

## 3 Permanent Account Number (PAN)

A 10-digit alphanumeric code allotted by Assessing Officer of Income Tax Department on laminated Card is called *PAN*. It is a permanent number so it does not change with change in address or place, but if Income Tax ward changes then it is necessary to inform the concerned (old/new) officials of Income Tax Department about it.

### 3.1 Under section 139 (A) following persons have to compulsorily apply for PAN:

- (i) Whose total taxable income is more than the exemption limit from income tax (Presently Rs.2 Lakh for Male, Rs.2 Lakh for Female 2.5 Lakh for senior citizen)
- (ii) Businessman whose total sale, turnover or receipt is or expected to be more than Rs. 5 Lakh in the previous year.

Apart from the above-mentioned persons, it is necessary to file return for persons falling under the following categories, under section 139 A (1A), without any limit on income: Charitable Religious Trust, Importer & Exporter as well as assesses of Central Excise, Sales Tax or Service Tax. If the above-mentioned persons don't apply for PAN in the scheduled time, a penalty of Rs. 10,000 can be charged under section 272B (1).

### 3.2 The person for whom PAN is not mandatory can also apply for PAN and use it as an identity card.

### 3.3 For PAN a person will have to submit an application in the prescribed form (*form No. 49*) along with proof of identity and Address & 1 Stamp size colour Photograph, by May 31<sup>st</sup> of the Assessment year in the office of U.T.I. or NSDL with a fee of Rs. 94 for normal case and Rs. 150 for urgent cases. A person who has applied earlier but has not received the PAN card can also apply again.

### 3.4 As per Income Tax Rule 114B it is mandatory to quote PAN for following Transactions:

- Sale, Purchase of Immovable Property valued at Rs. 5 Lakh or more
- Sale & Purchase of Motor Vehicle. (excluding 2 wheeler)
- Opening of Bank Account / Application for Credit Card / Telephone (landline or Cell)
- Payment of Hotel Bill for more than Rs. 25,000
- Cash Deposit Rs. 50,000 or more in a day in the Bank or Post Office
- Payment of Rs.50,000 or more to purchase Unit of Mutual Fund / Shares / Debentures / RBI bond
- Income tax Return , Challan for payment of Direct tax

### 3.5 If PAN is not allotted or is not mandatory for any person then he can submit declaration either in *form No. 60* or in a plain paper along with address proof. Farmers who do have income from other sources can also submit declaration through *form No. 61*. Minor children can utilise their parent's PAN, (with whom their income is clubbed).

### 3.5 If a person is having more than one PAN card he should immediately return it to the Income Tax Department. Under section 272B (2) a penalty of Rs.10,000 is charged if a person knowingly indicates a wrong PAN.

