

OFFICE OF TAX APPEALS
STATE OF CALIFORNIA

In the Matter of the Appeal of:) OTA Case No. 230212564
L. MAUDLIN)
)
)
)
)
)

OPINION

Representing the Parties:

For Appellant: L. Maudlin
For Respondent: Lawrence Xiao, Tax Counsel

A. KLETTER, Administrative Law Judge: Pursuant to Revenue and Taxation Code (R&TC) section 19324, L. Maudlin (appellant) appeals an action by respondent Franchise Tax Board (FTB) denying appellant’s claim for refund of \$799.44 for the 2016 tax year.

Appellant waived the right to an oral hearing; therefore, the matter is being decided based on the written record.

ISSUE

Whether appellant is entitled to any additional refund for the 2016 tax year.

FACTUAL FINDINGS

1. Appellant did not timely file her 2016 California individual income tax return (return).
2. FTB determined that appellant earned sufficient income to prompt a filing requirement¹ and issued appellant a Notice of Proposed Assessment (NPA) estimating appellant’s liability for the 2016 tax year. The NPA subsequently went final.
3. Appellant entered into a provisional payment plan with FTB for her 2016 tax liability.²

¹ Third parties reported that appellant earned miscellaneous income in excess of the 2016 filing thresholds.

² On May 12, 2021, FTB collected \$894.30 from appellant’s bank account, which it applied as payments for the 2014 and 2015 tax years. As discussed below, appellant asserts that this payment should be refunded to her. On July 2, 2021, and May 20, 2021, FTB transferred payments to appellant’s 2016 account from the 2014 and 2020 tax years after appellant filed returns for those tax years with FTB.

4. Appellant made payments to satisfy her 2016 tax liability. FTB received appellant's last two payments of \$101.00 and \$55.53 on January 7, 2022, and February 7, 2022, respectively.
5. On December 30, 2022, appellant filed her 2016 return. FTB accepted the return as filed, which it treated as a claim for refund for the 2016 tax year.
6. FTB refunded \$156.53 of appellant's claim³ and denied the remainder of \$799.44. This timely appeal followed.

DISCUSSION

R&TC section 19306(a) provides that no credit or refund shall be allowed or made unless a claim for refund is filed within the later of: (1) four years from the date the return was filed, if the return was timely filed pursuant to an extension of time to file; (2) four years from the due date for filing a return for the year at issue (determined without regard to any extension of time to file); or (3) one year from the date of overpayment. The taxpayer has the burden of proof in showing that the claim is timely and that a refund should be granted. (*Appeal of Cornerstone Compounding Pharmacy, Inc.*, 2021-OTA-196P.)

There is no reasonable cause or equitable basis for suspending the statute of limitations. (*U. S. v. Brockamp* (1997) 519 U.S. 347, 351). The language of the statute of limitations is explicit and must be strictly construed. (*Appeal of Benemi Partners, L.P.*, 2020-OTA-144P (*Benemi*)). A taxpayer's untimely filing of a claim for any reason bars a refund even if the tax is alleged to have been erroneously, illegally, or wrongfully collected. (*Ibid.*) Although the result of fixed deadlines may appear harsh, the occasional harshness is redeemed by the clarity imparted. (*Ibid.*)

Appellant does not contest – and OTA finds no error in – FTB's determination that appellant's claims for refund were untimely under the four-year statute of limitations. However, appellant states that she disagrees with FTB's determination because FTB collected payments from her in 2021 and the 2016 return was filed in 2022.

Under the one-year statute of limitations, in the year prior to filing her claim for refund (i.e., during the period running from December 30, 2021, to December 30, 2022), appellant made two payments of \$101.00 and \$55.53 on January 7, 2022, and February 7, 2022, respectively,

³ \$122.80 was refunded to appellant. The remainder of \$33.73 plus \$0.27 in interest (\$34.00 in total) was transferred to appellant's 2018 tax account.

which FTB refunded. The remainder of appellant's payments on her tax liability were made before December 30, 2021, and thus outside of the one-year statute of limitations period.⁴ Appellant asserts that FTB's 2021 collections should be refunded. The record shows that on May 12, 2021, FTB collected payments; however, those payments were for the 2014 and 2015 tax years which are not at issue in this appeal. Therefore, OTA finds no error in FTB's determinations under the one-year statute of limitations that appellant's 2016 claim for refund was timely only as to \$156.53 in payments, and that the remainder of appellant's claim for refund of \$799.44 was untimely as to those payments.

Appellant claims that she historically overpaid the FTB, whether by pre-paying taxes and filing returns late, or through FTB's collection action. However, a taxpayer's untimely filing of a claim for any reason bars a refund even if the tax is alleged to have been erroneously, illegally, or wrongfully collected.⁵ (*Benemi, supra.*)

⁴ OTA has considered the payments FTB transferred from the 2014 and 2020 tax years to appellant's 2016 account; however, the transfers were effective on July 2, 2021, and May 20, 2021, respectively, which is outside of the one-year statute of limitations period.

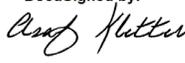
⁵ R&TC section 19316 provides that the period for filing a claim for refund may be suspended, and therefore extended, if a taxpayer is "financially disabled," as defined in R&TC section 19316(b). Appellant does not contend, and the record does not show, that R&TC section 19316 is applicable here.

HOLDING

Appellant is not entitled to any additional refund for the 2016 tax year.

DISPOSITION

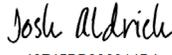
FTB’s action in denying appellant’s claim for refund is sustained.

DocuSigned by:

D17AEDDCAAB045B...
Asaf Kletter
Administrative Law Judge

We concur:

DocuSigned by:

32D46B0C49C949F...
Veronica I. Long
Administrative Law Judge

DocuSigned by:

48745BB806914B4
Josh Aldrich
Administrative Law Judge

Date Issued: 8/23/2023