

# Effectiveness of Zakat as Tax Deduction in Muara Enim Baznas

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## ABSTRACT

Zakat, a fundamental Islamic obligation, has the potential to be utilized as a tax deduction to increase zakat fund collection. Despite regulations permitting zakat as a deductible expense, the actual implementation and awareness among Muslim taxpayers remain suboptimal. In Indonesia, the collection of zakat is significantly lower than its potential, indicating issues in management and understanding. This study aims to evaluate the mechanism and effectiveness of zakat as a taxable income reduction in increasing zakat funds at the Muara Enim Regency BAZNAS. A descriptive qualitative approach was employed, involving field research through documentation, observation, and interviews. The population comprised Muslim taxpayers, tax officials, and zakat administrators selected using purposive sampling. Data analysis focused on the implementation process and its impact on zakat revenue. The findings reveal that the zakat deduction mechanism in Muara Enim is not effectively increasing zakat revenue. Challenges include complicated procedures and limited taxpayer understanding regarding zakat calculations as a tax deduction. Consequently, the utilization rate of zakat as a tax deduction remains low. To optimize zakat collection through tax deductions, efforts should focus on simplifying procedures and improving taxpayer awareness and understanding. Enhancing these aspects can potentially increase zakat revenue, supporting the socio-economic development of Muara Enim.

**Keywords:** , Islamic Financial Obligation, Muara Enim, Tax Deduction, Taxpayer Awareness, Zakat, Zakat Collection

## INTRODUCTION

Taxes, which aim to improve the welfare of all citizens by improving and expanding public services, allocate taxes not only to taxpayers but also to the benefit of those who are not required to pay taxes. Islam, as a system of life, regulates the relationship between humans and Allah SWT (Al-Ibadat) and humans and other creatures (Al-Muamalah) in all aspects of the economy, politics, socio-culture, defense, and national security (Herianingrum et al., 2023). As the role of taxes in state revenues strengthens, a concurrent awareness of the role of zakat (alms). These two elements require proper management; poor management of either will have counterproductive effects on national development. One such burden is the dual obligation of paying taxes and zakat. Given that Muslims constitute 87% of Indonesia's population, the government is striving to minimize this burdensome dual obligation and to address this by finding a compromise between taxes and zakat to ensure this obligation does not burden Muslims.

Article 14, paragraph 3 of Law Number 38 of 1999 stipulates that zakat paid to the Zakat Collection Agency or Zakat Collection Institution is deducted from the taxpayer's remaining taxable profit/income in accordance with applicable laws and regulations. This provision is still regulated in the latest laws, specifically Article 22 of Law Number 23 of 2011 concerning Zakat Management and Law Number 36 of 2008 concerning Income Tax, which superseded the previous regulation by Law Number 17 of 2000. The PPh in Law Number 36 of 2008 further emphasizes that zakat received



by government-approved religious institutions is exempt from taxation. Article 4 also provides additional relief for other religions, as donations to government-approved institutions for religious purposes are exempt from taxation. The implementation of Law No. 23 of 2011 and Law No. 36 of 2008 is a solution for Muslims in Indonesia. Since their enactment, Muslim taxpayers who have paid zakat will receive a reduction of approximately 2.5% on their income tax. Each Muslim taxpayer will also receive a Zakat Identification Number (NPWZ) and Zakat Sector Certificate (BSZ) as proof of zakat payment, which can be submitted to the Tax Office to receive a tax reduction. In connection with the existence of Law Number 23 of 2011 and Law Number 36 of 2008, Baznas Muara Enim Regency constantly socializes about Zakat, Infak, and Shodaqoh (ZIS) in every Government Agency, BUMN, BUMD, and Individual Muzakki in the scope of Muara Enim Regency Government, regarding zakat as a deduction from taxable income, aiming to increase the receipt of Zakat, Infak, and Shodaqoh (ZIS) funds in Baznas Muara Enim Regency to provide many benefits to the people in Muara Enim Regency.

## LITERATURE STUDY

### *Zakat*

From a linguistic perspective, the word zakat is derived from the root word (masdar) of zaka, which means blessing, growth, purity, and goodness. According to Islamic jurisprudence (fiqh), zakat means "a certain amount of wealth that Allah has made obligatory for those who deserve it." The amount paid from wealth is called zakat because it "increases, enriches, and protects it from destruction." The meanings "growth" and "purity" are not only applied to wealth, but also to the souls of those who pay it (Febria & Heriyanto, 2022). The Qur'an defines the purpose of zakat, as it relates to the wealthy from whom it is paid, as summarized in two sentences consisting of a few letters. However, both contain many aspects of zakat's secrets and lofty goals. Both encompass all forms of purification, both material and spiritual, for the wealthy person and their soul, as well as for their wealth and prosperity (Hamid et al., 2023). One of the activities that generates power for humans today is professional activity, such as being a doctor, architect, or employee. Professional zakat, also known as income zakat, is a type of zakat paid on assets derived from a person's income or profession once it reaches the nisab (minimum threshold).

### *Laws and Regulations Concerning Zakat Management*

The law used is Law No. 23 of 2011, which states in Article 1, paragraph 1: "Zakat management is the planning, implementation, and coordination of the collection, distribution, and utilization of zakat." Paragraph 7, however, states that BAZNAS is the institution responsible for managing zakat at the national level (Marliyah & Ayuni, 2022). This law clearly states that zakat must be managed to ensure its direction, clear objectives, and on-target distribution, especially at a national level (Novi, 2021). The government and BAZNAS are thinking about how to make the Indonesian people more prosperous with the new policy, specifically in Law No. 23 of 2011, Chapter III concerning collection, distribution, utilization, and reporting, specifically in Article 22, which states that "zakat paid by muzaki to BAZNAS or LAZ can be deducted from taxable income. Article 23, paragraph 1, BAZNAS or LAZ is required to provide proof of zakat payments to each Muzakki, and in paragraph 2, proof of zakat payments is used as a deduction from taxable income. This is further emphasized in Government Regulation Number 60 of 2010 concerning zakat or obligatory religious donations that can be deducted from gross income.

### *Income Tax*

According to experts, tax is defined as a legally enforceable contribution made by individuals to the state treasury without any direct tangible return, used to pay for general expenditures (Mardiasmo, 2018). This definition concludes that tax is the transfer of wealth from the people to the state treasury to finance routine spending, with the surplus used for public savings, which is the primary source of funding for public investment. The legal basis for collecting income tax is





regulated by Law No. 36 of 2008, which is the fourth amendment to Law No. 7 of 1983 concerning income tax, replacing the previous regulation by Law No. 17 of 2000.

The object of taxation is income. As stated in Article 4 of the 2008 Income Tax Law (PPH), income refers to any additional economic benefits received or obtained by a taxpayer, whether originating from within or outside Indonesia. Such benefits must be capable of being used for consumption or to increase the taxpayer's wealth, regardless of their form or name (Juliasni, 2020). This includes various types of income, such as compensation or remuneration related to employment or services, including salaries, wages, allowances, honoraria, commissions, bonuses, gratuities, pensions, or other similar payments, unless otherwise stipulated by the law. It also covers prizes from lotteries or competitions, business profits, gains from sales or transfers, refunds of previously expensed tax payments, and additional costs associated with tax refunds. Furthermore, interest income including premiums, discounts, and compensation for debt guarantees as well as dividends, royalties, rent, and other asset-related income, are considered taxable. Additional forms include periodic payments, debt relief gains (except within limits defined by government regulations), foreign exchange gains, revaluation surpluses, and insurance premiums (Rahayu, 2019).

Law Number 36 of 2008 on Income Tax also provides certain exemptions, as outlined in Article 4, paragraph 3. These exemptions include assistance or donations, such as zakat received by officially recognized zakat collection agencies or institutions established or authorized by the government, provided they are distributed to eligible zakat recipients. Similarly, religious donations that are mandatory for followers of recognized religions in Indonesia and approved by the government through specific regulations are also exempt. Moreover, gifts received by direct blood relatives within one degree of lineage, religious institutions, educational or social organizations—including foundations—cooperatives, and individuals engaged in micro or small-scale enterprises are likewise exempt from taxation, with detailed provisions regulated by the Minister of Finance.

#### *Law on Income Tax*

Law Number 36 of 2008 on Income Tax stipulates that religious donations or zakat paid to government-approved institutions are exempt from taxation (RI, 2008). To ensure the effective implementation and clarification of this provision, the Ministry of Finance issued Regulation Number 254/PMK.03/2010, particularly Article 5, which governs the procedures for taxing zakat or other mandatory religious donations that may be deducted from gross income. Further refinement of this framework was introduced through the Regulation of the Director General of Taxes Number PER-6/PJ/2011, which details the implementation of payment and the issuance of proof for zakat or mandatory religious donations eligible for deduction. Article 1 of this regulation specifies that deductible religious contributions include: (1) zakat paid by individual Muslim taxpayers or domestic corporate taxpayers to zakat collection agencies or institutions officially authorized by the government; and (2) mandatory religious donations made by individual taxpayers of other officially recognized religions in Indonesia to authorized religious institutions.

Law No. 23 of 2011 concerning Zakat Management states that zakat paid by zakat payers to zakat institutions, namely BAZNAS (National Zakat Agency) or LAZ (Zakat Institution), can be deducted from taxable income (RI, 2011). The purpose of this regulation is to prevent Muslim taxpayers from being subject to a double burden. The method is to include proof of zakat payment when submitting their annual tax return. Every time you pay zakat through a government-approved zakat institution such as BAZNAS or another LAZ, you are entitled to receive proof of zakat payment (Nuralam, 2023). Furthermore, the evidence of zakat payment must include proof of payment made in person or via bank transfer. Valid proof of zakat payment must consist of the taxpayer's full name, Taxpayer Identification Number (NPWP), payment amount, payment date, name of the zakat collection agency, signature of a zakat collection agency officer, and validation by a bank officer on the proof of payment if payment is made via bank transfer.





### Previous Research

Muhammad and Nor (2024) stated that the intention of Muslim taxpayers to utilize zakat as an income tax deduction is influenced by various complex psychological and social factors (Muhammad & Nor, 2024). Religious understanding, legal awareness, perceptions of justice, social environment, and level of trust in zakat and tax management institutions are essential determinants in shaping this intention. The Ministry of Religious Affairs of the Republic of Indonesia (2024) conducted a study on the jurisprudence of zakat as an income tax deduction, which demonstrated the dynamics of understanding from an Islamic legal perspective. Some scholars argue that zakat and taxes are two distinct obligations that cannot be substituted for one another. In contrast, others view the principle of avoiding double burdens as consistent with the *maqasid al-shari'a* (objectives of the *shari'a*). These differing views influence the behavior of Muslim taxpayers in utilizing the zakat deduction facility in their tax calculations. Muslim taxpayers remain uncertain whether utilizing this policy aligns with Sharia principles or actually diminishes the essence of zakat.

The Directorate General of Taxes (2022) official website confirms that zakat can be used as a tax deduction, but its implementation remains suboptimal among taxpayers. Data shows that of the approximately 40 million registered taxpayers in Indonesia, only a small proportion utilize the zakat deduction facility in calculating their income tax. This indicates a serious problem related to Muslim taxpayer awareness, understanding, and compliance with this policy. Suboptimal policy implementation impacts the potential for zakat revenue that is not optimally utilized and the continued double burden felt by Muslim taxpayers who fulfill both financial obligations.

Internationally, research by Famulia (2020) indicates that Indonesia still lags behind Muslim countries, such as Malaysia and Brunei Darussalam, in terms of integrating zakat and tax (Famulia, 2020). In Malaysia, zakat not only reduces taxable income but also serves as a tax credit that directly reduces the amount of taxes owed. Meanwhile, in Brunei Darussalam, the integration of zakat and tax is even more comprehensive, with a highly coordinated administrative system in place.

## METHOD

The approach used in this study was a qualitative descriptive method, employing field research (Yakin, 2023). This research employs a qualitative descriptive approach to gain an in-depth understanding of the mechanisms and effectiveness of zakat as a tax deduction in Muara Enim Regency. The qualitative method is considered appropriate because it allows the exploration of social phenomena, perceptions, and behaviors related to zakat management and taxpayer awareness (Creswell, 2014). Data were collected through several techniques to ensure triangulation and richness, including document review, literature review, observation, and interviews. The document review involved examining relevant laws, regulations, and policies such as Law No. 23 of 2011, Law No. 36 of 2008, and various government regulations concerning zakat management and tax deductions, which provided the study with its legal and contextual foundation. The literature review focused on previous research, government reports, and studies related to zakat and tax policy to identify research gaps and support comparative analysis. Observations were conducted at the BAZNAS Muara Enim office and tax offices to understand operational procedures and administrative workflows, while semi-structured interviews were carried out with 50 participants—tax officials, zakat administrators, tax consultants, and taxpayers—selected through specific criteria using a purposive sampling technique.

The sampling process employed purposive sampling to ensure that participants possessed characteristics relevant to the study's objectives. The inclusion criteria required participants to be Muslim individuals with a Taxpayer Identification Number (NPWP), to be regular taxpayers who file annual tax returns (SPT), to have income above the Non-Taxable Income threshold (PTKP), and to pay zakat either through official institutions such as BAZNAS or LAZ, or directly to recipients. The final sample consisted of five tax officials, ten zakat administrators, five tax consultants, and thirty taxpayers, selected in phases to guarantee diverse perspectives and representativeness of data. The research procedure began with a literature and legal document review to understand the legal





foundations and previous findings on zakat as a tax deduction. This was followed by field observations at both BAZNAS Muara Enim and tax offices to observe real operational practices.

Subsequently, participants were identified and recruited based on established criteria, after which the research team conducted interviews, observations, and document reviews as part of the data collection stage. The collected qualitative data were then analyzed using thematic analysis following Braun and Clarke's framework, which includes familiarizing with data, coding, generating themes, reviewing themes, defining and naming them, and producing the final report (Braun & Clarke, 2006). Coding was completed manually with categories aligned to research variables such as policy awareness, procedural barriers, and effectiveness. Validity and reliability of the data were strengthened using triangulation, member checking, peer debriefing, and maintaining an audit trail. Triangulation ensured cross-verification of data from multiple sources, while member checking allowed participants to review their interview transcripts and confirm the accuracy of interpretations. Peer debriefing involved consultation with colleagues to challenge analytical perspectives and improve credibility, and the audit trail documented decisions and research processes to enhance transparency and reproducibility. This methodological framework is aligned with pragmatist epistemology and adheres to qualitative research best practices as recommended by Creswell (2014).

## RESULTS AND DISCUSSION

### *Muara Enim National Zakat Agency (BAZNAS)*

The Muara Enim National Zakat Agency (BAZNAS) was established in 2001 and began operating in 2003. The initial office of BAZNAS Muara Enim was located on Jl. Letnan M.A. KIP, Pasar II Village, Muara Enim, now the General Elections Commission (KPU) Office. Subsequently, the BAZNAS Muara Enim office moved to Jl. Kemayoran, Muara Enim Grand Mosque Complex. Finally, it moved to Jl. Mayor Tjik Agus Kiemas, SH, Kepur Village (Islamic Center Complex, 2nd Floor), adjacent to the Muara Enim regional government office complex, where it remains today.

The Muara Enim National Zakat Agency (BAZNAS) has undergone four leadership transitions over the years. The first leader, H. Nurdin Masyir, B.A., served for a decade from 2001 to 2010. He was succeeded by H. Khairrahman Yusuf, S.E., who held office from 2010 to 2015. The third leadership period was under H Syachril, S.H., M.Si, M.Hi., who served from 2015 to 2020. The current chairman, Drs. H. Fajeri Erham, M.M., was officially appointed by the Regent of Muara Enim in 2021.

Under the leadership of Drs. H. Fajeri Erham, M.M., BAZNAS Muara Enim has continued its mission to promote zakat payment through institutional channels. The agency actively conducts socialization and outreach programs across various government and private institutions to raise public awareness about the importance of paying zakat through BAZNAS. Furthermore, the implementation of zakat as a deductible component of taxable income adds strategic value to zakat management institutions, particularly BAZNAS. In practice, under the PPKP (Program Peningkatan Kepatuhan Pembayaran) scheme, the procedure is as follows: zakat payments must be made through government-recognized institutions such as BAZNAS; payers must obtain official proof of zakat payment along with a Zakat Taxpayer Identification Number (NPWZ); the payment documentation must then be attached to the annual income tax return (PPh 21). Through this mechanism, zakat payments are deducted directly from gross income rather than from the total income tax due, thereby providing a financial incentive while strengthening compliance with religious obligations.

The implementation of the taxable income reduction policy should be synergized. Dedi Susanto revealed that the interest of zakat payers is not significant, unless they are entrepreneurs or individuals who own businesses. For individuals or employees whose salaries are limited to the minimum wage (UMR), estimated at 4-5 million rupiah per month, the reduction in zakat payments for income tax is relatively small.

For example, a BAZNAS zakat payer who owns a construction company can attach proof of zakat payment as a reduction in VAT due to their substantial monthly income, say 50 million IDR,





600 million IDR per year; then, the restitution value for the reduction is quite significant, so it is beneficial for those whose income is above 4-5 million IDR per month; however, if the income is small, for example, 4-5 million IDR per month, then the tax is paid first by the company, then pay the zakat to BAZNAS and the proof is attached to the tax office, only around tens of thousands of rupiah and then audited, most of them (Muzakki) feel uncomfortable or refuse (Asnaini, 2018). So that results in the Muzakki being reluctant to attach proof of zakat payment when paying income tax. That is where the zakat policy of reducing income cannot accurately measure the level of zakat fund acquisition; however, BAZNAS continues to provide information and education to Muzakki so that the zakat policy, as a reduction in gross income, can be effectively applied.

### *Zakat Mechanism for Reducing Taxable Income at the Muara Enim Regency Baznas*

The mechanism for deducting zakat from gross income is regulated under the Director General of Taxes Regulation No. PER-6/PJ/2011, which concerns the implementation of payment procedures and proof of payment for obligatory zakat or religious donations that can be deducted from gross income. According to Article 1 of this regulation, deductible contributions include two main categories. First, zakat payments made by individual Muslim taxpayers or domestic corporate taxpayers owned by Muslims to amil zakat or zakat institutions officially authorized by the government. Second, obligatory religious donations made by individual taxpayers of other officially recognized religions in Indonesia, provided these donations are paid to religious institutions that have been authorized by the government.

Article 2 of the Regulation of the Director General of Taxes Number PER-6/PJ/2011 states that taxpayers who claim deductions for zakat or mandatory religious donations must attach a photocopy of the payment receipt to their Income Tax Return as evidence of the zakat deduction. The proof of payment may be made in person, through bank transfer, or via an ATM. At a minimum, the payment receipt must include several details: the taxpayer's full name and taxpayer identification number (NPWP), the amount paid, the payment date, and the name of the zakat collection agency or institution if the payment is made directly. In addition, the proof of payment must bear the signature of an officer authorized by the zakat collection agency or institution recognized by the government. If the payment is made through a bank transfer, the receipt must also include validation from the bank officer.

Furthermore, Article 3 clarifies that zakat or other obligatory religious donations cannot be deducted from a taxpayer's gross income under certain conditions. This occurs when the taxpayer does not make the payment to a zakat collection body, zakat institution, or religious organization that has been established or authorized by the government, and/or when the proof of payment does not meet the specific requirements outlined in Article 2 paragraph (2).

Regarding the BAZNAS of Muara Enim Regency, the zakat payment procedure is as follows: every Muzakki who wishes to pay their zakat directly to the BAZNAS of Muara Enim Regency must provide their original identity to the Amil who handles the zakat payment transaction. Suppose the Muzakki has not registered his name through the system at the Baznas of Muara Enim Regency, which is directly connected to the Central Baznas of the Republic of Indonesia. The Muzakki data is input through the Baznas Management Information System (SIMBA), a system directly integrated with the Central Bank of Indonesia's Baznas. After that, the zakat payment transaction is completed. The Muzakki also gets a BSZ (Proof of Zakat Payment) and an NPWZ card (Zakat Obligatory Identification Number), and receives a notification via SMS message as proof that the zakat payment transaction has been carried out through the Baznas of Muara Enim Regency.

To obtain a gross income tax reduction from zakat payments, the zakat payer, or taxpayer, must have a minimum income of 85 grams of gold, or approximately IDR 42,000,000.00 per year. Zakat that can reduce gross income tax is income zakat paid to a government-approved zakat collection body or zakat institution. Only through this institution will the zakat payer obtain an NPWZ (Taxpayer Identification Number) and BSZ (Taxpayer Identification Number), which must be attached to the annual income tax return (SPT) when paying income tax. Individual Muslim taxpayers are required to have an NPWP (Taxpayer Identification Number) for tax administration



purposes and personal identification. Based on the above explanation, it can be inferred that a taxpayer who pays zakat and attaches a Zakat Payment Receipt (BSZ) can reduce their taxable income, in accordance with applicable government regulations and calculations.

### *The Effectiveness of Zakat as a Taxable Income Deduction in Increasing Zakat Funds at the Muara Enim Regency Baznas*

Zakat, a tax on taxable income, has been in effect since the enactment of Law Number 38 of 1999 concerning Zakat Management and Law Number 7 of 1983 concerning Income Tax, both of which have undergone several amendments. Currently, Law Number 23 of 2011 and Law Number 38 of 2008 are in effect. Both of these laws emphasize that zakat is one of the taxable items exempted from tax. Zakat payment is also explained in Regulation of the Director General of Taxes Number PER-6/PJ/2011 and Regulation of the Minister of Finance Number 254/PMK.03/2010 concerning Procedures for Deducting Zakat or Mandatory Religious Donations that Can Be Deducted from Gross Income.

To ensure that more people are aware of this good news, the Muara Enim Regency Zakat Agency (Baznas) aims to alleviate the burden of dual obligations of paying taxes and zakat. The zakat institution, specifically Baznas Muara Enim Regency, is promoting the tax-deductible zakat program through direct outreach at all Muara Enim Regency government agencies, as well as through the media, including the Baznas Muara Enim Regency magazine, print media, and social media. Proof of zakat payments from Baznas Muara Enim Regency can be submitted to the tax office as a deduction from taxable income. The following table explains how zakat is treated as a deduction from Taxable Income (PKP).

**Table 1. Annual Zakat Tax Return as a Taxable Income Tax Deduction**

Net Income	65.000.000 IDR
Zakat on Income	1.625.000 IDR
Net Income After Zakat	63.375.000 IDR
PTKP (TK/0)	54.000.000 IDR
VAT-Related Taxable Person	9.375.000 IDR
Income Tax Article 21 Payable 5% x VAT-Related Taxable Person	468.750 IDR
On Tax Return 1770S:	
Income Tax Article 21 Payable	468.750 IDR
(-) Income Tax Credit withheld by other parties (zakat)	550.000 IDR
Income Tax Overpayment	-81.250 IDR

Source: Data processed by researchers. 2025.

The data above explains that if zakat is used as a reduction in Taxable Income (PKP), the result is an overpayment, meaning that payment of income tax by attaching proof of zakat payment results in an excess PPh 21 payment of 81,250 IDR, and the overpayment can be requested back by the Taxpayer, but must go through a restitution process and be audited first. Then, when comparing whether zakat is used as a direct reduction in income tax or as a tax credit, on the Individual Taxpayer's SPT, it is as follows:





**Table 2. Annual Zakat Tax Return as a Direct Deduction of Income Tax (Tax Credit)**

Net Income	65,000,000 IDR
Taxable (PTKP/0)	54,000,000 IDR
PKP	11,000,000 IDR
PPh 21 Payable - Tax Credit from Zakat Payment	550,000 IDR
PPh 21 Payable on Tax Return 1770S:	
PPh 21 Payable + Zakat Credit	275,000 IDR
Total PPh 21 Payable	275,000 IDR
(-) Tax Credit for Income Tax Withheld by Other Parties	550,000 IDR
PPh Overpayment/Underpayment	550,000 IDR

Source: Data processed by researchers. 2025.

From the data above, it appears that the difference in the two zakat treatment patterns can affect the annual tax return of individual taxpayers. If zakat is treated as a reduction in Taxable Income (PKP), the overpayment of income tax is 81,250 IDR. However, if zakat is treated as a direct reduction in Income Tax or a tax credit, the annual tax return of individual taxpayers is zero, or free of Income Tax. As for the two data above, the interest of Muzakki is not very significant, after knowing that they actually overpaid their income tax after attaching proof of zakat payment, however, they can request the overpayment back to the tax office but with a reasonably lengthy process, but it is different if the Muzakki is a businessman who will be very interested, or an individual who has a business will definitely be interested, there are also Muzakki who have a construction company, he attached proof of zakat payment as a reduction in PKP, because the nominal is quite large, so it is beneficial for them, but for those with small income, which is paid tax first by the office then pay zakat to Baznas Muara Enim Regency. The proof is attached to the tax office, as the nominal amount is small, ranging from <100,000 to 300,000, and will require an audit. Most of them (Muzakki) feel uncomfortable. As a result, Muzakki no longer attaches proof of zakat payment when paying taxes. Muslims who wish to pay both zakat and tax are reluctant to submit their Zakat Payment Certificates (BSZ) to the Tax Service Office (KPP), and many still choose to pay only one, either tax or zakat. This impacts the receipt of zakat funds at the Muara Enim Regency Baznas (National Zakat Agency) as follows:

**Table 3. Zakat Fund Collection from 2017 to 2021**

Year	Amount of Zakat Funds
2017	1.258.003.722 IDR
2018	1.338.347.413 IDR
2019	1.346.174.962 IDR
2020	1.780.224.269 IDR
2021	1.047.268.832 IDR

Source: Baznas M.E (Baznas, 2025)

That the factor that increases the collection in Baznas Muara Enim Regency is not from the zakat that reduces gross income, this is only an added value, talking about zakat must be transparent to Muzakki (Cahyani & Nasrulloh, 2023), seen from the side of lowering Taxable Income not many are interested, because it is for employees whose nominal may not be too large, so it is not too significant for that, they are more concerned about the convenience of how to pay zakat to Baznas Muara Enim Regency, muzakki corner, cooperation with banking services, there is an impact from zakat as a reduction in taxable income but it is not too significant. Not yet effective, this effectiveness





is stated that Baznas Muara Enim Regency itself has been intensively informing the zakat program as a reduction in income tax, but, back again to the technicalities, because the technical realm of reporting is in the tax itself, we do not know yet whether the tax office has socialized zakat as a reduction in taxable income or not.

## CONCLUSION

The zakat collection conducted by the Muara Enim Regency Baznas (National Zakat Agency) under the zakat program, which involves taxable income deduction, has been ineffective due to the complexity of the procedures and taxpayers' limited understanding of the zakat calculation as a tax deduction. The Ministry of Religious Affairs (BAZNAS) and the Directorate General of Taxes lack involvement in utilizing technology to promote the zakat payment mechanism as an income tax deduction. Meanwhile, in terms of zakat collection and receipt, Baznas Muara Enim continued to experience an increase in zakat receipts from 2017 to 2021, reaching 1.2 billion in 2017, 1.3 billion in 2018, 1.3 billion in 2019, 1.7 billion in 2020, and 1 billion in 2021. However, the Head of Baznas Muara Enim Regency emphasized that the zakat funds obtained were derived from programs that had been in place since the establishment of Baznas Muara Enim Regency, not from the Zakat Income Tax Reduction program.

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