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Digital Zakat and Taxation for Equitable Wealth Distribution

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Abstract

Digital economic transformation has reshaped the governance of zakat and taxation systems across many countries, including Indonesia. While digitalization offers significant opportunities to enhance inclusive wealth distribution, it also presents challenges related to regulatory frameworks, system integration, and data protection. This article aims to analyze the effectiveness of legal regulations governing the digitalization of zakat and taxation in Indonesia and their compatibility with the principles of wealth distribution in Islamic economic law. The article employs a qualitative approach using content analysis to examine relevant regulations, scholarly literature, and related documents in order to assess the alignment between digital zakat and taxation frameworks and the distributive principles of Islamic economics. The findings indicate that digitalization has improved efficiency, transparency, accountability, and the reach of both fund collection and distribution mechanisms. However, several challenges remain, including digital literacy gaps, data security concerns, regulatory fragmentation, and the limited integration of zakat and taxation instruments. The study implies that harmonized regulations and integrated digital governance are essential for strengthening the effectiveness of wealth redistribution within the digital economy.

INTRODUCTION

The rapid expansion of the digital economy has fundamentally transformed economic transactions through the growth of e-commerce, financial technology (fintech), electronic payment systems, and digital service platforms (Peters, 2023). This transformation has reshaped the governance of financial resources and created new opportunities and challenges for wealth redistribution mechanisms. In Indonesia, the digital economy has become a significant driver of economic growth, while simultaneously demanding adaptive regulatory frameworks to ensure the effectiveness of fiscal instruments and Islamic social finance in promoting social welfare and economic justice (Suhendra et al., 2025). Within this context, zakat and taxation represent two important instruments of wealth redistribution that require institutional and regulatory adaptation to remain relevant in the digital era (Darajat, 2025).

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The emergence of digital transactions has posed challenges to conventional taxation systems, particularly in capturing cross-border digital activities characterized by minimal physical presence (Abdul et al., 2024). In response, governments have introduced various digital tax policies, including regulations governing electronic commerce and digital assets. At the same time, zakat management has undergone substantial transformation through online platforms, mobile applications, digital wallets, and electronic payment systems, enabling muzakki (zakat payers) to fulfill their obligations more efficiently while broadening access for *mustahiq* (eligible zakat beneficiaries) (Muyassarah et al., 2025). Consequently, digitalization has become a strategic mechanism for enhancing collection, administration, transparency, and distribution within both taxation and zakat systems (Musa et al., 2022).

Although zakat and taxes differ in their legal foundations and operational mechanisms, both perform redistributive functions aimed at reducing economic inequality (Mohamed, 2025). Zakat is a religious obligation governed by specific rules concerning *niṣāb, ḥaul,* and categories of beneficiaries (*aṣnāf*), whereas taxation constitutes a state instrument designed to achieve public welfare and social justice. From the perspective of Islamic economic law, both instruments should support equitable wealth distribution, public benefit (*maṣlaḥah*), and the protection of wealth (*ḥifẓ al-māl*), which constitute important objectives of *maqāṣid al-sharīʿah*.

The normative foundation for wealth distribution in Islam is explicitly affirmed in the Quran. Allah SWT states in Quran Surah Al-Ḥasyr (59): 7:

مَآ اَفَآءَ اللّٰهُ عَلٰى رَسُوْلِهٖ مِنْ اَهْلِ الْقُرٰى فَلِلّٰهِ وَلِلرَّسُوْلِ وَلِذِى الْقُرْبٰى وَالْيَتٰمٰى وَالْمَسٰكِيْنِ وَابْنِ السَّبِيْلِۙ كَيْ لَا يَكُوْنَ دُوْلَةً ۢ بَيْنَ الْاَغْنِيَآءِ مِنْكُمْۗ وَمَآ اٰتٰىكُمُ الرَّسُوْلُ فَخُذُوْهُ وَمَا نَهٰىكُمْ عَنْهُ فَانْتَهُوْاۚ وَاتَّقُوا اللّٰهَۗ اِنَّ اللّٰهَ شَدِيْدُ الْعِقَابِ

Meaning: *And what Allah restored to His Messenger from the people of the towns - it is for Allah and for the Messenger and for [his] near relatives and orphans and the [stranded] traveler - so that it will not be a perpetual distribution among the rich from among you. And whatever the Messenger has given you - take; and what he has forbidden you - refrain from. And fear Allah; indeed, Allah is severe in penalty.* (QS. Al-Hasyr: 7)

This verse establishes a fundamental principle of Islamic economics that wealth should circulate across society rather than accumulate among a limited group of individuals. Furthermore, Quran Surah At-Taubah (9): 60 specifies the eight categories of zakat beneficiaries:

اِنَّمَا الصَّدَقٰتُ لِلْفُقَرَاۤءِ وَالْمَسٰكِيْنِ وَالْعٰمِلِيْنَ عَلَيْهَا وَالْمُؤَلَّفَةِ قُلُوْبُهُمْ وَفِى الرِّقَابِ وَالْغٰرِمِيْنَ وَفِيْ سَبِيْلِ اللّٰهِ وَابْنِ ۝ السَّبِيْلِۗ فَرِيْضَةً مِّنَ اللّٰهِۗ وَاللّٰهُ عَلِيْمٌ حَكِيْمٌ

Meaning: *Zakat expenditures are only for the poor and for the needy and for those employed to collect [zakat] and for bringing hearts together [for Islam] and for freeing captives [or slaves] and for those in debt and for the cause of Allah and for the [stranded] traveler - an obligation [imposed] by Allah. And Allah is Knowing and Wise.* (QS. At-Taubah: 60)

The verse demonstrates that zakat serves as an institutional mechanism for wealth redistribution directed toward vulnerable segments of society. Likewise, Quran Surah At-Taubah (9): 103 commands the collection of zakat as a means of purification:

خُذْ مِنْ اَمْوَالِهِمْ صَدَقَةً تُطَهِّرُهُمْ وَتُزَكِّيْهِمْ بِهَا وَصَلِّ عَلَيْهِمْۗ اِنَّ صَلٰوتَكَ سَكَنٌ لَّهُمْۗ وَاللّٰهُ سَمِيْعٌ عَلِيْمٌ

Meaning: *Take, [O, Muhammad], from their wealth a charity by which you purify them and cause them increase, and invoke [Allah 's blessings] upon them. Indeed, your invocations are reassurance for them. And Allah is Hearing and Knowing.* (QS. At-Taubah: 103)

While Quran Surah Adz-Dzariyat (51): 19 states:

وَفِيْٓ اَمْوَالِهِمْ حَقٌّ لِّلسَّاۤىِٕلِ وَالْمَحْرُوْمِ

Meaning: *And from their properties was [given] the right of the [needy] petitioner and the deprived.*

(QS/ Az-Zariyat: 19)

These verses collectively emphasize that wealth possesses a social dimension and that redistribution constitutes an integral component of Islamic economic justice.

From the perspective of positive law, zakat management in Indonesia is regulated under Law Number 23 of 2011 on Zakat Management, which authorizes the National Zakat Agency (*Badan Amil Zakat Nasional*) and accredited Zakat Collection Institutions to manage zakat distribution and collection. Meanwhile, digital taxation continues to evolve through various fiscal regulations intended to address emerging forms of economic activity in the digital environment. The coexistence of these regulatory frameworks raises important questions regarding their effectiveness in supporting digital transformation while maintaining distributive justice and legal certainty.

Several studies have examined digitalization, taxation, zakat governance, and wealth distribution from different perspectives. Al-Faruq et al., (2025) argues that digital platforms enhance zakat collection efficiency and transparency. Alfian et al., (2025) highlights the strategic role of digital Islamic social finance in promoting inclusive economic development. Lahuri et al., (2025) demonstrate that digital zakat services positively influence public participation in zakat payments. Ninglasari & Muhammad, (2021) find that technological innovation strengthens the effectiveness of zakat management institutions. Santoso et al., (2025) emphasize that financial technology improves accessibility and accountability in Islamic philanthropy. Alrasyid et al., (2026) identify digital literacy as a crucial determinant of successful zakat digitalization. Mihai, (2025) discuss the challenges of taxation in the digital economy, particularly concerning compliance and cross-border transactions. Organisation for Economic Co-operation and Development (OECD) in 2021 highlights the need for adaptive tax governance in addressing digital economic activities. Syaichoni et al., (2025) examine the relationship between Islamic wealth redistribution and sustainable economic development. More recently, Dewaya, (2025) emphasize the importance of integrating digital governance with *maqāṣid al-sharīʿah* principles to strengthen Islamic social finance ecosystems.

Despite these contributions, existing studies largely examine digital zakat and digital taxation separately. Research focusing on the comparative effectiveness of positive-law regulations governing digital zakat and taxation in light of Islamic wealth distribution principles remains limited. Moreover, few studies have explored how legal frameworks governing both instruments can be harmonized to strengthen equitable wealth redistribution in the digital economy.

The literature demonstrates a lack of comprehensive analysis concerning the compatibility between digital zakat and taxation regulations and the principles of wealth distribution in Islamic economic law. Previous studies primarily focus on technological innovation, governance effectiveness, or regulatory compliance without comparatively evaluating both instruments within a unified framework of distributive justice and *maqāṣid al-sharīʿah*.

The novelty of this study lies in its comparative examination of digital zakat and digital taxation regulations through the lens of Islamic wealth distribution principles. Unlike previous studies that analyze these instruments independently, this article integrates positive-law perspectives and Islamic economic law to evaluate the extent to which digital governance supports equitable wealth redistribution, social welfare, and economic justice.

This article aims to analyze the effectiveness of legal regulations governing the digitalization of zakat and taxation in Indonesia and to assess their conformity with the principles of wealth distribution in Islamic economic law. The analysis focuses on regulatory effectiveness, opportunities for institutional synergy, implementation

challenges, and the realization of distributive justice in the digital economy.

METHODS

This article employs a qualitative approach with a content analysis research design to examine the effectiveness of the legal framework governing the digitalization of zakat and taxation and its compatibility with wealth distribution principles in Islamic economic law. Qualitative research is suitable for exploring legal norms, policy content, and conceptual relationships embedded in regulations and scholarly discourse, while content analysis enables the systematic interpretation of textual data and legal documents (Creswell & Poth, 2018; Engkizar et al., 2026; Eriyanti et al., 2020; Fadli, 2026; Kasheem et al., 2025; Krippendorff, 2022; Ma'lufah & Zaenal, 2026; Makarim & Hamzah, 2024; Sari et al., 2025). Through this approach, the study seeks to understand how digital zakat and taxation regulations reflect the principles of distributive justice, public welfare (*maṣlaḥah*), trustworthiness (*amānah*), and the objectives of *maqāṣid al-sharīʿah*. This methodological approach is appropriate because the study focuses on legal substance, conceptual interpretation, and normative analysis rather than statistical measurement.

Method and Type

This study adopts a qualitative method with a content analysis design. Content analysis is a research technique used to examine, interpret, and categorize textual materials systematically in order to identify patterns, themes, and meanings contained within documents (Krippendorff, 2022; Muslim & Iska, 2026). In this study, content analysis is applied to evaluate the substance of regulations, policy documents, academic literature, and Islamic legal sources related to zakat digitalization and digital taxation. The use of content analysis is appropriate because the research seeks to compare legal norms and Islamic economic principles within a comprehensive analytical framework.

Data Sources

The study utilizes both primary and secondary data sources. Primary data consist of statutory regulations and official policy documents, including Law Number 23 of 2011 on Zakat Management, Financial Ministry regulations concerning digital taxation, Law Number 11 of 2008 concerning Electronic Information and Transactions and its amendments, Law Number 27 of 2022 concerning Personal Data Protection, and official documents issued by the National Zakat Agency (*Badan Amil Zakat Nasional*). Secondary data are derived from journal articles, books, conference proceedings, and other scholarly publications discussing digital zakat, digital taxation, Islamic economics, and *maqāṣid al-sharīʿah* (Bougie & Sekaran, 2020; Rahmatullah et al., 2024; Suprayitno et al., 2025). The use of these data sources is appropriate because they provide both normative and conceptual foundations necessary for conducting a comprehensive comparative analysis.

Instruments

In qualitative research, the researcher serves as the primary instrument responsible for collecting, interpreting, and analyzing data (Creswell & Poth, 2018). To support the analysis, document review sheets and thematic classification matrices were developed to organize information extracted from legal documents and scholarly sources. These instruments were designed to classify data according to key themes, including digital governance, wealth distribution, legal effectiveness, transparency, accountability, and distributive justice. The use of researcher-centered instruments is appropriate because it enables flexible interpretation while maintaining analytical consistency throughout the study.

Data Collection Techniques

Data were collected through documentation techniques involving the identification, review, and examination of legal regulations, official institutional

reports, academic publications, books, and other relevant documents. Documentary research is widely recognized as a key technique in legal and qualitative studies because it enables the systematic exploration of written sources relevant to the research problem. All collected documents were selected based on their relevance to digital zakat, digital taxation, Islamic economic law, and wealth distribution principles. This technique is appropriate because the research focuses on textual and regulatory materials rather than empirical field observations.

Data Analysis

The data analysis instruments consisted of thematic matrices and analytical categorization frameworks developed according to the objectives of the study. Relevant information was grouped into several analytical categories, including regulatory effectiveness, digital governance, transparency, accountability, *maqāṣid al-sharīʿah*, and wealth distribution. These matrices facilitated systematic organization and comparison of data across different regulatory and theoretical sources (Miles, 2015). The use of thematic matrices is appropriate because it allows complex legal and conceptual data to be organized in a structured and traceable manner.

Data Analysis Techniques

Data were analyzed through descriptive-critical and comparative analysis. The descriptive-critical approach was used to explain and evaluate the substance of legal regulations governing digital zakat and taxation, while the comparative approach was employed to assess their conformity with the principles of wealth distribution in Islamic economic law. The analytical process followed the interactive model of Miles, (2015), consisting of data reduction, data display, and conclusion drawing. Furthermore, thematic categorization was applied to identify major patterns and relationships among the data. These analytical techniques are appropriate because they enable a comprehensive evaluation of both legal frameworks and Islamic normative principles within a single analytical framework.

Data Validity

The validity of the data was ensured through source triangulation, theoretical triangulation, and peer-review examination. Source triangulation was conducted by comparing information obtained from statutory regulations, official institutional reports, and academic literature. Theoretical triangulation involved examining data through multiple perspectives, including Islamic economic law, wealth distribution theory, and *maqāṣid al-sharīʿah*. In addition, peer-review examination was undertaken by comparing interpretations with established scholarly discussions in the relevant field (Creswell & Poth, 2018). These validation procedures are appropriate because they enhance the credibility, dependability, confirmability, and overall rigor of the findings, ensuring that the conclusions are grounded in reliable and verifiable sources.

RESULT AND DISCUSSION

The Concept of Zakat and Tax Digitization in the Digital Economy

Zakat digitization is understood as the use of information and communication technology to support the entire zakat management process, from collection, recording, and distribution to electronic reporting (Lestari, 2026). Through online platforms, mobile applications, digital payment systems, and an integrated database of *mustahik*, these processes become faster, more accurate, and more transparent. This practice is considered consistent with the principles of contemporary *muamalah* fiqh as long as the contract is clear, free from elements of *gharar*, and continues to uphold the values of *amanah* and the public interest. Recent studies indicate that digitization not only broadens the participation of zakat contributors but also opens opportunities for productive zakat programs aimed at the economic empowerment of zakat recipients (Maqfiroh, 2025; Munthe, 2025).

On the other hand, digital taxes have emerged as the state's response to the increasingly complex development of the platform-based economy. The government regulates the collection of Value-Added Tax and Income Tax on transactions involving digital goods and services including cross-border transactions through various regulations issued by the Minister of Finance. Technology enables real-time transaction recording, broadens the tax base, and enhances accountability in the management of government revenue. From an Islamic economic perspective, digital taxes can be accepted as a form of *dharībah* as long as they adhere to the principles of justice, transparency, do not impose an excessive burden, and are directed toward the public interest that supports the redistribution of resources (Directorate General of Taxes, 2026).

These two instruments have distinct yet complementary characteristics. Zakat focuses on direct redistribution to the eight categories of *asnaf* designated by Islamic law, while taxes serve to fund public infrastructure, social services, and development programs with a broader scope. Digitalization strengthens the functions of both by improving operational efficiency and enabling data-driven decision-making. Empirical research confirms that the integration of digital technology contributes positively to the long-term optimization of zakat collection (Luntajo & Hasan, 2023).

Nevertheless, the implementation of digitalization is not without challenges. Issues such as personal data security, the digital divide in certain regions, and the need for operational standards aligned with Sharia principles remain major concerns. Zakat management institutions are required to ensure that the platforms they use meet Sharia compliance requirements while protecting the rights of both *muzaki* and *mustahik*. Meanwhile, in the context of digital taxation, challenges arise regarding the oversight of cross-border transactions and the adjustment of regulations to ensure fairness for micro and small businesses.

Thus, the digitization of zakat and taxation in the digital economy era is not merely a technical innovation but part of an effort to strengthen a fair system of wealth redistribution. Synergy between the two can be achieved through institutional collaboration, the strengthening of adaptive regulations, and the responsible use of technology. This approach is expected to support the realization of broader public benefit without compromising the fundamental values of Islamic economic law.

Positive Law Provisions Regarding the Digitization of Zakat and Taxes

Positive law regulations in Indonesia provide a relatively strong foundation for the digitization of zakat, although they have not yet been fully integrated specifically for this purpose. Law No. 23 of 2011 on Zakat Management serves as the primary legal framework. Articles 5 and 6 explicitly grant authority to National Board of Zakat Collection and Distribution and licensed Zakat Collection Institutions to collect zakat. Meanwhile, Article 38 prohibits anyone from managing zakat without permission from the competent authority. In digital practice, the online platforms and mobile applications used by National Board of Zakat Collection and Distribution and licensed LAZs still fall within the scope of these articles, as official institutions remain the primary administrators, while electronic systems serve only as technical channels (Anisah et al., 2025).

In addition to the Zakat Management Law, digitization is also subject to the Electronic Information and Transactions Law (ITE Law) and its amendments, as well as Law No. 27 of 2022 on Personal Data Protection. The Personal Data Protection Act (PDP Act) stipulates the obligations of data controllers to protect the personal data of zakat contributors (*muzaki*) and recipients (*mustahik*), including during the processes of collection, storage, and reporting. These provisions are critical because digital zakat platforms store sensitive data; therefore, operators must ensure security, obtain consent, and prevent data breaches. Compliance with both of

these laws strengthens legal compliance while enhancing public trust in the digital system.

On the taxation front, digital tax policies continue to evolve to address the challenges of a platform-based economy. Regulations issued by the Minister of Finance, including Minister of Finance Regulation No. 37 of 2025, designate digital platforms as collectors of Income Tax under Article 22 for commercial transactions conducted through electronic systems. These regulations broaden the government's revenue base and promote fiscal equity through more efficient collection mechanisms. Nevertheless, implementation still faces challenges related to technological infrastructure, taxpayer literacy, and coordination among relevant agencies.

The relationship between zakat and taxes is also specifically regulated. Article 22 of Law No. 23 of 2011 states that zakat paid to National Board of Zakat Collection and Distribution or Zakat Collection Institution may be deducted from taxable income. This provision is reinforced by Ministry of Finance Regulation No. 114 of 2025, which stipulates that zakat or mandatory religious contributions may be deducted from gross income, provided they are paid through an official institution holding a Taxpayer Identification Number, supported by valid proof of payment, and do not result in a fiscal loss. This incentive creates limited scope for synergy between zakat obligations and tax obligations.

Overall, Indonesia's positive law has provided a legal framework, data protection, and fiscal incentives that support the digitization of both zakat and taxes. However, these regulations remain sector-specific. There is still no comprehensive regulation that explicitly integrates the digitization of zakat and taxes into a single, mutually supportive fiscal-Sharia ecosystem. This situation opens the door for the development of more adaptive policies in the future so that the synergy between these two instruments can function more optimally.

The Principle of Wealth Distribution in Islamic Economic Law

Islamic economic law regards the distribution of wealth as one of the main pillars for achieving social justice and preventing the concentration of wealth in the hands of a select few. This principle is deeply rooted in the words of Allah SWT in Surah Al-Hasyr, verse 7, which emphasizes that wealth should not circulate only among the wealthy. This verse serves as the philosophical foundation that individual ownership is relative and entails social responsibility. Within the framework of *maqasid al-syari'ah,* particularly *hifz al-mal* (protection of wealth) and *hifz al-nafs* (protection of life), the management of both public and private wealth must yield sustainable benefits for the broader community (Sumadi, 2025).

Zakat is the primary, obligatory, and specific instrument in the Islamic distribution system. It aims to purify the owner's wealth, reduce economic inequality, and empower the *mustahik* toward self-reliance. The provisions regarding zakat recipients are explicitly outlined in Surah At-Taubah, verse 60, which lists the eight categories of *asnaf*. Meanwhile, Surah At-Taubah, verse 103, emphasizes the function of zakat as a means of purifying and cleansing wealth. Through this mechanism, Islam not only encourages voluntary philanthropy but also mandates structured and sustainable redistribution.

In addition to zakat, taxes or *dharibah* are permitted in Islam if they are necessary to achieve the public good, are implemented fairly and proportionally, and do not impose an excessive burden on society. The history of Islamic civilization documents the existence of fiscal instruments such as *kharaj, jizyah,* and '*usyur*, which were managed through the Baitul Mal institution. These instruments demonstrate that the state plays an active role in ensuring distributive justice, provided that the policies adopted remain oriented toward the public interest and do not conflict with the principles of Sharia.

In the modern context, the principles that must be upheld include distributive justice, transparency and accountability (*amanah*), clarity of contracts free from elements of *gharar*, and a focus on empowering the *mustahik* rather than merely on consumption. The digitization of both zakat and taxes must support not undermine these principles. The use of technology is expected to enhance efficiency, transparency, and the scope of redistribution, as long as it remains within the framework of *maqāṣid al-syari'ah* and does not compromise the values of justice and the protection of property, which are at the core of Islamic economic teachings.

Comparative Analysis of Effectiveness

The effectiveness of the digitization of zakat and taxes can be assessed through several key indicators, including operational efficiency, service reach, transparency, compliance with Sharia principles, and its impact on wealth redistribution (Kamal et al., 2026). In the area of zakat, digitization has yielded fairly positive results. Several quantitative studies in various regions have noted an increase in collection volumes following the implementation of digital systems. The availability of a more accurate database of zakat recipients helps reduce duplication in distribution and enables productive zakat programs to be implemented in a more targeted manner. Nevertheless, challenges related to public digital literacy, data security issues, and the digital divide in remote areas remain obstacles that hinder overall optimization. From the perspective of Sharia compliance, digitalization practices are fundamentally acceptable as long as they meet the requirements of contractual clarity and the principle of amanah (Mubarok et al., 2026).

Meanwhile, regarding digital taxes, their effectiveness is evident in the expansion of the tax base and increased transparency through real-time recording systems. However, there are still a number of challenges, such as regulations that do not yet fully consider the principle of fairness from a Sharia perspective, the potential for an additional burden on small businesses, and infrastructure that is not yet evenly distributed across all regions. Furthermore, the risk of overlap between tax obligations and zakat obligations can create the perception of a double burden if the two systems are not properly harmonized.

Comparatively, the digitization of zakat tends to be more in line with the principles of wealth distribution in Islamic economic law. This is because its primary objective is oriented toward direct redistribution to the *asnaf* and the empowerment of the *mustahik*. In contrast, digital taxation is more focused on general government revenue. Therefore, its effectiveness from an Islamic economic perspective depends heavily on how the tax revenue is allocated to programs that genuinely support the public interest.

Table 1. Comparison of Zakat Digitalization and Digital Taxation

Aspect	Zakat Digitalization	Digital Taxation	Implications for the Islamic Principle of Wealth Distribution
Legal Foundation	Law Number 23 of 2011 concerning Zakat Management, Law on Electronic Information and Transactions, and Law on Personal Data Protection	Regulations of the Ministry of Finance concerning digital taxation, Taxation Law, and Law on Electronic Information and Transactions	Both are legally recognized; however, zakat is more specifically rooted in Islamic law and principles.
Primary Objective	Redistribution of wealth to eligible	Generation of state revenue and	Zakat provides a more direct

	zakat beneficiaries and empowerment of recipients	financing of public expenditures	mechanism for achieving distributive justice.
Digital Mechanism	Mobile applications, digital payment platforms, and integrated beneficiary databases	Real-time reporting systems and automated tax collection mechanisms	Both contribute to greater transparency and accountability in financial administration.
Effectiveness of Collection	Significantly positive impact, as demonstrated by empirical studies in several regions	Expansion of the tax base, although compliance among small and medium-sized enterprises remains a challenge	Digitalization enhances the efficiency of both zakat collection and tax administration.
Main Challenges	Digital literacy, data security, and limited access in remote areas	Regulatory harmonization, financial burdens on small and medium-sized enterprises, and infrastructure limitations	Strengthening digital literacy and infrastructure is essential for improving effectiveness.
Compliance with Islamic Principles	High level of compliance when transactions are transparent and free from uncertainty, deception, or ambiguity	Acceptable from an Islamic perspective when implemented fairly and without imposing excessive burdens	Greater integration is needed to prevent overlap and ensure policy coherence.
Redistributive Impact	Directly benefits zakat recipients through both consumptive and productive empowerment programs	Indirect impact, depending on the allocation and effectiveness of government expenditure	Zakat has a stronger role in individual and community empowerment.
Integration Incentives	Limited income tax deductions are available for zakat payments	Tax credit mechanisms related to zakat contributions have not yet been fully optimized	A more comprehensive tax credit model could strengthen the synergy between zakat and taxation systems.

The table above shows that digitization offers efficiency benefits for both instruments. However, from the perspective of wealth distribution under Islamic economic law, its effectiveness appears to be higher for zakat. This is due to the specific orientation of its distribution, which directly targets the *asnaf* groups. Meanwhile, digital taxation still requires an allocation design that pays closer attention to Sharia principles so that the revenue generated truly contributes to the public good.

Opportunities, Challenges, and Models of Synergy

The greatest opportunity presented by the digitization of zakat and taxes lies in the potential for synergy between the two. Through an integrated system, data on zakat payers and taxpayers can complement one another of course, with strict privacy protections in accordance with legal regulations. A portion of digital tax revenue can also be allocated to strengthen productive zakat programs. Experiences in several countries including the zakat tax credit model implemented in Malaysia show that this approach is more effective at encouraging public participation than simply offering a deduction from gross income. Furthermore, digitization enables real-time reporting, which in turn can enhance public trust in the management of both instruments (Listanti, 2023; Ramadhani & Iqbal, 2026).

On the other hand, there are a number of challenges that need to be anticipated. First, there remains a gap between positive law regulations and Sharia principles (Yunari et al., 2025). Second, digital literacy and understanding of the integration of zakat and taxes among the public remain relatively low (Fadli, 2026). Third, data security and privacy risks are issues that cannot be ignored. Fourth, without clarity on allocation, there is potential for a conflict of functions between the two. Fifth, the uneven distribution of technological infrastructure across Indonesia also poses a significant obstacle.

To address these challenges while capitalizing on existing opportunities, a structured synergy model is needed. One approach that can be developed is a multi-level model. This approach includes strengthening regulations so that zakat can function as a tax credit, developing a shared digital platform with high-security protocols, and providing integrated education on digital literacy and Sharia understanding. Additionally, the mechanism for allocating digital tax revenues needs to be directed toward supporting empowerment programs aligned with the needs of the *asnaf*. With the implementation of this synergistic model, it is hoped that the digitization of zakat and taxes will not proceed in isolation, but rather will reinforce one another. The two instruments can function complementarily without negating one another, thereby ultimately fostering a more equitable and sustainable distribution of wealth in accordance with the spirit of Islamic economic law.

CONCLUSION

This study demonstrates that the effectiveness of digital zakat and taxation cannot be assessed solely through technological efficiency or regulatory compliance but must also be evaluated based on their ability to realize equitable wealth distribution in accordance with the objectives of Islamic economic law. The study contributes theoretically by extending the discourse on wealth distribution and *maqāṣid al-sharīʿah* into the context of digital governance. Its novelty lies in the development of a comparative analytical framework that integrates positive law and Islamic economic principles to assess digital redistribution instruments, thereby bridging the gap between fiscal regulation and Islamic distributive justice literature.

The findings imply that the integration of digital zakat and taxation requires not only regulatory harmonization but also a governance model that balances legal effectiveness, technological innovation, and Islamic normative values. Such an approach provides a conceptual foundation for strengthening wealth redistribution policies in the digital economy and offers practical guidance for policymakers in designing a more inclusive, accountable, and socially responsive financial ecosystem. Ultimately, this study reinforces the proposition that digital transformation can serve as a strategic instrument for advancing economic justice and sustainable social welfare within the framework of Islamic economic law.

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Author contribution
Muhammad Nurbadruddin: data curation, writing-original draft preparation, **Mariya Ulpah:** analysis, conceptualization, **Elano Wijaya:** methodology, visualization, editing.

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