separation	Legal neutrality	Risk of double burden

As shown in Table 2, the full deduction model demonstrates the strongest alignment with Sharia principles of justice and hardship prevention, while the no-deduction model raises concerns regarding excessive financial burden. The conditional model

represents a compromise but may limit accessibility and effectiveness if institutional requirements are overly restrictive [50].

Quantitative Illustration of Policy Outcomes

Although this study adopts a qualitative methodology, a conceptual quantitative illustration helps clarify the practical implications of different policy choices. Figure 2 presents a simplified bar chart comparing the relative fiscal burden on taxpayers under different zakat–tax coordination models [51].

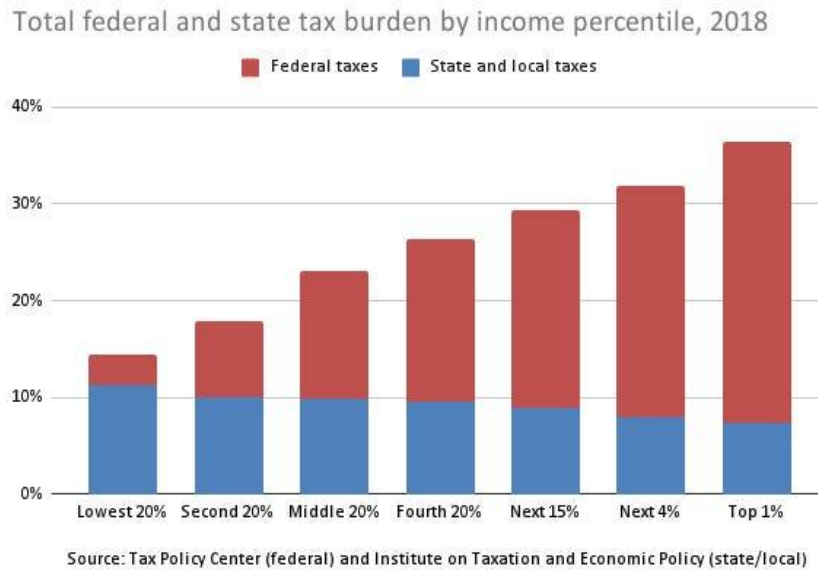


Figure 1. Relative Taxpayer Burden under Different Zakat–Tax Models

As illustrated in Figure 1, taxpayers subject to full zakat deduction experience a lower combined fiscal burden compared to those under conditional or no-deduction models. This visual representation reinforces the qualitative finding that zakat deduction contributes to fiscal fairness by recognizing the cumulative impact of multiple financial obligations [52].

Discussion: Fiscal Justice and Legal Consistency

The findings of this study give rise to fundamental considerations concerning the concepts of fiscal justice and legal coherence within contemporary financial systems. From a Sharia-based perspective, justice is understood as a substantive principle rather than a purely procedural one. Islamic jurisprudence emphasizes the necessity of evaluating the real financial consequences imposed on individuals, particularly when multiple compulsory obligations coexist [53]. In this context, zakat represents a mandatory religious duty that directly affects an individual’s financial capacity. Ignoring such an obligation when assessing tax liability may result in an inequitable distribution of fiscal burdens, thereby conflicting with the Sharia objective of preventing hardship and ensuring fairness [54].

The deduction of zakat from the tax base reflects this substantive conception of justice by recognizing the cumulative financial responsibilities borne by taxpayers. By accounting for compulsory religious payments, tax base adjustments acknowledge the reduced disposable income of individuals subject to zakat. This approach aligns with established jurisprudential principles that seek to balance public interest with

individual capacity, ensuring that state-imposed financial obligations do not exceed reasonable limits. As such, zakat deduction can be viewed as a mechanism that harmonizes fiscal policy with ethical and religious considerations embedded within Islamic law [55].

From a legal perspective, the analysis reveals an inherent tension between formal equality and substantive equity within tax systems. Formal equality is typically achieved through uniform tax rules applied equally to all taxpayers. However, such uniformity may obscure underlying inequalities when certain groups are subject to additional mandatory obligations outside the tax framework. In such cases, equal treatment in form may produce unequal outcomes in practice, undermining the broader objective of fiscal fairness [56].

Legal systems that recognize zakat deductions arguably move toward substantive equity by adjusting tax liability in accordance with actual financial capacity. This approach does not negate the principle of equality before the law but rather refines its application by accounting for relevant differences in taxpayers' financial circumstances. Consequently, incorporating zakat deductions within tax legislation may enhance the coherence of fiscal systems by aligning legal norms with social realities, provided that such measures are implemented within a clear, transparent, and non-discriminatory regulatory framework [57].

Institutional and Governance Implications

The results also highlight the importance of institutional design. Zakat deduction policies are most effective when supported by transparent, well-regulated zakat institutions capable of verifying payments and ensuring proper allocation. Weak governance frameworks may undermine both fiscal revenues and public trust. Table 3 summarizes the key governance factors influencing the effectiveness of zakat deduction policies [58].

Table 3. Governance Factors Affecting Zakat Deduction Effectiveness

Governance Factor	Impact on Policy Effectiveness
Institutional transparency	Enhances trust and compliance
Verification mechanisms	Prevents misuse of deductions
Legal clarity	Ensures consistency and predictability
Coordination between agencies	Improves administrative efficiency

As shown in Table 3, governance quality plays a decisive role in determining whether zakat deduction policies achieve their intended objectives without undermining fiscal stability.

Integrated Sharia-Legal Evaluation

The integrated assessment of Sharia-based and legal findings indicates that the deduction of zakat from the tax base may be considered both legitimate and beneficial, provided that a set of essential conditions is fulfilled [59]. Chief among these conditions is the existence of a clear and well-defined legal framework that explicitly

regulates the treatment of zakat within the tax system. Such legal clarity is necessary to ensure consistency, predictability, and the equal application of tax rules, thereby preventing arbitrary or inconsistent practices. In addition, effective institutional oversight plays a critical role in verifying zakat payments, preventing misuse, and maintaining transparency in the administration of both zakat and taxation [60].

Equally significant is the alignment of zakat deduction policies with the objectives of Islamic law (*maqāsid al-sharī'a*), particularly the promotion of justice (*'adl*), the prevention of financial hardship (*raf' al-ḥaraj*), and the protection of public interest (*maṣlaḥa*). When these objectives are insufficiently reflected in legal provisions or administrative practices, the legitimacy of zakat deduction mechanisms may be weakened, and their practical effectiveness substantially reduced. In this regard, institutional trust emerges as a key mediating factor that links regulatory design with taxpayer behavior, reinforcing perceptions of fairness and legitimacy [61].

As illustrated in Figure 2, compliance-related outcomes are influenced by a combination of legal structure, institutional credibility, and individual perceptions, with trust in zakat institutions serving as a central reinforcing element. This conceptual relationship supports the argument that coordinated zakat-tax frameworks, when properly regulated and institutionally supported, can strengthen compliance and enhance fiscal equity [62].

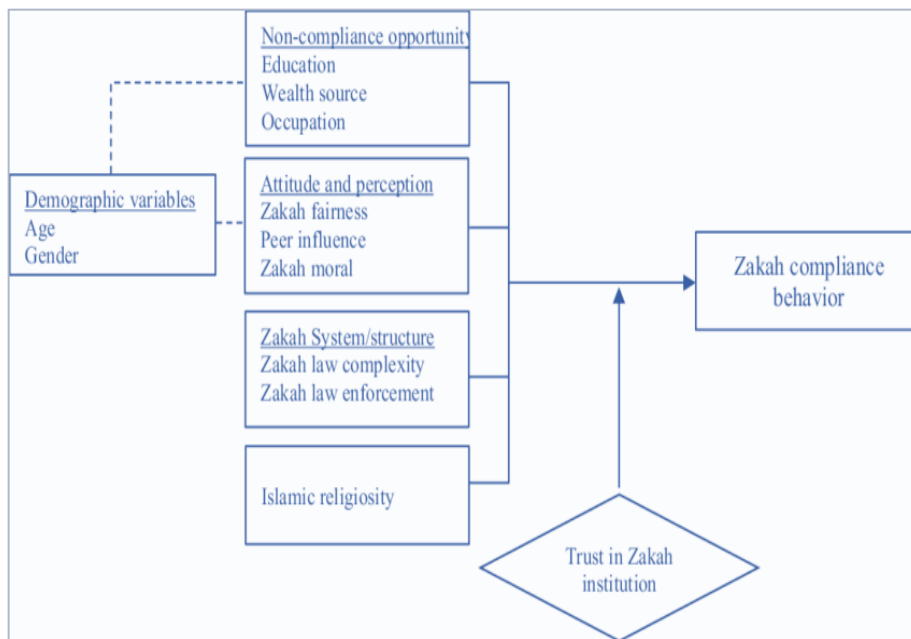


Figure 2. Determinants of Zakah Compliance Behavior and Institutional Trust (Source: Adapted by the author for analytical illustration purposes)

The analysis further demonstrates that zakat deduction should not be regarded as a universal or uniform solution applicable across all legal and social contexts [63]. Variations in legal systems, institutional capacity, and societal composition necessitate context-sensitive regulatory models tailored to national circumstances. Nevertheless, the overall evidence suggests that coordinated approaches between zakat and taxation offer greater potential for achieving fiscal justice than models based on strict institutional separation. When carefully designed and contextually adapted, such coordination can enhance fairness, strengthen compliance, and contribute to more coherent and equitable fiscal systems [64].

Policy Implications and Broader Significance

The findings of this study carry significant policy implications for decision-makers in Muslim-majority countries seeking to reform or modernize their fiscal systems. The integration of zakat within national tax frameworks, when implemented through carefully structured and well-regulated deduction mechanisms, has the potential to improve taxpayer compliance, alleviate excessive financial burdens, and reinforce the ethical dimensions of public finance. Recognizing zakat within the tax system acknowledges its compulsory nature and helps ensure that fiscal obligations are distributed in a manner consistent with principles of fairness and proportionality [65].

However, the study also underscores the necessity of safeguarding legal coherence and inclusivity in the design of such policies [66]. Policymakers must ensure that zakat integration does not undermine core legal principles, including equality before the law and tax neutrality, nor result in unintended disadvantages for non-Muslim taxpayers. This requires transparent legal provisions, effective administrative coordination, and clear institutional boundaries between religious and fiscal authorities [67].

At a broader conceptual level, the study contributes to ongoing academic and policy debates regarding the role of religious obligations in contemporary public finance. By demonstrating that zakat deduction can be harmonized with modern legal principles under appropriate regulatory conditions, the research challenges the assumption that religious and secular fiscal systems must remain institutionally separate. Instead, it offers a structured framework for aligning religious obligations with contemporary financial governance, thereby advancing the pursuit of equitable, inclusive, and ethically grounded fiscal systems.

CONCLUSION

This study has explored the legitimacy of allowing zakat deductions from the tax base through an integrated Sharia and legal perspective, emphasizing the inherent complexity of aligning religious financial duties with contemporary fiscal frameworks. The analysis demonstrates that the permissibility of zakat deductions cannot be assessed in absolute terms. Rather, it is contingent upon the broader regulatory, institutional, and normative environment in which such deductions are implemented. Zakat deduction is neither intrinsically inconsistent with modern taxation systems nor automatically justified under Islamic or legal principles; its validity depends on how effectively it is regulated and administered. The findings indicate that when zakat deductions are grounded in clear statutory provisions, supported by transparent administrative mechanisms, and aligned with the overarching objectives of Islamic law (*maqāsid al-sharī'ah*), they can promote greater equity in the distribution of fiscal burdens. In such contexts, zakat deduction may help mitigate the cumulative financial pressure placed on individuals who are subject to both religious and state-imposed obligations. This contributes to a more balanced fiscal structure that recognizes normative values alongside legal requirements. The study further reveals that a rigid institutional separation between zakat and taxation systems may fail to address substantive inequalities arising from multiple compulsory financial obligations. While formal separation may preserve administrative clarity, it can overlook the economic realities faced by taxpayers in Muslim-majority societies. In contrast, coordinated models that acknowledge the interaction between zakat and taxation offer greater potential for enhancing distributive justice, provided they are carefully structured within a sound legal framework. However, the research also cautions that coordination between zakat and tax systems must be designed with precision. Poorly implemented integration risks undermining fundamental principles of tax neutrality, generating legal inconsistencies, or creating unequal treatment among taxpayers, particularly in pluralistic and multi-religious

societies. Safeguards are therefore essential to ensure that zakat deductions do not compromise the integrity of public finance systems or violate constitutional and legal standards. Ultimately, this study contributes to ongoing debates on fiscal justice and the role of normative and ethical values in public finance. By proposing a structured analytical framework that integrates Sharia principles with contemporary legal standards, it provides a conceptual foundation for future research and informed policymaking aimed at developing equitable, coherent, and context-sensitive fiscal systems in Muslim-majority jurisdictions.

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Author Contribution

Alaa Alkhateeb contributed to the conceptualization of the study, research design, methodology development, and manuscript preparation. Amel Saib contributed to data collection, literature review, data analysis, and critical revision of the manuscript. Both authors reviewed and approved the final version of the manuscript.

Conflicts of Interest

The author declares no conflict of interest.

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