

PAN to Become Inoperative after March 31 if not linked with Aadhaar: Income Tax Department

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Persons whose PANs become inoperative shall be liable for all the consequences under the Income Tax Act for not furnishing, intimating or quoting the PAN.

Permanent Account Number (PAN) will become inoperative if it is not linked with Aadhaar by March 31, 2020, the Income Tax department has said.

The deadline for linking of PAN and Aadhaar has been extended several times and the current deadline ends on March 31, 2020.

Till January 27, 2020, over 30.75 crore PANs have already been linked to Aadhaar. However, 17.58 crore PANs are yet to be linked with the 12-digit biometric ID.

“Where a person, who has been allotted the Permanent Account Number as on July 1, 2017 and is required to intimate his Aadhaar number under sub-section (2) of section 139AA, has failed to intimate the same on or before March 31, 2020, the Permanent Account Number of such person shall become inoperative immediately after the said date for the purposes of furnishing, intimating or quoting under the Act,” the Central Board of Direct Taxes (CBDT) said.

Through a notification, the CBDT amended Income Tax rules and inserted Rule 114AAA, stipulating the “manner of making Permanent Account Number inoperative”. The notification further said that persons whose PANs become inoperative shall be liable for all the consequences under the Income Tax Act for not furnishing, intimating or quoting the Permanent Account Number.

For those linking PAN with Aadhaar after March 31, 2020, the Income Tax Department said it shall “become operative from the date of intimation of Aadhaar number”. Section 139 AA (2) of the Income Tax Act says that every person having PAN as on July 1, 2017, and eligible to obtain Aadhaar, must intimate his Aadhaar number to the tax authorities.

The Supreme Court had in September 2018 declared Aadhaar as constitutionally valid and held that the biometric ID would remain mandatory for the filing of income tax returns and allotment of PAN cards.