

Analysis of the Implementation of Article 22 of Law Number 23 of 2011 Concerning Management of Zakat as a Reduction of Taxable Income in the City of Palu From *Maqāshid Al-Syarī'ah* Perspective

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ABSTRACT

Zakat is the third pillar of Islam, so most Muslims know the importance of paying Zakat. Indonesia has related regulations, namely Law of the Republic of Indonesia No. 23 of 2011 concerning the management of Zakat; Article 22 states, "Zakat paid by muzak to the National Amil Zakat Agency or Amil Zakat Institution is deducted from taxable income. The type of research in this research is field research. The primary and secondary data are used. Data collection techniques are observation, interviews, and documentation. The results of this research show that the mechanism for implementing this law is contained in Minister of Finance Regulation Number 254/PMK.03/2010 concerning Procedures for Charging Zakat or Mandatory Religious Contributions That Can Be Deducted from Gross Income, namely Zakat on income paid by the Compulsory Taxation of individuals who adhere to the Islamic religion or by taxpayers of domestic corporate bodies owned by followers of the Islamic religion to National Zakat Amil Agency or zakat amil institutions established or authorized by the Government, by attaching Proof of Zakat Deposit at the time of reporting the annual Tax Return no later than March 31 of the current year, representing the intention of *Maqāshid Al-Syarī'ah* itself in achieving the goal of benefit both in the world and the benefit in the afterlife, Law Number 23 of 2011 concerning zakat management regulates Zakat as a deduction from taxable income, with the aim of exempting taxpayers Muslims have two responsibilities, namely paying taxes and Zakat. Research implications: It is necessary to carry out outreach efforts regarding Zakat as a deduction from taxable income. Taxpayers and entrepreneurs who are subject to tax are expected to pay Zakat through official government institutions that handle Zakat, such as the National Zakat Amil Agency and the Zakat Amil Institute.

ARTICLE INFORMATION

Keywords:

Professional Zakat, Income Tax, Zakat as a Tax Deduction.

1. Introduction

The majority of religions practiced by people in Indonesia are Islam. Indonesia is home

to around 231 million followers of the Islamic faith. If measured in percentages, 86.7% of all Indonesian people embrace Islam. Adherents of Islam in the Indonesian archipelago constitute

13% of the total Muslim population throughout the world (word Population Review, 2023).

Based on data from the Directorate General of Population and Civil Registration of the Ministry of Home Affairs, Central Sulawesi residents who embraced Islam reached 2.39 million people in June 2021. This percentage reached 78.9% of Central Sulawesi's total population, reaching 3.03 million people. 495.02 thousand people, or 16.31% of Central Sulawesi residents, adhere to Christianity. Furthermore, 110.45 thousand people, or 3.64% of residents in the area, are Hindu. There are 27.22 thousand people, or 0.9% of Central Sulawesi residents, who are Catholic. A total of 4.24 thousand people, or 0.14% of the population of Central Sulawesi, are Buddhist. Central Sulawesi residents who adhere to the Confucian religion reach 26 individuals or 0.11%.

Islam is a universal religion that regulates all aspects of life (Bowen, 1998), whether regarding relationships with Allah SWT or relationships between human beings. *Hablum minallah* can be done by carrying out worship activities such as prayer and fasting to get closer to the *Khaliq*. *Hablum minannas* can be done by paying attention to the people around you (Dandy Alif Wildana, 2014). Islam itself has various kinds of obligations; one of the obligations contained in Islam is the obligation to pay Zakat. Zakat is the third pillar of Islam, so most Muslims know the importance of paying Zakat. Zakat is a *ma'liyah ijtimaiyah* worship that has a significant, strategic, and decisive position, both from the perspective of Islamic teachings and the perspective of developing the welfare of the people, as a primary worship. Zakat is given to certain people with certain conditions or levels of assets entitled to receive it (March, 2009).

The obligation of Muslims to pay Zakat is contained in Q.S. At-Taubah/9:103.

خُذْ مِنْ أَمْوَالِهِمْ صَدَقَةً تُطَهِّرُهُمْ وَتُزَكِّيهِمْ بِهَا وَصَلِّ عَلَيْهِمْ إِنَّ صَلَاتَكَ سَكَنٌ لَهُمْ وَاللَّهُ سَمِيعٌ عَلِيمٌ ١٠٣

Translate:

“Take zakat from their wealth (to) purify and cleanse them, and pray for them because indeed your prayer is peace for them. Allah is All-Hearing, All-Knowing” (Q.S At-Taubah (9): 103).

From this verse, we can conclude that paying Zakat is an obligation every Muslim individual must fulfill. So, what about the

responsibility of paying taxes for Muslims? There are (dual) obligations carried out by Muslims in a country that must be fulfilled, namely the commitment to the State to pay taxes and the responsibility to religion by paying Zakat.

Zakat is only charged to Muslim people who have certain wealth or assets following applicable rules and regulations (Çakmak, 2023). On the other hand, those who are financially incapable are not required to pay for Zakat and are even included in the category of Zakat recipients. The difference is very significant when compared to taxes. The obligation to pay mandatory taxes, the benefits of which are not felt directly by the taxpayer and the payment of which is regulated by law, is imposed on all adult Indonesian citizens who have income, and the amount of tax remitted to the State depends on the size of the income level or income owned by each taxpayer.

As Muslims and good citizens, the obligation to pay Zakat and taxes must be fulfilled. With the regulations stipulated by the Constitution that Zakat paid by *muzakki* (zakat givers) to bodies or institutions receiving Zakat will be deducted from taxable income, it is hoped that Muslims will be aware of paying Zakat so that the existing zakat potential can be realized. Indonesian citizens who are Muslim are obliged to pay Zakat as a realization of the implementation of religious orders and are also obliged to pay taxes as a realization of obedience to the government, which is also required by religion (Hussain, 2021).

Zakat will be distributed to 8 asnaf who have the right to receive Zakat as stated in Q.S At-Taubah/9: 60

﴿إِنَّمَا الصَّدَقَتُ لِلْفُقَرَاءِ وَالْمَسْكِينِ وَالْعَمِلِينَ عَلَيْهَا وَالْمَوْلَاةِ
 فَلُوْبُهُمْ وَفِي الرِّقَابِ وَالْغَرْمِينَ وَفِي سَبِيلِ اللَّهِ وَأَبْنِ السَّبِيلِ فَرِيضَةً مِّنَ اللَّهِ
 وَاللَّهُ عَلِيمٌ حَكِيمٌ ٦٠﴾

Translate :

“Alms-tax is only for the poor and the needy, for those employed to administer it, for those whose hearts are attracted to the faith, for freeing slaves, for those in debt, for Allah’s cause, and for needy travellers. This is an obligation from Allah. And Allah is All-Knowing, All-Wise.” (Q.S At-Taubah (9): 60)

Taxes are contributions to the state treasury based on (applicable) regulations without receiving direct profits, which can be

demonstrated and used to pay for general expenditures by the government. The first step towards independence in the community/state is to explore sources of funds that can be used to support projects that are beneficial for the benefit of others, which will be recorded in the State Revenue and Expenditure Budget, which will be used for people's welfare and construction of public infrastructure (Agus Budi, 2018)

Two obligations are seen in different laws: the obligation to Zakat in Law No. 23 of 2011 concerning Zakat Management and the obligation to pay taxes in Law No. 36 of 2008 concerning Income Tax. These two laws state that Zakat and taxes are obligations.

Indonesia has related regulations, namely Law of the Republic of Indonesia no. 23 of 2011, concerning the management of Zakat. Article 22 states, "Zakat paid by muzaki to National Zakat Amil Agency or Amil Zakat Institution is deducted from taxable income, as well as the Director General of Tax regulation PER-08/PJ/2021 regarding agencies/institutions formed or authorized by the government and designated as a recipient of obligatory Zakat which can be deducted from gross income. Likewise, in Government Regulation Number 60 of 2010, Zakat or mandatory religious donations can be subtracted from gross income; Article 2 states that if expenditure for Zakat or mandatory religious donations is not paid to the National Amil Zakat Agency or Amil Zakat Institution, it cannot be deducted from gross income.

The government has approved and determined Zakat as a deduction from Taxable Income. Furthermore, this policy does not only cover Zakat but also mandatory religious donations. This means that followers of other religions also enjoy the tax reduction. Meanwhile, the mechanism for managing Zakat as a deduction from taxable income from gross income is contained in the Directorate General of Taxes Regulation PER-06/PJ/2011 concerning Implementation of Payments and Making Proof of Payment for Zakat or Mandatory Religious Donations, which can be deducted from Gross Income.

Based on the above, the problem formulation that the author wants to examine in this research is (1) What is the mechanism for implementing Article 22 of Law Number 23 of 2011 concerning the management of Zakat as a

deduction from taxable income in Palu City (2) What is the perspective Maqāshid Al-Syarī'ah regarding Article 22 of Law Number 23 of 2011 concerning the management of Zakat as a deduction from taxable income.

2. Literature Review

2.1 Analysis of Practice Theory

Practice is an attitude that has not automatically been realized in an action (overt behavior). For an attitude to become a real difference, supporting factors or conditions that make it possible include facilities. The theory of practice will change according to the consequences. If the consequences are pleasant, it strengthens the action, whereas unpleasant consequences weaken the action. According to Lawrence Green, the three factors influencing this action are predisposing, enabling, and reinforcing (Notoadmojo 2018).

2.2 Concept of Zakat

Etymologically, the meaning of Zakat has several interpretations, such as البركة (al-barakātu), which describes blessings; النماء (al-namā), which refers to growth and development; and الطهارة (ath-ṭharatu) which signifies purity (Djaghballou, Djaghballou, Larbani, & Mohamad, 2018). Zakat means blessing; that is, by paying Zakat, a person's assets will increase or remain the same as a result of the gifts and benefits that Allah SWT bestows on a muzakki, making it grow fertile like the growth of a new plant (M.Ali Hasan 2006).

The solid legal basis for Zakat is the Al-Qur'an and Hadith. Some of the arguments that explain are as follows:

يَا أَيُّهَا الَّذِينَ ءَامَنُوا أَنْفِقُوا مِنْ طَيِّبَاتِ مَا كَسَبْتُمْ وَمِمَّا أَخْرَجْنَا لَكُمْ مِنَ الْأَرْضِ وَلَا تَيَمَّمُوا الْخَبِيثَ مِنْهُ تُنْفِقُونَ وَلَسْتُمْ بِإِيَّاهِ إِلَّا أَنْ تُغْمِضُوا فِيهِ وَاعْلَمُوا أَنَّ اللَّهَ غَنِيٌّ حَمِيدٌ ۚ ۲۶۷

Translate :

"O believers! Donate from the best of what you have earned and what We have produced for you from the earth. Do not pick out worthless things for donation, which you yourselves would only accept with closed eyes. And know that Allah is Self-Sufficient, Praiseworthy." (Q.S Al-Baqarah (2): 267)

Based on Law Number 23 of 2011 Article 4 Paragraph (1) concerning Zakat Management, it

explains that: "Zakat Mal (Wealth), Zakat is obligatory on a Muslim or business entity (muzaki) who has assets whose provisions have been fulfilled, as has been achieving the nisab and haul and the conditions therefor. Based on Law Number 23 of 2011 Article 4 Paragraph (2) and Zakat Fitrah, Zakat must be paid by every Muslim, both men and women, adults and children, and free people and enslaved people before Eid. Fitri is the month of Ramadan. The amount of zakat fitrah is one sha, equivalent to 2.5 kg or 3.5 liters of rice or staple food in the area concerned.

There are provisions regarding people who are worthy or entitled to receive Zakat. In Q.S At-taubah/9: 60

إِنَّمَا الصَّدَقَتُ لِلْفُقَرَاءِ وَالْمَسْكِينِ وَالْعَمِلِينَ عَلَيْهَا وَالْمَوْلَةَ قُلُوبُهُمْ وَفِي
 الرِّقَابِ وَالْغُرَمِينَ وَفِي سَبِيلِ اللَّهِ وَأَبْنِ السَّبِيلِ فَرِيضَةً مِّنَ اللَّهِ وَاللَّهُ عَلِيمٌ
 حَكِيمٌ ٦٠

Translate :

"Alms-tax is only for the poor and the needy, for those employed to administer it, for those whose hearts are attracted to the faith, for freeing enslaved people, for those in debt, for Allah's cause, and needy travelers. This is an obligation from Allah. And Allah is All-Knowing, All-Wise." (Q.S At-Taubah (9): 60).

2.3 Profession or Income Zakat

Income or professional Zakat is part of income that is excluded from income or work results when it has met the minimum limit determined (Kamal, Berakon, Hamid, & Muttaqin, 2024). Following Tarjih Muhammadiyah law, Zakat distributed from the proceeds of the halal business, whether it requires specific skills or not, can generate large profits or money in a halal and straightforward way. Meanwhile, Zamzami Ahmad defines professional Zakat as Zakat on income obtained and received halal in the form of income, honorarium, or salary. Meanwhile, a profession is a type of work in the service industry that usually requires specific skills and abilities and is paid in constant or variable currency as wages or salaries. Meanwhile, income is money a person receives, whether regularly or not (Amiruddin, 2005). The professions in question include Civil Servants, employees, lawyers, consultants, doctors, notaries, accountants, artists, entrepreneurs, and others. Income obtained from

work is in the form of money. Zakat on employee or job income can be calculated from the total net income in one year if the net income meets one nisab. The qiyas used in determining Zakat from professions is qiyas *syabah*, namely qiyas, where the legal *illat* is carried out according to the *syabah* method with Gold and silver, namely 2.5% of total gross income (Yusuf Qardhawi, 1999)

Tax Concept

Law No. 28 of 2007 concerning the Third Amendment to Law No. 6 of 1983 concerning General Provisions and Tax Procedures states that: "Tax is a taxpayer's contribution to the state that is owed by an individual or entity that is coercive." based on the law without receiving direct compensation and used for state needs for the greatest prosperity of the people." In the context of development, taxes have two functions. According to Dr. Diana Sari, there are two functions of tax, namely: Revenue Function (Budgetair) Tax has a budgetary function, meaning that tax is one source of government revenue to finance expenditure, both routine and development and Regulatory Function (Regular) Tax as a tool to regulate or implement government policy in the social and economic fields.

Drs. Waluyo, Msc, MM, Akt stated that the tax collection system can be divided into 3, namely: (1) Official Assessment System, which is a tax collection system that gives authority to the government (fiscus) to determine the amount of tax owed. (2) An assessment System is a tax collection system that gives authority, trust, and responsibility to taxpayers to calculate, pay, and report the amount of tax that must be paid themselves (3) A Withholding System is a tax collection system that provides authority to third parties to deduct or collect the amount of tax owed by the Taxpayer (Waluyo, 2000)

According to the Regulation of the Directorate General of Taxes PER32/PJ/2015 Income tax Article 21: "Income tax Article 21 is a tax on income in the form of salary, wages, honorarium, allowances and other payments in any name and any form in connection with employment or positions, services and activities carried out by individuals."

In the annual reporting, taxpayers will be given an Annual Tax Return, which reports the amount of tax as of March 31 of each current

year, which must be paid in one tax period. The notification document that has been filled in and signed can be sent to the Directorate General of Taxes in the area where the taxpayer lives.

In Law Number 38 of 2008 and Minister of Finance Regulation Number 101/PMK.010/2016, the Non-Taxable Income (1) rate for taxpayers is IDR. 54,000,000 (2) Married Taxpayers Rp. 4,500,000 (3) Children (maximum 3) Rp. 4,500,000 (4) Sum/wife's combined income Rp. 54,000,000. In Law Number 36 of 2008, the tax rates applied to Taxable Income for domestic individual taxpayers are as follows: Taxable Income < IDR 50,000,000.00 tax rate 5%, income IDR 50,000,000.00 - IDR 250,000,000.00 tax rate 15%, for income IDR 250,000,000.00 - IDR 500,000,000.00 tax rate 25% and for income > IDR 500,000,000.00 subject to a tax rate of 30%.

Zakat and taxes have a legal basis in the State Law. One thing about Zakat and taxes is that the provisions on the implementation of taxes in a country are highly dependent on the government in power or the policy of the ruler, so if someone is taxed, then he is obliged to obey it according to the applicable regulations, Zakat which is absolute, where everyone is required to pay Zakat not only based on need but also based on obligation (Didin, 2018) The background to this reduction is regulated in the latest law, namely in Law Number 23 of 2011 Article 22 states "Zakat paid by muzakki to the National Zakat Agency or Zakat Agency is deducted from taxable income." Related to that, Law Number 23 of 2011 Article 23 concerning Zakat Management states that The National Zakat Agency or Zakat Agency is required to provide proof of zakat deposits to each muzak as referred to in paragraph (1) is used as a reduction in taxable income. Proof of deposit as referred to in paragraph (1): with evidence of direct deposit or through transfer between bank accounts, or deposit through an ATM, in the attachment includes the full name of the Taxpayer and Taxpayer Identification Number, Nominal payment, Date of deposit and Name of zakat collection institution or religious institution recognized by the government and proof of deposit if payment is made directly or approval of the bank officer on proof of deposit if payment is made through transfer between bank accounts with the condition that (1) The assets belong to a Muslim person (2) The assets are wholly owned

by a person (3) The assets are productive or produce assets (4) The assets have reached one nishab (minimum calculation requirement for an asset to be subject to Zakat) (5) The assets are a surplus (excess) of primary needs (6) There are no debts due on the assets, which can reduce the minimum nishab. Especially assets in the form of gold, silver, livestock, mining, and trade, they must be more than one year old (Regulation of the Director General of Taxes PER-6/PJ/2011)

Maqāshid Ash-syarī'ah theory

When viewed from a linguistic aspect, Maqāshid is the plural form of the term 'maqshid,' which indicates difficulty in what is described or intended. Etymologically, Maqashid comes from the words *Qashada*, *yaqshidu*, *qasdan*, and *qashidun*, which refer to solid desire, perseverance, and deliberate awareness (Ahsan Lihasanah, 2008). Al-Syatibi explains sharia as divine rules that limit or regulate the actions, words, and beliefs of Muslims as a whole. From the combined meaning of maqashid and shari'ah, as well as linguistic understanding, maqashid al-syarī'ah can be interpreted as the goal or intention of Allah in enacting a regulation (Abu Ishaq) (Ermawati & Nurdin, 2023). Maqāshid Asy-syarī'ah means the goal that Allah and His Messenger want to achieve in forming rules in the Islamic religion. This intention can be found in the verses of the Qur'an and the teachings of the Prophet as a rational basis for forming regulations aimed at advancing human welfare as a whole.

3. Methodology

This research uses qualitative methods. In qualitative research, the theory is only a guide, so the research focus follows the facts in the field (Nurdin & Pettalongi, 2022; Nurdin, Stockdale, & Scheepers, 2016). Data was collected through direct observation, in-depth interviews, and written document analysis at the research location (Rusli, Hasyim, & Nurdin, 2021; Rusli & Nurdin, 2022). The object of this research is cases of premarital pregnancy in married couples in Parigi Regency. Interviews were conducted with semi-structured with participants. Apart from that, interviews were also analyzed written material. The results of the interviews were

recorded and transcribed. The transcript results were consulted with participants to obtain approval (Latepo, Suharto, & Nurdin, 2021; Muslih, Nurdin, & Marzuki, 2020). The data analysis technique in this research uses deductive thinking techniques, which can be interpreted as research procedures that produce deductive data from interviews and field notes. Data analysis was carried out using thematic analysis from Strauss and Corbin (1998). Analysis begins with open coding, axial coding, and selective coding. The final result of data analysis is the themes found in the data.

4. Results and Discussion

4.1 Mechanism of Zakat Practice as a deduction from taxable income at the National Zakat Amil Agency/Zakat Amil Institution in Palu City

Income tax, which can function as a tax deduction, has specific formal requirements. These formal requirements must be met so that Zakat can be considered a deduction from income subject to income tax. Income tax is income or wealth subject to Zakat, which is subject to tax. Because income can be explained as any increase in economic capacity received or obtained by the taxpayer, whether originating from within or outside the territory of Indonesia, and can be used for consumption needs with the aim of increasing the taxpayer's wealth in any form, then income according to The law is tax object no-36 of 2008 article 4 paragraph (1) concerning income tax. Then, in Article 2, paragraph (1), Zakat or religious donations paid by individual or domestic corporate taxpayers can be deducted from the relevant gross income. From the explanation of Article 2 paragraph (1), it is clear that zakat or religious donations can be used as a deduction from the gross income of individual taxpayers and corporate taxpayers. In Article 3, paragraph 1 (a), Reductions in Zakat or religious donations as intended in Article 1 can be reported in an Annual Income Tax Return for individual taxpayers or domestic corporate taxpayers concerned with the payment of Zakat or donations as intended in Article 2 paragraph (1). Article 3, paragraph (1. a) explains that Zakat can be deducted from taxable income when the taxpayer files an Annual Income Tax Return.

In Article 3 paragraph (2. a), it is stated that if in the tax year reported in the Annual Income Tax Return, Zakat or religious donations have not been paid, the following provisions apply: Deductions for mandatory Zakat or religious donations can be made in the tax year in which the payment is made. Article 3 paragraph (2. a) explains that Zakat can be used as a deduction from taxable income only in the tax year the payment is made.

Tax can be deducted with Zakat, provided it is paid through an official body; if not at an official institution, it cannot be a deduction from taxable income and must also have proof in Director General of Taxes Regulation No. PER-6/PJ/2011 concerning Implementation of Payments and Making Proof of Payment for Zakat or Religious Donations are mandatory and can be deducted from gross income. The list of Bodies and Institutions established or authorized by the government as recipients of mandatory Zakat or religious donations is contained in the Director's Regulation General of Taxes Number PER-08/PJ/2021.

In the process of receiving zakat funds, the National Amil Zakat Agency of Central Sulawesi Province, the Indonesian Zakat Initiative representatives of Central Sulawesi, and the Amil Zakat Shadaqah Muhammadiyah Institute of Central Sulawesi Province, including the National Amil Zakat Agency/ Amil Zakat Institute authorized by the government are designated as zakat recipients or Mandatory religious donations can be deducted from gross income in Palu City, using various methods, namely by paying directly on the spot, or by making online payments such as transfers between multiple banks, payments via Qris and barcodes, and in receiving Zakat, infaq, Muzakki can also be done by being picked up directly by an Amil Zakat Agency officer to make it easier for muzakki to pay their Zakat.

To make it easier for Muzakki or donors to calculate income zakat, the Indonesian Zakat Initiative and the National Zakat Amil Agency have applications and services that can be accessed to calculate Zakat by downloading the Zakat Service Application via the Appstore with the name "Zakatpedia" Application, and the National Zakat Amil Agency can be accessed directly on the website www.baznassulteng.or.id

When paying Income Zakat/Professional Zakat, Baznas of Central Sulawesi Province, Indonesian Zakat Initiative (IZI) representing Central Sulawesi, and the Amil Zakat Shadaqah Muhammadiyah Institute of Central Sulawesi Province provide Proof of Zakat Deposit for muzakki as a sign that the Zakat has been paid, either in the form of collective or individual. Those who make transfers through the National Amil Zakat Agency/Institute Amil Zakat also actively send proof of Zakat deposits via e-mail.

Apart from that, taxpayers fill in the mandatory zakat/religious donation section with the amount of Zakat paid when submitting their annual tax return and attach proof of zakat deposit. In this way, taxable income is directly reduced from the actual amount before zakat payments are deducted from income. In terms of paying income tax for which you are dependent, the taxpayer will actively pay a nominal amount of money into the state treasury through the Directorate General of Taxes.

As a tax subject who complies with tax law provisions to fulfill all tax obligations following applicable tax regulations, these rules cover every stage of the process, from calculating taxes to paying and reporting them.

From these three institutions, proof of Zakat Deposit payments includes points that have been regulated by the Director General of Taxes Number PER-6/PJ/2011, Article 2, which governs the implementation of payments and the issuance of proof of payment for Zakat or religious donations, which are mandatory and can be deducted of gross income. Taxpayers who deduct Zakat must attach proof of payment to their Annual Tax Return. This proof includes at least (1) The full name of the tax subject, referring to the complete identity of the muzakki who makes the zakat payment, and (2) the Taxpayer Identification Number, namely the Taxpayer Identification Number owned by the muzakki. (3) The total nominal amount of money paid as Zakat includes all of the Zakat payments made by the muzakki. (4) The name of the zakat amil entity or organization that has received recognition from the government, such as the National Zakat Amil Agency. (5) A signature is provided by an officer from the Amil Zakat Agency or Amil Zakat Institution, established and authorized by the government, especially when payments are made directly. This involves

the signature of the National Amil Zakat Agency officer.

Even in the proof of zakat deposit from the National Zakat Agency for Central Sulawesi Province and proof of zakat deposit from the Indonesian Zakat Initiative in the Central Sulawesi Region, there is a note stating, "zakat paid can be used as a deduction from Taxable Income following the applicable rates, as regulated in Article 9 paragraph (1) letter (g) Law Number 7 of 1983 concerning Income Tax which has undergone several changes, the last of which was mandated by Law No. 17 of 2000." This firmly states that zakat payments can be considered a deduction from income subject to tax.

From Mr A's income tax calculation 21, the amount of tax payable after deducting Zakat is Rp. 1,375,000, and without deducting Zakat, it is Rp. 1,400,000. So, the difference between the two calculations above is IDR 25,000. This insignificant difference causes muzakki to sometimes not want to attach Proof of Zakat Deposit as a tax deduction when reporting the Annual Tax Return.

A person must pay Zakat on income if he has reached the zakat income nishab of 85 grams of gold per year. This is also confirmed in the Decree of the National Zakat Amil Agency Number 22 of 2022 concerning the Nisab of Zakat on Income and Services, that The Zakat income/income nishab in 2022 is worth 85 grams of gold or the equivalent of IDR 79,292,978,- (Seventy-nine million two hundred ninety-two thousand nine hundred and seventy-eight rupiah) per year or IDR 6,607,748,- (Six million six hundred seven thousand seven hundred and forty-eight rupiah) per month.

In practice, Zakat on income can be paid every month, with the monthly nishab value equivalent to one-eighth of 85 grams of gold (as stated above) at a rate of 2.5%. So, if your monthly income exceeds the monthly nishab, you must pay Zakat 2.5%.

Efforts have been made to socialize the zakat regulations as each institution has carried out a deduction from taxable income. Still, the socialization has not been fully specific regarding the zakat regulations as a deduction from taxable income. It is always communicated to muzakki or taxpayers, individuals, and entities that Zakat or

other obligatory religious donations can be a deduction from taxable income.

4.2 *Driving factors in the implementation of Zakat as a deduction from taxable income*

1. The existence of legal regulations/legal factors. In Article 22 of Law Number 23 of 2011 concerning Zakat Management, the government has provided facilities for citizens to carry out religious law to pay Zakat and reduce taxable income.
2. Law Implementer Factor: Law enforcers/law administrators are people whose job it is to implement the law. In this research, the law enforcers who apply Article 22 of Law Number 23 of 2011 concerning Zakat Management are the National Zakat Amil Agency, Zakat Amil Institutions such as the Indonesian Zakat Initiative, the Palu City Infaq and Sadaqah Amil Zakat Institute, and the Palu City Tax Service Office.
3. Facilities and Facilities Factor: Facilities are influential in making these laws and regulations effective. Either physical facilities or digital facilities that support the implementation of these regulations. These facilities must be met for law enforcement to achieve its objectives regarding the facilities or facilities factor in Article 22 of Law Number 23 of 2011 concerning Zakat Management in Palu. Based on the author's analysis, the facilities or facilities at the National Amil Zakat Agency, the Amil Zakat Institute, and the Directorate General of Taxes from a physical perspective, both in terms of premises and office equipment, are indeed very ready to carry out the mandate of the law.

4.3 *Problems that arise in the practice of zakat as a reduction in taxable income*

Even though the provisions and calculations of Zakat as a deduction from taxable income have been in effect and implemented for a long time, the implementation of the reduction of taxable income for zakat payers in the Muslim community has not yet been adequately realized. Several obstacles, including the following, cause this:

1. Lack of public knowledge regarding Law Number 23 of 2011 concerning Zakat Management Article 22 due to the need for more socialization of Zakat as a tax deduction. The payment of Zakat as a deduction from taxable income (gross income) has been in effect since 2001. However, until now, many individual Taxpayers are Muslim or payers of Zakat (muzakki) who have not taken advantage of the reduction in gross income for Income Tax.
2. Taxpayers need to be motivated to report the Zakat that has been collected, which is one of the obstacles in managing Zakat funds. There is still a lack of awareness or motivation among Muslim communities who have paid Zakat to report their Zakat to the Tax Service Office because they already know there is a difference when attaching proof of Zakat or not. The difference in income tax payments is not very significant.

3. Taxpayers prefer to avoid paying their Zakat to the National Amil Zakat Agency/Institute Amil Zakat.

Zakat is one of the pillars of Islam. Zakat is one of the pillars of Islam, and its implementation is based on Islamic sharia/law. Apart from being a ritual worship, Zakat is also a social worship because the distribution or distribution of Zakat must be given to specific groups, namely the eight asnaf groups. On this basis, the practice of Zakat has been carried out since ancient times. Taxpayers still like to pay directly to teachers, Kyai, religious figures, and others who they consider to have the right to receive Zakat without going through official bodies or institutions appointed by the government.

With a policy regarding tax deductions for Zakat that has been paid, it is hoped that Zakat obligators will voluntarily pay Zakat to institutions authorized by the government. By paying institutions authorized by the government, the government manages Zakat for the benefit of the people.

From the three factors described above, the deduction from taxable income in Article 22 of Law Number 23 of 2011 concerning Zakat Management is clear, and the results of interviews show that no one from the community

takes advantage of Zakat relief as a deduction from taxable income at the Palu Pratama Tax Service Office. The lack of interest from the public has caused the regulation not to work as the original aim was implemented, and the information that taxpayers receive still needs to be improved. Public awareness still needs to be improved in implementing these regulations, coupled with the habit of people who like to hand over their Zakat directly without going to the Amil Agency. Zakat or Amil Zakat Institution, so that the Zakat they pay cannot be deducted from taxable income. Also, in implementing Zakat as a deduction from personal taxable income, it is not mandatory to report the Zakat Deposit Letter when you want to pay income tax.

4.4 Implementation of Article 22 of Law Number 23 of 2011 concerning the management of zakat as a reduction in taxable income from Maqāshid Al-Syari'ah perspective

In a general sense, Maqashid sharia consists of two words, namely maqashid and sharia. The word "maqashid" comes from the verb root "qasada yaqsudu," which contains meanings such as heading towards a direction, goal, or the right path. Maqasid Syari'ah reflects Allah's and His Messenger's goals in formulating Islamic laws. This goal can be found in the verses of the Qur'an and the Sunnah of the Prophet as a logical basis for formulating laws aimed at the welfare of humanity.

Any change in Islamic law is entirely wholly acceptable. As a product of human ijihad, it is realized that fiqh cannot be separated from the dynamics between idealism and reality, between ideology and empirical experience. Therefore, the truth of fiqh is not absolute but rather relative in line with the construction of human thought, which is always related to the context of space and time.

Thus, the existing rules of Islamic law, especially fiqh, can be changed by reinterpreting and reformulating them to align with developments and the demands of the times while remaining firmly based on Islamic law principles. This approach is in line with the basic tenets of al-fiqh, which states:

غَيْرُ الْقَتَوَى بِتَغْيِيرِ الزَّمَانِ وَالْمَكَاتَةِ وَالْأَحْوَالِ وَالْعَوَائِدِ

translate:

"Changes in fatwas are directly proportional to changes in time, place, and circumstances" (fatturrahman, 1999)

All kinds of laws established by Allah have sharia purposes (*Maqashid al Syari'ah*) for humans. This goal generally revolves around efforts to realize human benefits on Earth. More specifically, there are five kinds of goals (maqashid) which are usually referred to as al Dharuriyat al Khamsah (five primary goals) in the Shari'a, namely *hifzh al din* (guarding religion), *hifzh al nafs* (guarding the soul), *hifzh al aql* (guarding reason), *hifzh al nasl* (guarding offspring), and *hifzh al-mal* (guarding wealth) (Al-syatibi, 2004)

The integration of Zakat and taxes, when viewed from the principles of maqashid al shari'ah in Islamic law, illustrates that the implementation of Zakat, which creates benefits, is the aim of the provisions of the shari'a. So, maqashid al shari'ah is the aim or objective of the legal rules revealed by Allah to humans to obtain benefits or benefits while avoiding harm. Zakat as a means of realizing better welfare of the people is a principle of maqashid al shari'ah. Apart from that, benefits are also obtained for the Zakat Compulsory because Zakat, as explained in the Koran, is a cleanser of souls and assets for zakat payers in Q. S Al-Taubah verse 103.

In Indonesia, practical regulations under Law No. 23 of 2011 concerning zakat management article 22 states, "Zakat paid by muzaki to the National Amil Zakat Agency or Amil Zakat Institution is deducted from taxable income. With this principle, every practical and profitable decision for society's benefit must be prepared, implemented, organized, and tested in its development. Meanwhile, policies that potentially harm the people must be avoided and abandoned.

In the context of the law in force in Indonesia regarding zakat management, it has been clearly explained that zakat management determined by the government must fully achieve social justice goals. Therefore, the success of zakat management can be measured through economic progress and development (mustahiq prosperity), and this confirms that the role of zakat distribution has a significant influence on the success of zakat management by the National Zakat Amil Agency and the Zakat Amil Institution.

The principle of *maqāshid al-syarī'ah* regarding the implementation of integrated Zakat and tax calculations emphasizes the principles of togetherness, mutual assistance, justice, and social solidarity. For this reason, the presence of Zakat can complement sources of state income other than taxes so that the distribution of collected funds can be more effective and on target. *Maqāshid al-syarī'ah* does not want anything in vain or to avoid harm because every existing law must have and carry a noble mission for the benefit of humans in the world.

The Indonesian Ulema Council rejects equating Zakat with tax, citing differences in the legal basis for implementing the two policies as its starting point. Zakat is implemented because religious demands are based on strict provisions, while taxes are based on human legal regulations and are terrestrial in nature. The difference between taxes and Zakat can result in significant financial benefits; Zakat income is allocated to beneficiaries, while taxes are used to manage various sectors using the State Revenue and Expenditure Budget Plan.

As long as there is a discussion regarding combining Zakat and taxes, two opposing points of view will initially remain, following the current implementation of taxes and Zakat in Indonesia, which defines the taxpayer's gross income. According to the second perspective, Zakat can function as a tax deduction by combining potential tax benefits with Zakat's ability to encourage economic development. From a fiscal policy perspective, the claim is that zakat revenues can be paired with taxes to maximize potential income so that poverty alleviation is not only the responsibility of the State Revenue and Expenditure Budget. Zakat institutions provide coverage to poor and underprivileged communities collaborating on economic equality.

This regulation is an effort to create laws based on the principles of goodness and prosperity, prosperity and well-being of the people for the needs and welfare of society as a whole. This law also needs to consider circumstances and situations that benefit society because the more significant benefit is ultimately what the law pursues. More excellent goods will take precedence over less large goods. This is following the words of Yusuf al-Qaradawi:

تَقَدَّمَ الْمَصْلَحَةُ الْكُبْرَى عَلَى الْمَصْلَحَةِ الصَّغِيرَةِ

translate :

"The greater benefit takes precedence over the smaller benefit."

In the rules of *ushul fiqh*, it is generally known as:

تَصْرُفُ الْإِمَامِ عَلَى الرَّعِيَّةِ مَنْوُطٌ بِالْمَصْلَحَةِ

translate :

"A leader's policy towards his people must be linked to the benefit" (Jalal Ad-din 2013)

Like zakat, tax is a responsibility that needs to be fulfilled by both Muslims and non-Muslims to the state (*ulil amri*). Taxes are connected to common needs and should be positioned as a strategy that focuses on benefits and efforts to achieve social justice by studying phenomena in a society to create prosperity for its members.

This principle emphasizes the need for a leader to prioritize public welfare rather than obey personal or group desires. In practice, Law No. 23 of 2011 concerning Zakat Management, Article 22 states, "Payment of zakat by muzaki to the National Zakat Amil Agency or Zakat Amil Institution reduces the amount of income subject to tax."

As a deduction from gross income, it only partially meets the expectations of Muzaki and Zakat institutions in Indonesia. However, following the principles of *fiqh*, namely:

مَا لَا يَبْرُكُ كُلُّهُ، لَا يَبْرُكُ كُلُّهُ

translate :

"What you don't get in its entirety, don't leave it in its entirety" (Jalal Ad-din 2013)

As an integral part of Islamic teachings, Zakat is attached to every individual who fulfills the requirements (*mukallaf*) to cleanse the soul and property that Allah has given to every servant. In general, Zakat has a positive impact on social prosperity and supports the achievement of the goals of Islamic law (*maqashid sharia*). According to Yusuf Qardawi, Zakat can be considered a *māliyah ijtimā'iyah* worship involving wealth and social development.

5. Conclusion

From the ongoing data evaluation regarding the implementation of Law number 23

of 2011 concerning the management of Zakat Article 22 in the city of Palu from the Maqāshid asy-syarī'ah perspective, it can be concluded that Articles 22 and 23 stipulate that Zakat is paid to the National Zakat Amil Agency/Institution Amil Zakat, which the government approves, can be used as a taxable deduction. The mechanism for implementing this law is contained in Minister of Finance Regulation Number 254/PMK.03/2010 concerning Procedures for Charging Zakat or Mandatory Religious Contributions That Can Be Deducted from Gross Income, namely Zakat on income paid by individual Taxpayers adherents of the Islamic religion and by domestic corporate taxpayers owned by followers of the Islamic religion to zakat amil bodies or zakat amil institutions established or authorized by the government, by attaching Proof of Zakat Deposit (BSZ) at the time of reporting the annual SPT no later than March 31 current year"

Meanwhile, the review of ushul fiqh is related to Law Number 23 of 2011 as an amendment to Law No. 38 of 1999 concerning Zakat Management. The government here has made reform efforts in regulating the issue of the zakat law to prosper the welfare of its people, and this is sufficient to represent the intention of Maqāshid Al-Syarī'ah itself in achieving the goal of benefit both in the world and benefit in the hereafter, Law Number 23 of 2011 concerning zakat management regulates Zakat as a deduction from taxable income, to free Muslim taxpayers from two responsibilities, namely paying taxes and Zakat. Because of this law, zakat management can be appropriately optimized through the institutions that the government has entrusted to the relevant institutions following what is positive in the zakat law to safeguard the benefit of the people.

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