How to Surrender PAN Practical Approach

A PAN (Permanent Account Number) card is a unique 10character number that is assigned to every taxpayer by the Income Tax Department. As per section 139A of Income Tax Act, a tax paying entity can hold only one PAN.

There are times when individuals or entities are required to surrender their PAN cards, for a number of reasons. The process for surrendering your PAN card

depending on the reason for it is listed below.

**Surrender of Duplicate PAN Card:**

An individual or entity could have been issued with duplicate PAN cards due to an administrative error or if he applied multiple times and received a PAN card each time. Since an individual or entity cannot hold more than one PAN card at a time, the duplicates have to be surrendered.

Surrendering a duplicate PAN card can be done both online as well as offline.

Online Process to Surrender Duplicate PAN card:

a. Visit Income Tax Department’s website link . and submit the required details.

b. Alternatively, you may fill and submit PAN Change Request application form by mentioning the PAN which you are using currently on top of the form. All other PAN/s inadvertently allotted to you should be mentioned.

However, practically, the online method is ineffective.

It is more advisable to opt for Manual/offline process to Surrender Duplicate PAN Card

**Offline Process to Surrender Duplicate PAN card**:

**Step 1** Fill up Form 49A for Change or Correction in PAN, mention the PAN number to be surrendered and submit the form to the nearest UTI or NSDL TIN facilitation centre. Save a copy of Acknowledgment for future reference

**Step 2** Write a letter addressed to the Assessing Officer of your jurisdiction (You can find

your Jurisdiction officer from www.incometaxindiaefiling.gov.in

(http://www.incometaxindiaefiling.gov.in)> Know your Jurisdiction Officer). Mention your personal details such as the full name on your PAN card, date of birth (or date of incorporation in case of companies or firms), PAN card number to be retained and details of duplicate PAN card being surrendered and keep the acknowledgement received.

**Step 3** – At time of submission of Letter mentioned in Point 2 above, also enclose a copy of Duplicate PAN to be surrendered along with Acknowledgment Copy obtained from NSDL TIN facilitation centre as obtained in point 1 mentioned above.

**Step 4** – Practically speaking (from personal experience), the AO will levy penalty u/s 272B r.w. section 139A of Rs.10,000/( Rupees Ten Thousand) under the Income Tax Act for holding more than one PAN. It is therefore a better option to pay penalty and also enclose the penalty challan along with the PAN surrender letter as mentioned in Point 2 above.

**Step 5** – In addition, (from personal experience), the AO is most likely to insist for an Affidavit stating that the individual or entity holds no other PAN other than the PAN in use (mention the PAN number in use) and that the duplicate PAN which is being surrendered has not been relied upon at any time for Income tax purpose or any other purposes.

On submission of the above mentioned documents, the AO will deactivate/delete the duplicate PAN.

**Surrender PAN Card due to Death of Individual Holder:**

In the event of the demise of the PAN card holder, a letter addressed to the Assessing Officer for that jurisdiction is to be written by the relatives of the deceased. The letter should mention the reason for the surrender (demise of the holder) as well as a copy of the deceased’s death certificate. The letter should also mention the PAN details such as PAN number, name, and date of birth.

This procedure can be used to surrender a PAN card upon death of Indian residents, NRIs (Non Resident Indians) as well as foreign nationals.

**Surrender of Firm/Partnership/Company PAN Card on dissolution or Winding up:**

Online Process to Surrender Firm/Partnership/Company PAN Card If the firm/ partnership is being shut down or dissolved, the PAN card issued in the name of

the firm has to be surrendered. The PAN card can be surrendered online by visiting the NSDL TIN website and filling out form 49A.

However, practically online option is not workable and does not ensure the surrender on part of the Income Tax department.

The best option is therefore the Offline/Manual process.

**Offline Process to Surrender Firm/Partnership/Company PAN Card**

 1.Write a letter to the Income Tax Jurisdiction Officer under whose jurisdiction the firm/company’s taxes were being filed and mention that the company is being dissolved, resulting in the PAN card being surrendered.

2. Attach a copy of the deed/ resolution that states the company is being dissolved, the PAN card as well as an acknowledgment of the return being filed for the discontinuation period.

3. Submit the letter and documents to the Income Tax Jurisdiction Officer and keep a copy of the acknowledgement received from the tax office.

4. Resolve all cases of any outstanding appeals or cases pending with the Income Tax Department with consultation of respective Income Tax Jurisdiction Officer.

From my experience, it is always a better option to visit the Income Tax department and ensure the surrender process is completed through consultation of respective jurisdiction officer.

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