MRS Journal of Accounting and Business Management
Abbriviate Title- MRS J Acco Bus Manag
ISSN (Online) 3049-1460
Vol-2, Iss-7(July-2025)

OPEN ACCESS

Reconstructing Indonesian Fiscal Policy Based on Islamic Framework

Ali Farhan*

STIE Mahardhika

Corresponding Author **Ali Farhan** (STIE Mahardhika)

Article History: Received: 18 / 06 / 2025:, Accepted: 05 / 07 / 2025:, Published: 08 / 07 / 2025

Abstract: Fiscal is the main driving force of the state. In the context of Islam, fiscal must run on the principles of justice and transparency. Through a literature study approach, this research tries to redesign fiscal revenue to be adjusted to the Islamic framework. The results of this research show that in the early days of Islam, state revenue was not only based on zakat, but also other sources of revenue made based on the ijtihad of the ruler, but this ijtihad was not free from the principles of justice and transparency, by using the same perspective model, this research try to redesign fiscal in Indonesia. The result discovered that some of fiscal revenue was not comply to Islamic jurisprudence, but some of them was comply.

Keywords: *Fiscal, Fiqh Muamalah, Tax, Government*

Cite this article: Farhan, A., (2025). Reconstructing Indonesian Fiscal Policy Based on Islamic Framework. *MRS Journal of Accounting and Business Management, 2 (7),20-27.*

Introduction

With the majority of Indonesia's population being Muslim (87.08% or 245.9 million) from data from the Central Statistics Agency (2024) and 80% of state revenue coming from taxes, with 50% of which is income tax (Ministry of Finance, 2023), maximizing fiscal revenue and its distribution in accordance with the principles of justice in Islam is an important thing to pay attention to. Muslim economist Kahf (1987) also stated that fiscal is closely related to market equilibrium, welfare and economic growth, in line with that Chugunov and Pasichnyi (2024) stated that policies on the revenue budget can affect economic development and public welfare, while research in China shows that public spending can encourage economic growth through indirect stimulus on individual consumption (Wang et al, 2023).

Fiscal policy is one of the instruments that plays a major role in macroeconomics. Fiscal policy is a representation of the government's capacity to manage the country (Heliany, 2021). Several studies have shown that fiscal policy is closely related to handling recessions, fiscal will also have an impact on the output and economic growth of a country in the long term, fiscal can also affect the monetary policy that will be taken by the country, and the investment climate in a country can also be affected by the fiscal policy taken (Surjaningsih, et al. 2012; Fathurrahman, 2012). The central role of fiscal in macroeconomic discussions stems from Keynes' thesis which states that government spending (fiscal policy) not only transfers private sector resources to the government sector, but will also create a multiplier effect on these activities (Surjaningsih, et al. 2012), in line with that, Schwarzmülleru & Wolters' research (2014) shows that in the long term there is a significant relationship between the level of public welfare and state spending.

This shows that government intervention in the economy through fiscal has a significant impact, Baqir Ash-Shadr also sees that state intervention in the field of economic life is very necessary to ensure its harmony with Islamic norms (Chapra, M. Umer, 2001: 63), Quoting the Hadith narrated by Bukhari and Muslim, "A caliph is the guardian and administrator of the affairs of the people and he will be held accountable to his people." Making the importance of the presence of the state in creating economic stability, one of which is through fiscal policy. However, fiscal as an economic instrument that makes the receipt and distribution of resources by the state as a tool to achieve stability in the Islamic perspective cannot stand alone, it must be in accordance with the demands of the Qur'an (Jalili, et al, 2006).

Understanding the Islamic jurisprudence view on fiscal and macroeconomics itself is important, especially in the context of Indonesia. Because one of the fiscal instruments is Tax, on the one hand tax is the main source of state revenue, while in the Islamic jurisprudence review taxation has a dilemma, there is a history that shows that the Prophet salallahu wa alaihi wassalam said "Indeed the perpetrator/tax collector (will be punished) in hell" (HR Ahmad 4/109, Abu Dawud), of course this will have an impact on the perception of Muslim society, especially towards taxation which has the potential to give rise to injustice, because there are levies outside of religious obligations imposed by the state. Therefore, this next article will discuss how fiscal policy is from an Islamic perspective?, how to manage it and is there any relevance of the Islamic jurisprudence view to the construction of fiscal policy in the modern era, especially in Indonesia?

Theoretical Foundation

Fiscal in the Early Islamic World

The Islamic state during the prophetic period and during the caliphate had several sources of income, both fixed such as; zakat, kharaz, jizya, and ushr, and income that was not fixed, such as; Ghanimah and Fay, ma'adin, and rikaz (Irkhami, 2019; Rahman, 2021). Fai' & Ghanimah are assets obtained from victories on the battlefield, Kharaj is a levy (tax) imposed on agricultural products to non-Muslim residents living in areas under Muslim rule that are obtained through war, the amount varies, Kharaj can be 25%, 30%, or 50%, Irkhami (2019) and Rahman (2021) added that the existence of jizya at that time was a form of contribution from non-Muslim people/communities living in Muslim countries, so that the state could provide facilities and protection, for women and children to be exempt from jizya. Rikaz is a property/asset obtained through the mining/excavation process (Muchtar, et al. 2020; Blannin, 2024; Agustina, et al, 2021), in general Rikaz is a commodity that is limited in nature, not a public good that is owned in bulk and available in large quantities. Ushr is similar to import duty paid because there is trade activity between Islamic countries and other countries, ushr was first done by Caliph Umar, the amount of this import duty varies, it can be 10%, 25% to 50% (Gilani, 2023). Next is zakat, Muhammad, et al (2013) explained that zakat is part of the wealth taken at the end of the year (nisab) to be handed over to those in need, as commanded by Allah and the Messenger of Allah.

In terms of distribution, each of these income items has different provisions, Fai' and Ghanimah require 1/5 of the income received for the Prophet salallahuwa alaihi wassalam and 4/5 of it is distributed to the community, jizya is distributed to the community, the levy on Rikaz is 1/5 or 20% of the rikaz value that must be paid to the State (Agustina, et al, 2021). Meanwhile, for zakat, there are separate guidelines based on the type of asset;

Table 1. Zakah Rule & Distribution

Situational Conditions legal Alms Being Obligatory:

Category of Wealth	Nisab	Rate of Zakat
Gold	7 ½ Tola or 87.50 grams approximately	2.5%
Silver	52 ½ Tola or 612.35 grams approximately	2.5%
Cash	If the amount of currency possessed by the person equals to the value of the Nisab for silver or 200 Dirhams	2.5%
Cattle (Sheep/Goat)	1. 40 to 120 goats or sheep	1. One goat of one year old
	2. 121 to 200 goats or sheep	2. Two ewes
	3. Above that, for every hundred	3. One ewes
Bull and cow	30 to 39	One calf of one year or older
	40 to 59	One calf of two years
	For every 60	Two years old calf
	For each additional 30	One year old calf
	For each additional 40	Two years old calf
Camel	5 to 9 camels	One goat
	10 to 14 camels	Two goats
	15 to 19 camels	Three goats
	44 camels or less	One ewe for every five camels
	On anything above that, up to Thirty-five camels.	A she-camel in its second year
Irrigated land	1. Naturally irrigated land	One tenth of the produce
	2. Artificially irrigated land	One twentieth of the produce
Mines		One fifth of the produce

Source: Malik (2009), Islam: beliefs and practices [09]

Fiqh Muammalah

Every Muslim makes the Quran and Hadith the most basic literature to be able to provide judgments that are both ethical and practical (Farsi, 2022). The Quran is a revelation from Allah spoken through the mouth of Muhammad salallahu alaihi wassalam (PBUH), while the Hadith is a collection of the Prophet's actions and sayings on what is written in the Quran (Esmaeili, 2015; Olalekan, 2018; Pa, Muhammad, & Mustar, 2016). Along with the progress of the times and the increasingly diverse problems of humanity, understanding these problems is not directly related to the Quran and Hadith, to be able to understand and place the context according to the Quran and Hadith, a different understanding approach must be used such as qiyas and ijma. The method of scholars understanding this text and phenomenon then developed into a more established methodology, so that it became a fundamental formulation for understanding the context in the main literature of Muslims (Kamali, 1996), this fundamental formulation is known as ushul fiqh. Usul Fiqh then becomes the foundation for building judgment on the context of fiqh in various fields (Noviani, 2024), one of which is the social field (muamalah). Fiqh muamalah provides guidelines for constructing laws related to human actions in worldly matters, for example in matters of buying and selling, debts, trade cooperation, associations, cooperation in land cultivation and renting (Haroen, 2007) In this research, fiqh will play an important role in reconstructing fiscal in Indonesia.

Research Methodology

This study uses a Qualitative Descriptive research method with a data collection technique, namely literature study. Through literature study, this research will be aimed at reviewing the theories and practices that have developed regarding fiscal (Jeffrey, 2006), through this literature study it is possible to use various relevant sources to describe existing ideas/practices to be developed into new knowledge (Galvan, 2005). Ushl Fiqh will be a fundamental perspective for reconstructing fiscal policy in Indonesia.

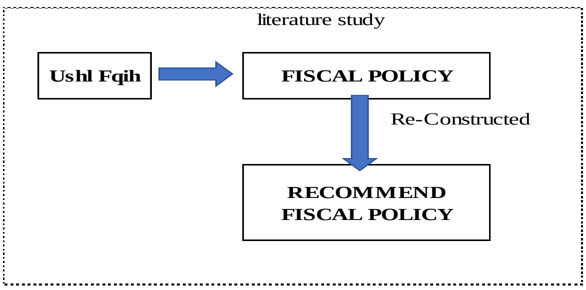

Image. Research Conceptual Framework

Discussion

State Revenue's Sources

An important object in public finance (fiscal) is the source of state revenue, in Indonesia what is meant by sources of state revenue are taxes, levies, state-owned company profits, fines, and community donations (Syamsi, 1994). The following is a description of Indonesia's income during the period 2022 - 2024. From the tabulation below, it can be seen that state revenue mostly comes from taxes of 77.4% - 82.2% with the largest percentage of tax revenue coming from tax revenue of 38% - 40.7% and VAT of 26% -29%.

Table 2. Indonesian Income 2022 – 2024

	2022		2023		2024	
	Rp (In Billion)	%	Rp (In Billion)	%	Rp (In Billion)	%
Income	**2.630.147,00**		**2.801.862,90**		**2.801.862,90**	
Tax Income	**2.034.552,50**	**77,4%**	**2.309.859,80**	**80,4%**	**2.309.859,80**	**82,4%**
Domestic Tax	**1.943.654,90**	**95,5%**	**2.234.959,30**	**96,6%**	**2.234.959,30**	**96,8%**
Tax Revenue	998.213,80	38,0%	1.139.783,70	39,5%	1.139.783,70	40,7%
VAT	687.609,50	26,1%	811.365,00	28,2%	811.365,00	29,0%
Property Tax	23.264,70	0,9%	27.182,20	1,0%	27.182,20	1,0%
Customs	226.880,80	8,6%	246.079,40	8,6%	246.079,40	8,8%
Other Tax	7.686,10	0,3%	10.549,00	0,4%	10.549,00	0,4%
International Trade Tax	90.897,60	3,5%	74.900,50	2,8%	74.900,50	2,7%
Customs	51.077,70	0,0%	57.372,50	0,0%	57.372,50	0,0%
Export Tax	39.819,90	0,0%	17.528,00	0,0%	17.528,00	0,0%
Non Tax Income	**595.594,50**	**22,6%**	**492.003,10**	**19,6%**	**492.003,10**	**17,6%**
Natural Resources	268.770,80	10,2%	207.669,60	8,5%	207.669,60	7,4%
Income from Separated State Assets	40.597,10	1,5%	85.845,50	3,1%	85.845,50	3,1%
Other Income Tax	196.324,30	7,5%	115.136,00	5,0%	115.136,00	4,1%
Service Income	89.902,30	3,4%	83.352,00	3,0%	83.352,00	3,0%
Grant	5.696,10	0,2%	430,60	0,1%	430,60	0,0%
Total	**2.635.843,10**		**2.802.293,50**		**2.802.293,50**	

Source; Indonesian Ministry of Finance, 2024

From these data, it can be seen that during the period 2022 to 2024, the state revenue structure does not only come from taxes, the state also receives income from the processing of natural resources, management of other state assets, grants, and from service activities organized by the state, although in percentage terms the contribution is much smaller than tax revenue. Based on this tabulation, it can be understood that the state's dependence on taxes is large, in order to maximize economic growth through state spending and domestic demand, it is important to be able to improve effective tax policies (Ofoegbu et al. 2016; Gurdal et al, 2019)

Islamic View on State's Income & Expenditure

Alhemiri (2022) revealed that in the early days of Islam, the state's main income came from zakat, the state could punish Muslims who did not want to pay it, this practice then developed from other sources of income such as fai ', kharaj, jizya, and ushr (Al-Dahla, 2003). Especially during the time of Umar bin Khattab, Jizya and Kharaj became the main sources of state finances (Muchsin and Mannan, 2019). Each of these revenue items has its own allocation of spending; zakat is spent on the eight groups mentioned in the hadith, kharaz, fai', jizya and ushr are used to meet the needs of the community, for the Prophet and his family and for public facilities. While grants or waqf are allocated according to the agreement between the state and the waqif (the person who makes the waqf) (Muhammad, et al, 2013).

Managing a country is part of muamalah, which therefore cannot be separated from the guidelines of the Quran and Hadith, in contrast to a secular state which is based on rationality and materiality so that the basis for decision-making on state revenues and spending is based on the arguments of the ratio and available data, Islam is not like that, Islam regulates and provides guidelines on how to manage a country's finances through instructions in the Quran, Hadith, Qiyas and Ijma' of scholars (Gilani, 2023). In the context of state revenue, there is an important issue that is polemic in Islam, namely taxes.

Taxes in the modern era are different from state levies that occurred in the early Islamic era (Alhemiri, 2022). Sidiqqi (1982), UmerChapra (1992), Zulkarnain (1994) and Abdul Hamid (1998) argue that tax rates depend on the economic conditions of the country, while zakat does not, besides that the object of tax has an ambiguous definition; income, 'additional enjoyment', 'assets' and are considered as commitment costs that must be paid in the relationship between the state and the people (Alhemiri, 2022; Jalili, 2006) therefore taxes are considered something that is not 'fair', because the subjects are the rich and the poor and occur in every line of economic activity in society, "Do not devour your neighbor's wealth in a false way" is a sentence from Surah An-Nisa verse 29. In addition, taxes are a sensitive issue for Muslims because the fatwas of scholars on taxes are mostly haram (Qaradawi, 2011; Peerzade, 2004; Kahf, 1983), while other forms of state levies/revenues (zakat, ushr, fai ', ghanimah, kharaj, jizya) have clear sources of fiqh (Quran and hadith).

Table 3. Islamic Jurisprudence of Fiscal

Item	Object	Rate	Islamic Jurisprudence
Zakah	Gold, Silver, Cash Sheep/ Goat Bull Irrigated Land	2,50% 1 per 40 -120 Sheeps 1 per 30 - 39 Bulls 10% for naturally irrigated 5% for artificially irrigated	Quran & Hadits
Ushr	Import/ Trading	10% - 20%	Ijtihad
Kharaj	Land Taxation of Non-Muslim	10% - 20% of farming outcome	Hadits
Jizya	Non-Muslim	Depend on Whealtiness, woman and children are free	Hadits
Fai' & Ghanimah	Asset collected from war	20%	Quran & Hadits
Rikaz	Mining	20%	Hadits
Tax	Income & Consumption Activities	Various, it could be 2% - 25%	-

Source; (Alhemiri, 2022; Jalili, 2006; Irkhami, 2019)

Tax as a source of state funding is debated due to the interpretation of the terminology kharaj, ushr, adh-dharibah in the same word, namely tax. In fact, the use of the word Kharaj also appears in harta fai, jizyah, ghillah (Hakim, 2021). Zuhaili (1998) explains that tax is compensation for facilities or non-participation of citizens in jihad, levies (taxes) may also be set by the ruler for state facilities used by its citizens. Meanwhile, Al-Ghazali, a scholar from the Hanbali, Maliki and Syafii schools of thought, is of the opinion that it is permissible to collect taxes if under certain conditions/the state treasury is empty or used for the benefit of the state in order to improve the welfare of its people, such as providing education, security, and health services and the amount of this tax levied does not oppress the people (Pakeeza & Qadoos, 2017; Alhemiri, 2022; Nigamaev et al., 2018; Alziyadat & Ahmed, 2019). The choice of ijtihad of scholars who allow this tax is based on the rules of fiqh

'Refusing harm must be prioritized over seeking benefit.' That there will be much harm that occurs if the state treasury is empty and the state is unable to meet the basic needs of its people, compared to the benefit obtained by avoiding taxes. This fiqh principle is based on the Qur'an, Surah Al-Baqarah; 219 'They ask you about wine and gambling. Say: "In both of them there is a great sin and some benefits for people, but the sin of both is greater than the benefits." That the sin that must be borne by a leader if he cannot meet the basic needs of his people and the social impacts that arise because of it, compared to if the ruler collects taxes from his people. In the history and study of Islamic science, taxes as a source of state income are not completely prohibited, the prohibition against levies that are carried out is a levy that is unjust, namely not for the public interest/society, in the context of Indonesia we know the term Illegal Levies (PUNGLI), namely levies that are taken not by the state/official ruler and are not based on applicable legal regulations, while taxes as long as they are in a fair and transparent corridor are permissible. However, there are tax rates that when viewed from the aspect of justice have not been met, this will be discussed in the next point in this article.

Qiyas

According to Ibn Taymiyah, tax is a product that arises from ijtihad carried out by a scholar or a ruler (Alhemiri, 2019; Zuhaili, 1998)), as well as waqf and jizyah (Sharif, et al, 2019), meaning that not all activities within the scope of muamalah (social) refer entirely to the Quran and Sunnah, there is a space for thought given in religion to achieve common good, this is as can be found from the Prophet Muhammad in the Hadith narrated by Darami;

> "How will you resolve the matter brought to you?" Muaz said, "I will decide according to the Quran.", "If in the Quran you do not find anything about that matter?" Muaz replied, "I will decide according to the Sunnah of the Messenger of Allah (peace and blessings of Allah be upon him)." Then, the Prophet asked again, "if you do not find anything about that in the Sunnah?" Muaz replied, "I will use my own reason (ijtihadu bi ra'yi) without the slightest hesitation." Then, the Prophet said, "Glory be to Allah SWT. Who guides the messengers of His Messenger with an attitude that His Messenger approves of." (H.R. Darami)

There is a method in the context of Islamic jurisprudence called qiyas, which is defined as measuring, comparing, analogical, and equalizing (Haroen, 1997; Zakky, 1964). Qomarulzaman and Halim (2024) and Syahrastani (2007) define qiyas as a form of effort to explore/understand modern/current situations that have not been mentioned in the Quran and Sunnah analogically based on two premises that have similarities and indicators (in Islamic terms called illat/cause) so that a relevant understanding can be found. Because taxes are a contemporary product, to understand this in the context of fiqh, qiyas can be used, analogized as mandatory levies that also appeared in the era after the prophet such as Ushr and Jizyah. The following is a tabulation of the differences and similarities between fiscal in the Islamic era and contemporary taxes.

Table 4. Tax and Islamic Fiscal Different and Similiarity

Fiscal Item	Object	Rate	Distribution	Similiarity on Contemporary Tax	Different
Zakah	Gold, Silver, Cash Sheep/ Goat Bull Irrigated Land	2,50% 1 per 40 -120 Sheeps 1 per 30 - 39 Bulls 1/10 for naturally irrigated	8 groups that been mentione on Quran	-	-
Ushr	Import/ Trading	1/10 for artificially irrigated	For Fiscal Allocation	Customs 5% for Import	-
Kharaj	Land Taxation of Non-Muslim	10% - 20%	For Fiscal Allocation	Tax Land (Called PBB in Indonesia)	Non-Religious Bias
Jizya	Non-Muslim	10% - 20% of farming outcome	For Fiscal Allocation	Corporate Tax (Tax 25,Tax 26, Tax 23)	Non-Religious Bias
Fai' & Ghanimah	Asset collected from war	Depend on Whealtiness, woman and children are free	For Prophet and Distribute for people	-	-
Rikaz	Mining	20%	For Prophet and Distribute for people	Corporate Tax (Tax 25,Tax 26, Tax 23) Return on Investment from Mining Company	Non-Religious Bias

Source; (Alhemiri, 2022; Jalili, 2006; Irkhami, 2019; Farhan, 2024)

The difference in practice between modern taxes and state levies in the early Islamic era, modern taxes have different collection and deduction rules and tariff determination on various tax objects, in addition, the difference in fiscal in the prophetic era and the contemporary era is distribution, in the prophetic era part of state revenue was allocated for the Prophet Muhammad, while in the contemporary era all state revenue was used to meet state needs such as; Employee spending, Infrastructure spending, Subsidies for the community, allocations for local governments and fiscal incentives (Ministry of Finance, 2024). Conceptually, the existence of this tax is in line with other fiscal forms (except zakat) that emerged in the early Islamic era, namely being used for the benefit of society and the welfare of society ((Pakeeza & Qadoos, 2017; Alhemiri, 2022; Nigamaev et al., 2018; Ahmed, 2019).

From this qiyas approach, we can find that although taxes are not clearly mentioned in Islamic history, in practice similar practices have been carried out, the difference is that for non-Muslim communities at that time, levies were imposed in the form of; Ushr, Jizya, or Kharaj while levies for Muslims were zakat. Thus, it can be understood that the differentiation of fiscal instruments was separated in that era based on the religion they adhere to and their economic capabilities (Farhan, 2024). This will certainly be difficult to do in the context of Indonesia, because if we look at the state spending conditions for 2022-2024, it shows that the state spending needs are 2,300 trillion (Ministry of Finance, 2024) with a zakat potential of 237 trillion (Hajar, et al 2023) the country's needs are still far from being met if not assisted by other fiscal instruments with greater potential besides zakat.

Seeing this, as mentioned in the previous paragraph (point b) that tax instruments are permissible in the case of; being fair which is interpreted as a means of distributing wealth from the rich to the poor, not the main policy instrument, carried out if there are no other sufficient sources of funding, then these conditions have met the requirements in the Indonesian context. However, if the measure is fairness in collection (Qaradawi, 2011; Peerzade, 2004; Kahf, 1983), then VAT is a tax instrument that is considered less fair (Farhan & Mulyono, 2024), because the tax subject does not look at his economic condition, furthermore VAT will have an impact on the decline in the standard of living among the lower-middle income community (Ishaqi & Mastor, 2024; Rizka & Ramadhan, 2024), because unlike other tax category items, VAT makes all goods and services objects of tax (Rizka & Ramadhan, 2024). In income tax, the object of tax is net income and there are different rates based on economic capacity.

Table 5. Taxable Object and Tax Rate

Taxable Income	Personal Income Tax
0 - 60.000.000	5%
60.000.001 - 250.000.000	15%
250.000.001 - 500.000.000	25%
500.000.001 - 5.000.000.000	30%
>5.000.000.000	35%

Taxable Income	Company Income Tax
Sales <4,8 Billion	(Net Income x 50%) x 22%
Sales > 4,8 Billion	Net Income x 22%

Taxable Object	VAT
All Goods	11%
All Services	11%

Source: Taxation Law article 17, 31e

Table 6. Taxable Object and Tax Rate Differentiation

Fiscal Item	Fiscal Category & Cost		
	Islamic View	Income Tax	VAT
Gold, Silver, Cash	2,5% (Zakah)	22% of Net Income	11% of Sales
Sheep/ Goat	1 per 40 -120 Sheeps (Zakah)	22% of Net Income	11% of Sales
Bull	1 per 30 - 39 Bulls (Zakah)	22% of Net Income	11% of Sales
Irrigated Land	1/10 for naturally irrigated (Zakah)	22% of Net Income	11% of Sales
Import/ Trading	5% Similiarity to Customs (Ushr)	22% of Net Income	11% of Sales
Land Taxation of Non-Muslim	10-20% (Kharaj)	Approximate 2% of Asset Value	11% of Sales
Non-Muslim Tax	10% - 20% of farming outcome (Jizya)	22% of Net Income without differenciate the religion	11% of Sales without differenciate the religion
Asset collected from war	Fai' & Ghanimah	-	-
Mining	Rikaz	22% of Net Income	11% of Sales

Reconstructing

Based on the results of the discussion above, a data tabulation can be made regarding the design of developing the portion of fiscal revenue based on sharia and the customs of the rulers in the early Islamic era. The design of the fiscal revenue made, compared to the tax rates in the modern era, is as follows;

Table 6. Fiscal Revenue Design Based on Sharia

INCOME ITEM	RATE		Similiarity in Islamic Fiscal	Permisible/ Prohobited	Religion Bias
	Indonesian Law	Islamic Law			
Tax Income					
Domestic Tax					
Tax Revenue	5% - 35%	0 - 20%	Jizya/ Fai'/ Ghanimah	Permisible	No Religion Bias
VAT	11%	-	-	Prohibited	-
Property Tax	2% - 5%	10%-20%	Kharaj	Permisible	No Religion Bias
Customs	5%	10%	Ushr	Permisible	No Religion Bias
Other Tax	2% - 5%	10%	Ushr	Permisible	No Religion Bias
International Trade Tax	2% - 5%	10%	Ushr	Permisible	No Religion Bias
Customs	2% - 5%	10%	Ushr	Permisible	No Religion Bias
Export Tax	2% - 5%	10%	Ushr	Permisible	No Religion Bias
Non Tax Income					
Natural Resources	Percentage Allocation	20%	Rikaz	Permisible	No Religion Bias
Income from Separated State Assets	Percentage Allocation	20%	Rikaz	Permisible	No Religion Bias
Other Income Tax		0% - 20%	Jizya/ Fai'/ Ghanimah	Permisible	No Religion Bias
Service Income	Activity Based	Activity Based	Ujrah	Permisible	No Religion Bias
Grant	Activity Based	Activity Based	Hibah	Permisible	No Religion Bias
Zakah, Infaq, Waqf	Following Islamic Law	Various Based on Zakah Object	Zakah, Infaq, Waqf	Permisible	Only for Moslem

Based on the results of the analysis and theoretical discussion, it is known that the tax item that has no analogy in the early Islamic era is VAT, therefore in the construction of state revenue above there is no source of revenue originating from VAT, because it was not found in the early Islamic era. While other state revenue items can be found analogous. From the literature study it is also known that state revenue imposed on income takes a percentage of the gross value, while in taxation in Indonesia the rates are imposed in various ways; final or credited after the deductible tax value.

Conclusion

From the discussion that has been carried out above, it can be found that fiscal policy is closely related to the decision of the ruler, that the ruler can take ijtihad (thought) aimed at the good of the state (Farhan & Mulyono, 2024; Kahf, 1983), the findings of this research also show that fiscal grows along with the needs of the state, zakat which used to be the mainstay along with the expansion of power and the growing needs of society, the state needs to add other sources of income; ushr, kharaj, rikaz, ghanimah, this is also in line with the modern world that collects taxes to be redistributed to the community, only there is a difference between taxes in the early Islamic era and modern taxes, modern taxes collect from all economic activities; consumption, production and investment through the VAT mechanism, while in the early Islamic era only from productive activities, the injustice in this VAT mechanism must be eliminated so that fiscal construction can be fairer for the community.

FUNDING DECLARATION:

THIS RESEARCH WERE NOT FUNDED OR BEING SPONSORED BY ANYONE/ INSTITUTION. I DON'T HAVE ANY FUNDING PARTNERSHIP

References

1. Abdul Hamid, A. F. (1998). *Islamic Resurgence in the Periphery: A Study of Political Islam in Contemporary Malaysia with Special Reference to the Darul Arqam Movement 1968-1996*. University of Newcastle upon Tyne.
2. Alziyadat, N., & Ahmed, H. (2019). Ethical decision-making in Islamic financial institutions in light of Maqasid Al-Sharia: A conceptual framework. Thunderbird international business review, 61(5), 707-718.
3. Agustina, I. L., Susiani, R., Saudi, M. H., & Sinaga, O. (2021). Sharia Ownership Concept. *Review of International Geographical Education Online*, *11*(6).
4. Anggini, V., Lidyah, R., & Azwari, P. C. (2021). Pengaruh pengetahuan dan sanksi terhadap kepatuhan wajib pajak dengan religiusitas sebagai variabel pemoderasi. Syntax Literate; Jurnal Ilmiah Indonesia, 6(6), 3080.
5. Al-Farsi, K. (2022). Exploring sharia law in Islamic jurisprudence. *Social Science Chronicle*, *1*(1).
6. Alhemiri, M. A. A. S., Marni, N. B., & Shehab, A. (2022). Judgment on Taxation in Islam. *International Journal of Academic Research in Business and Social Sciences*, *12*(5), 1012-1022.
7. Arifin, G. (2024). Pajak Menurut Syari'ah. *Advances In Social Humanities Research*, *2*(1), 63-82.
8. Blannin, P. (2017). Islamic State's financing: Sources, methods and utilisation. *Counter Terrorist Trends and Analyses*, *9*(5), 13-22.
9. Budiarto, D. S., Yennisa, Y., & Widyaningrum, R. (2018). Does religiosity improve tax compliance? an empirical research based from gender. *Jurnal Dinamika Akuntansi*, *10*(1), 82-90.
10. Chapra, M. U. (1992). *Islam and the economic challenge* (No. 17). International Institute of Islamic Thought (IIIT).
11. Chapra, M. U. (2001). Islamic economic thought and the new global economy. *Islamic Economic Studies*, *9*(1).
12. Dahlah, S. (2003). Tax systems between contemporary financial thought and Islamic financial thought. Master Thesis, An-Najah National University. Nablus, Palestine.
13. Esmaeili, H. (2015). Australian Muslims: The role of Islamic law and integration of Muslims into Australian society. Flinders..
14. Fathurrahman, A. (2012). Kebijakan Fiskal Indonesia Dalam Perspektif Ekonomi Islam: Studi Kasus Dalam Mengentaskan Kemiskinan. *Jurnal Ekonomi & Studi Pembangunan*, *13*(1), 72-82.
15. Farhan, A., & Mulyono, R. D. A. P. (2024). Fiscal on Islamic View; How Does it Run in Modern Day Indonesia. International Journal of Research and Scientific Innovation, 11(12), 425-432.
16. Gilani, S. R. S., Khan, M. H., & Al-Matrooshi, A. M. (2023). Taxes in Islam and Islamic civilization from an Islamic perspective. *Al-Idah*, *41*(2), 23-34.
17. Hajar, N., Amelia, N. P., & Nasir, I. B. (2023). Peran Zakat dalam Pembagunan Ekonomi di Indonesia. *NOMISMA: Jurnal Ekonomi, Bisnis, dan Manajemen*, *1*(1), 56-67.
18. Heliany, I. (2021, March). Peran Kebijakan Fiskal dalam Mengatasi Resesi Ekonomi di Indonesia. In *Prosiding Seminar Stiami* (Vol. 8, No. 1, pp. 15-21).
19. Irkhami, N. (2019). Zakat, Kharāj,"Ushr, And Jizya As The Instruments Of Islamic Public Finance: A Contemporary Study. Share: Jurnal Ekonomi Dan Keuangan Islam, 8(1), 90-113.
20. Jalili, A. R. (2006). A Descriptive Overview of Islamic Taxation. *Journal of American Acedemy of Business*, *8*(2), 16-28.
21. Sarwono, J. (2006). Metode penelitian kuantitatif & kualitatif.
22. Kahf, M. (1983). Taxation policy in an Islamic economy. *Fiscal Policy and Resource Allocation in Islam*, 114-135
23. Kahf, M. (1987). Towards a Theory of Taxation in Islamic Economics. *GOVERNMENT COLLEGE*, 1.
24. Koran
25. Malik, 2009. Islam: beliefs and practices, Army publication Rawalpindi.
26. M. B. Abd Al-Karim Al-Syahrastani (2007), al-Milal wa al-Nihal, Dar al-Kutub Al-Ilmiyyah : Beirut, Vol. 3.
27. Mohammad Sharif, M. R., Maamor, S., & Abu Bakar, A. S. (2019). A framework of indirect taxation system in public finance from Syariah perspectives.
28. Muhammad, S. D., Usman, M., Majid, A., & Lakhan, G. R. (2013). Distribution of wealth an Islamic perspective: Theoretical consideration. *World Applied Sciences Journal*, *23*(8), 1118-1124.
29. Muchtar, E. H., Supriadi, S., & Rahmawati, D. (2022). The Concept Of Property And Welfare Through Abu Ubaid. *Amwaluna: Jurnal Ekonomi dan Keuangan Syariah*, *6*(1), 1-14.
30. Nigamaev, A. Z., Gapsalamov, A. R., Akhmetshin, E. M., Pavlyuk, A. V., Prodanova, N. A., & Savchenkova, D. V. (2018). Transformation of the tax system during the middle ages: the case of Russia.
31. Nasrun Haroen (1997), Ushul Fiqh, Logos Wacana Ilmu : Jakarta.
32. Ofoegbu, G. N., & Akwu, D. O. (2016). Empirical analysis of effect of tax revenue on economic development of Nigeria. *International Journal of Asian Social Science*, *6*(10), 604-613.
33. Olalekan, O. S. (2018). Autonomous vehicles and tortious liability: an Islamic perspective. Jurnal Syariah, 26(1), 99-122.
34. Pa, H. C., Muhammad, N. H. N., & Mustar, S. (2016). Bidang kuasa eksklusif mahkamah syariah selepas pindaan Perkara 121 (1a) Perlembagaan Persekutuan: Satu penilaian. Malaysian Journal of Syariah and Law, 4, 1-13.
35. Pakeeza, S., & Qadoos, A. (2017). Imposition of tax in Islam and debate of Jurists in historical context. *Al-Aẓvā*, *32*(47), 13-20.
36. Peerzade, S.A. (2004). Principles of Islamic Public Finance and Policy.Delhi: Idarah-i-Adabiyat.p.155-159.
37. Qaraḍāwī, Y. (2011). *Fiqh Al-Zakāh: A Comprehensive Study of Zakah Regulations and Philosophy in the Light of the Qur'an and Sunnah*. The Other Press.

38. Siddiqui, K. (1983). *Issues in the Islamic movement:[1981-82 (1401-1402)]*. Open Press.
39. Surjaningsih, N., Utari, G. A., & Trisnanto, B. (2012). Dampak kebijakan fiskal terhadap output dan inflasi. *Bulletin of Monetary Economics and Banking*, *14*(4), 389-420.
40. Syamsi, I. (1994). Dasar-Dasar kebijaksanaan keuangan negara.
41. Zakky al-Din Sya'ban (1964), Ushul al- Fiqh al-Islami, Dar al-Ta'lif: Egypt.
42. Zani, M. Q. M., Halim, A. A., & Ab Rahman, A. (2024). Perspectives On The Use Of Qiyas Between Imam Bukhari And Imam Syafie. *Journal of Fatwa Management and Research*, *29*(3), 63-79.
43. Yusop, Zulkarnain., & Ghaffar, R. A. (1994). Determinants of foreign direct investment in the Malaysian manufacturing sector. *Pertanika Journal of Social Sciences & Humanities*, *2*(1), 53-61.
44. Mohdali, R., & Pope, J. (2014). The influence of religiosity on taxpayers' compliance attitudes: Empirical evidence from a mixed-methods study in Malaysia. *Accounting Research Journal*, *27*(1), 71-91.
45. Chugunov, I., & Pasichnyi, M. (2024). FISCAL POLICY AND ECONOMIC DEVELOPMENT. *Publishing House "Baltija Publishing"*.
46. Wang, Y., Wang, X., Zhang, Z., Cui, Z., & Zhang, Y. (2023). Role of fiscal and monetary policies for economic recovery in China. *Economic Analysis and Policy*, *77*, 51-63.
47. Rahman, A. (2021). POVERTY ALLEVIATION STRATEGIES AND PATTERNS IN THE ERA OF CALIPH UMAR BIN ABDUL AZIZ GOVERNMENT. *International Journal of Management*, *12*(2).
48. Noviani, D., Arifin, I., & Humaid, M. S. M. B. (2024). Implementation Of Ushul Fiqh As A Legal Basis For Solving Sharia-Based Economic Problems. *Profetika: Jurnal Studi Islam*, *25*(01), 67-82.
49. Galvan, Jose L. 2005. Writing Literature Reviews, 3rd ed. Glendale. CA: Pyrczak Publishing.
50. Muchsin, M. A., & Manan, A. (2019). Historical Development Of Tax During The Early Islamic Period: Jizyah And Kharaj: A Historical Analysis. *Journal of Al-Tamaddun*, *14*(2), 1-7.
51. Hakim, R. (2021). Konsep Pajak Dalam Kajian Al-Qur'an Dan Sunnah. *TAFAKKUR: Jurnal Ilmu Al-Qur'an dan Tafsir*, *2*(1), 36-48.
52. Az-Zuhaili, W. M. (1998). At-Tafsir Al-Munir Fiel Aqidah wasy Syariah wal Manhaj. Beirut: Darul Fikri Al-Muashir.
53. Ishaqi, H. K. S. A., & Mastor, N. H. (2024). Exploring Value-Added Tax Impact on Middle and Low-Income Citizens: A Bibliometric Analysis. *International Journal of Academic Research in Business and Social Sciences*, *14*(6), 86-115.
54. Rizka, J., & Ramadhan, M. (2024). Policy of Increasing Value-Added Tax from The Perspective of Maslahah Mursalah (Analysis of Act. No 7 Of 2021 Concerning Harmonization of Tax Regulations). *Journal Equity of Law and Governance*, *5*(1), 123-130.
55. Schwarzmüller, T., & Wolters, M. H. (2014). *The macroeconomic effects of fiscal consolidation in dynamic general equilibrium* (No. 1963). Kiel Working Paper.