

NDA Update – Recent amendments under Direct Tax

CBDT has issued following notifications recently:

PAN to become inoperative if not linked with Aadhar number

A new Rule 114AAA has been inserted which states that if the Aadhar number is not intimated under Section 139AA(2) on or before 31-03-2020, the PAN of that person shall become inoperative after 31-03-2020 for the purposes of furnishing, intimating or quoting under the Income Tax Act. On the PAN becoming inoperative, if the person is required to furnish, intimate or quote his PAN under the Act, it shall be deemed that he has not furnished, intimated or quoted and shall be liable to the consequences.

Where the person intimates his Aadhar number after 31-03-2020, the PAN shall become operative after the date of intimation of Aadhaar number for the purposes of furnishing, intimating or quoting under the Act.

If the PAN becomes inoperative, for all purposes under the Income Tax Act it shall be presumed that the PAN has not been furnished and accordingly, higher rate of TDS or TCS may be applicable.

Exercise of option under Section 115BAA and Section 115BAB

Under Section 115BAA and Section 115BAB, domestic companies are provided option for lower rate of taxation on satisfying certain conditions. CBDT has now prescribed the following forms for the purpose of exercising the options:

Section 115BAA; Form 10-IC

Section 115BAB: Form 10-ID