

MINISTRY OF FINANCE
(Department of Revenue)
(CENTRAL BOARD OF DIRECT TAXES)

NOTIFICATION

New Delhi, the 28th March, 2023

INCOME-TAX

G.S.R.227(E).—In exercise of the powers conferred by section 139AA read with section 295 of the Income-tax Act, 1961 (43 of 1961), the Central Board of Direct Taxes hereby makes the following rules further to amend the Income-tax Rules, 1962, namely: –

1. Short title and commencement.—(1) These rules may be called the Income-tax (Fourth Amendment) Rules, 2023.

(2) They shall come into force from the 1st day of April, 2023.

2. In the Income-tax Rules, 1962, for rule 114AAA, the following rule shall be substituted, namely: —

“114AAA. Manner of making permanent account number inoperative.— (1) Where a person, who has been allotted the permanent account number as on the 1st day of July, 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 the 31st day of March, 2022, the permanent account number of such person shall become inoperative, and he shall be liable for payment of fee in accordance with sub-rule (5A) of rule 114.

(2) Where the person referred to in sub-rule (1) has intimated his Aadhaar number under sub-section (2) of section 139AA after the 31st day of March, 2022, after payment of fee in accordance with sub-rule (5A) of rule 114, his

permanent account number shall become operative within thirty days from the date of intimation of Aadhaar number.

(3) A person, whose permanent account number has become inoperative, shall be liable for further consequences for the period commencing from the date as specified under sub-rule (4) till the date it becomes operative, namely:—

- (i) refund of any amount of tax or part thereof, due under the provisions of the Act shall not be made;
- (ii) interest shall not be payable on such refund for the period, beginning with the date specified under sub-rule (4) and ending with the date on which it becomes operative;
- (iii) where tax is deductible under Chapter XVIIB in case of such person, such tax shall be deducted at higher rate, in accordance with provisions of section 206AA;
- (iv) where tax is collectible at source under Chapter XVII-BB in case of such person, such tax shall be collected at higher rate, in accordance with provisions of section 206CC:

(4) The provisions of sub-rule (3) shall have effect from the date specified by the Board.

(5) The Principal Director General of Income-tax (Systems) or Director General of Income-tax (Systems) shall specify the formats and standards along with the procedure for verifying the operational status of permanent account number under sub-rule (1) and sub-rule (2).”.

[Notification No. 15/2023 F. No.370142/14/2022-TPL]

P. AMRUTHA VARSHINI, Under Secy.

Note.—The principal rules were published in the Gazette of India, Extraordinary, Part-II, Section-3, Sub-section (ii) vide number S.O. 969 (E), dated the 26th March, 1962 and last amended by the Income-tax (Third Amendment) Rules, 2023, vide notification number G.S.R. 118(E) dated 21st February, 2023.

F. No. 370142/14/2022-TPL
Government of India
Ministry of Finance
Department of Revenue
Central Board of Direct Taxes

New Delhi, Dated the 28th of March, 2023

Sub.: Consequences of PAN becoming inoperative as per the newly substituted rule 114AAA – reg.

Consequent to the notification substituting rule 114AAA of the Income-tax Rules, 1962 (the Rules) *vide* notification no. 15 of 2023 dated 28th March, 2023, it is hereby clarified that a person who has failed to intimate the Aadhaar number in accordance with section 139AA of the Income-tax Act, 1961 (the Act) read with rule 114AAA shall face the following consequences as a result of his PAN becoming inoperative:

- (i) refund of any amount of tax or part thereof, due under the provisions of the Act shall not be made to him;
- (ii) interest shall not be payable to him on such refund for the period, beginning with the date specified under sub-rule (4) of rule 114AAA and ending with the date on which it becomes operative;
- (iii) where tax is deductible under Chapter XVII-B in case of such person, such tax shall be deducted at higher rate, in accordance with the provisions of section 206AA;
- (iv) where tax is collectible at source under Chapter XVII-BB in case of such person, such tax shall be collected at higher rate, in accordance with the provisions of section 206CC.

2. These consequences shall take effect from 1st July, 2023 and continue till the PAN becomes operative. A fee of one thousand rupees will continue to apply to make the PAN operative by intimating the Aadhaar number.

3. The consequences of PAN becoming inoperative shall not be applicable to those persons who have been provided exemption from intimating Aadhaar number under the provisions of sub-section (3) of section 139AA of the Act.

4. This is in supersession of the Circular No. 07 of 2022 of CBDT dated 30th March, 2022.
5. Hindi version to follow.

P. Amrutha

P. Amrutha varshini
Under Secretary (TPL-IV), CBDT

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