**TAN Registration: A Complete Guide for Businesses & Individuals**

Tax Deduction and Collection Account Number (TAN) is a 10-digit alphanumeric number issued by the Income Tax Department of India. It is mandatory for businesses, companies, and individuals who deduct or collect tax at source (TDS/TCS) while making payments.

In this blog, we’ll cover what TAN is, why it is needed, who should apply, the registration process, required documents, and common mistakes to avoid.

**What is TAN?**

TAN stands for Tax Deduction and Collection Account Number. It is issued under Section 203A of the Income Tax Act, 1961, and is required for deducting or collecting TDS/TCS before making specific payments.

For example, if a business pays salaries, rent, professional fees, or contractor payments, it must deduct TDS and deposit it with the government. To do this, it must first obtain a TAN number.

**Who Needs to Apply for TAN?**

✅ Employers deducting TDS on salaries  
✅ Businesses deducting TDS on contractor payments, rent, professional fees, or commission  
✅ Banks deducting TDS on interest payments  
✅ Companies deducting TCS (Tax Collected at Source) on sales  
✅ Government departments & entities required to deduct TDS

Note: Individuals who do not require TDS deduction (such as freelancers or salaried employees) do not need a TAN.

**Documents Required for TAN Registration**

📌 PAN Card of the business or individual  
📌 Business registration documents (if applicable)  
📌 Address proof (Aadhaar, Passport, Utility Bill, etc.)  
📌 Authorized signatory details (for companies and firms)  
📌 Valid email ID & phone number

**Step-by-Step Process for TAN Registration**

Step 1: Visit the NSDL e-Gov Portal

* Go to https://tin.tin.nsdl.com/tan/
* Select ‘Apply for TAN’

Step 2: Choose the Appropriate Form

* Form 49B is used for TAN application
* Select ‘Category of Deductor’ (Company, Individual, Firm, Government, etc.)

Step 3: Fill in the Application Form

* Enter Name, PAN, and Address of the Applicant
* Provide Deductor Type (Proprietorship, Partnership, Company, etc.)
* Enter business details and contact information

Step 4: Payment of TAN Application Fee

* The TAN application fee is ₹65 (₹55 application fee + 18% GST)
* Payment can be made via credit card, debit card, net banking, or demand draft

Step 5: Submit the Application

* After successful submission, a 14-digit Acknowledgment Number is generated
* Take a printout of the acknowledgment and send it to NSDL by post

Step 6: TAN Allotment & Verification

* Once verified, TAN is issued within 7-10 working days
* You can track your TAN application status online

**How to Check TAN Status?**

You can check the status of your TAN application on the NSDL website by entering:

✅ Acknowledgment Number  
✅ Name of the Applicant  
✅ Date of Application

**How to Correct or Update TAN Details?**

If there are errors or changes in your TAN details (address, name, contact details, etc.), you can apply for TAN correction through the NSDL portal by selecting ‘Change Request’ and submitting the updated information.

**Consequences of Not Having a TAN**

🚨 Penalty of ₹10,000 under Section 272BB for failure to obtain TAN  
🚨 TDS Returns cannot be filed without TAN  
🚨 Businesses may face legal action for non-compliance

**TAN vs PAN: What’s the Difference?**

| **Feature** | **TAN (Tax Deduction & Collection Account Number)** | **PAN (Permanent Account Number)** |
| --- | --- | --- |
| Purpose | Used for TDS/TCS deduction & collection | Used for tax filing & financial transactions |
| Who Needs It? | Businesses, companies, employers deducting TDS | Individuals, businesses, and entities |
| Format | 10-character alphanumeric (e.g., **DELH12345A**) | 10-character alphanumeric (e.g., **ABCDE1234F**) |
| Required for? | Filing TDS/TCS returns | Filing income tax returns |

**Common Mistakes to Avoid in TAN Registration**

❌ Incorrect PAN details – Leads to rejection of TAN application  
❌ Wrong category selection – Ensure correct deductor type is chosen  
❌ Failure to submit physical acknowledgment – Delays TAN processing  
❌ Using PAN instead of TAN for TDS payments – Attracts penalties

**Conclusion**

TAN registration is mandatory for businesses and entities deducting TDS/TCS. By obtaining TAN on time, filing TDS returns, and complying with tax regulations, businesses can avoid penalties and ensure smooth operations.

**Need Help with TAN Registration?**

Our experts provide **hassle-free TAN registration, TDS compliance, and tax advisory services**. **Contact us today for assistance! 🚀**