

Khalifa Umar bin al-Khattab - Inter-Personal Relations and Interactions

Ushr

Umar was the first Muslim ruler to levy Ushr. Ushr as the name implies was an import duty levied at ten per cent on the value of goods imported.

When the Muslim traders went to foreign lands for the purposes of trade they had to pay a ten per cent tax to the foreign states. Ushr was levied on reciprocal basis on the goods of the traders of other countries who chose to trade in the Muslim dominions.

Umar issued instructions that Ushr should be levied in such a way so as to avoid hardship. The tax was levied on merchandise meant for sale. Goods imported for consumption or personal use but not for sale were not taxed. The merchandise valued at two hundred dirhams or less was not taxed.

The instructions provided that the tax should be charged only on goods which were brought in openly, and the personal luggage was not to be searched.

When the citizens of the State imported goods for the purposes of trade, they had to pay the customs duty or import tax at lower rates. In the case of the Dhimmis the rate was five per cent and in the case of the Muslims 2 1/2 per cent. In the case of the Muslims the rate was the same as that of Zakat. The levy was thus regarded as a part of Zakat and was not considered a separate tax.

A story is told that a certain Christian of the Banu Taghlib tribe and a citizen of the Muslim state imported a horse. The horse was valued at 20,000 dirhams, and being a Dhimmi the import tax on the horse was assessed at 5 per cent, i.e. 1,000 dirhams. He paid the tax but then went out of the country on business riding that horse. He returned after some time, and the taxing authorities demanded the Ushr on the horse again. He represented that as he had already paid the tax, it was a case of hardship to pay the tax for the second time.

The Christian waited on Umar at Madina, and represented his case. Umar after hearing the case merely said, "Alright, you can go." The man thought that Umar had probably not agreed with his view point. He accordingly went to the tax authorities and expressed his willingness to pay the tax. The taxing authorities told him that they had already received instructions from Umar that when any goods had been subjected to Ushr, these should not be subjected to the tax on re-import within a year.

Hearing of this order, the Christian trader said, 'How just is Umar; verily the religion that he follows is the Truth.' Thereupon he declared the article of faith and became a Muslim.

[View Page](#)

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