



Income Tax - TDS/ TCS Circular On Inoperative PAN

Circular No. 06/2024 dt. 23/04/2024

- Vide Circular No. 03/2023 dated 28/03/2023, it was stated that persons failing to undertake Aadhar authentication with PAN, will face certain consequences mainly:
 - Deduction of tax ('TDS') at higher rate of 20%
 - Collection of tax at ('TCS') higher rate of 20%
- The aforementioned consequences were made applicable from 01/07/2024 upto date till PAN becomes operative.
- As a result, TDS/ TCS demands were raised by system wherein PAN of deductee/ collectee was inoperative and TDS/ TCS was not deducted/ collected at higher rate.



- With a view to provide relaxation, it is hereby clarified that no liability shall arise to deductor/ collector at higher rate of 20% in following circumstances:
 - Transactions entered upto 31/03/2024; and
 - PAN of deductee/ collectee becomes operative on or before 31/05/2024

THANK YOU



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