

The decent cop
HT Chandigarh Live
Tax Matters/ S.P. Babuta
Sunday, January 22, 2006

THE DISHONEST taxpayers are in for a surprise roundup because of the multiple checks being built into the system itself. in the form of Income tax, Service tax , FBT, VAT,E-Tds return, Annual Information return etc.

Earlier the multi-information of one assessee could not be corroborated to reach to any important information evidencing the wrong doing on the part of the assessee if any.This caused a lot of heart burning amongst the honest taxpayers.But now the systems in India and the Income tax department in particular has come of age.They have reliable softwares to assist able officers who are more pragmatic and gentlemanly in their disposition i.e., the decent cop.;alike the brook is calm where it is deep.

Recently a large number of persons are receiving inquiry letters from the department seeking information regarding cash transactions over Rs.10 lakhs in bank accounts and this is based on the annual information report furnished by the banks to the department.

Defaulters and evaders,be cautioned,your time is up.Sooner or later it is going to be your turn,better fall in line at your earliest.

One common docket for the above information for any one assessee being its Permanent Account Number(PAN).

All the efforts of the department shall come to naught if the PAN is not quoted correctly ,therefore there are penal provisions w.r.t. careless handling of PAN

Some pertinent issues regarding PAN are as follows:

Q: What If a person has been allotted multiple Pan No?

Ans: As per the new scheme of allotment of computerized 10 digit Pan everyone was required to apply for a fresh PAN even if he had already been allotted a Pan no. earlier. However a person to whom PAN under new series had already been allotted were not required to apply for such number again.

All Taxpayers who have been allotted multiple Pan have to surrender the extra PAN Prescribed form can be had from www.incometaxindia.gov.in

Q: Implications of the scheme of PAN under new series?

Ans:The application form for new series of PAN solicits extensive details of applicant including Photograph. The most vital aspect of the new system of Pan is that that the CBDT has been empowered to prescribe the categories of transactions in relation to which PAN shall be quoted by every person in the documents pertaining to such transactions and the categories of documents pertaining to business or profession in which such numbers shall be quoted by every person.

It has already been made mandatory to mention PAN/GIR number in respect of various financial transactions. This is just a beginning and in future CBDT may prescribe more transactions and categories of documents.

As a result the I.T. department will be able to conveniently lay hands on various transactions , many of which were hitherto generally not disclosed to I.T. department . Another vital aspect is that now duty has been cast upon the person receiving documents of prescribed transactions to ensure that Pan of person sending the documents is duly mentioned on it.

Q: What if a person fails to comply with provisions of section 139A i.e. relating to Pan?

Ans : 1) If a person fails to comply with the provisions of section 139A he shall pay by way of penalty a sum of rs. 10000 u/s 272B(1).

2) Further a person who is required to quote Pan,if Quotes a number which is false is liable for penalty of rs. 10000/- u/s 272B(2)

However a reasonable opportunity shall be provided to the assessee u/s 272B(3) before passing any order Imposing the penalty. If the assessee proves that there was reasonable cause for such failure then penalty shall not be imposed.

Q: Does one need to apply for a PAN when one moves or gets transferred from one city to another?

Ans: PAN as the name suggests is the Permanent number and does not change during life time of the Pan holder . Changing the address or city though may change the Assessing officer. Such changes must therefore be intimated to nearest IT pan service centre or tin facilitation centre for required correction in Pan database of income tax department . These request will have to be made in a form `Request for a new Pan card or/and change in Pan data.