

Aadhaar-PAN linking hits name hurdle

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The amended Finance Act insists on quoting Aadhaar to retain your permanent account number (PAN), but the government is now dealing with the practical difficulties of ensuring this linkage.

While PAN requires disclosure of the full name of the individual including the initials in a name, the Aadhaar database does not insist on disclosure of the full name of the individual.

This has meant that many taxpayers have not been able to link their PAN with Aadhaar.

Changing of names is also not an easy process with the tax department prodding taxpayers to get their names changed in the Aadhaar database rather than in the PAN database.

A senior finance ministry official said the government is aware of this issue and is looking at ways to make it easier for people to link PAN with Aadhaar.

"There is time for the linkage to happen. We will notify the window within which PAN has to be linked with Aadhaar post 1 July. In the meanwhile, we are seeing how the linkage can happen seamlessly. We will work with the UIDAI (Unique Identification Authority of India) to resolve this," the official said.

As per provisions of Finance Act 2017, Aadhaar number or Aadhaar enrolment number will be mandatory to file income-tax returns and to apply for a new PAN. Further, an existing PAN can be declared void if the taxpayer does not link it with Aadhaar within the period that will be notified by the government. The steps were taken with the

aim of curbing tax evasion and weeding out multiple PANs.

The government has over the last few months moved swiftly to link many government schemes with Aadhaar. Besides PAN, the cabinet recently approved a proposal to make Aadhaar mandatory for a driving licence. But given the varied ways in which different authorities collect data for various government identities, linking of Aadhaar with other identities will not be an easy task.

"The name that appears on the Aadhaar card is based on the identity proof submitted by the person. In case a person has two different names on PAN and Aadhaar cards, then they will have to get it corrected or updated either with UIDAI or the income-tax department. Two lakh people get their information updated or corrected everyday at UIDAI," said Ajay Bhushan Pandey, chief executive officer, UIDAI.

The tax department started the process of seeding PAN with the Aadhaar number by incentivizing taxpayers to link the unique identity number with PAN for e-verification of income tax returns. However, the pace of seeding is slow.

"There are a lot of practical difficulties in linking PAN with Aadhaar. Besides the problem of mismatch in names, many old people may not have Aadhaar. Since Aadhaar has no mobile systems in place, these people will now have to go to the Aadhaar enrolment centres," said B.M. Singh, former chairman of the Central Board of Direct Taxes.

"Also, linking these two IDs will not resolve the issue of identity theft if a person passes away. There is no linking of Aadhaar or PAN with the registrar of births and deaths. This means that IDs can be misused," he added.

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