

OFFICE OF TAX APPEALS
STATE OF CALIFORNIA

In the Matter of the Appeal of:

X. LI

) OTA Case No. 230212571
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OPINION

Representing the Parties:

For Appellant: X. Li

For Respondent: AnaMarija Antic-Jezildzic, Specialist

R. TAY, Administrative Law Judge: Pursuant to Revenue and Taxation Code (R&TC) section 19324, X. Li (appellant) appeals an action by the Franchise Tax Board (respondent) denying appellant’s claim for refund of \$842.16 for the 2016 tax year.

Appellant waived the right to an oral hearing; therefore, the Office of Tax Appeals (OTA) decides this matter based on the written record.

ISSUE

Whether appellant’s claim for refund for the 2016 tax year is barred by the statute of limitations.

FACTUAL FINDINGS

1. Appellant filed a timely 2016 California income tax return, and reported entitlement to a refund of overpaid tax. Respondent processed the return and issued a refund.
2. On January 5, 2023, appellant filed an amended 2016 California income tax return, reducing the amount of tax due, and consequently, increasing the amount of appellant’s refund. Respondent treated appellant’s amended return as a claim for refund.
3. Respondent denied the claim for refund in a letter dated January 26, 2023 based on the expiration of the statute of limitations.
4. This timely appeal follows.

DISCUSSION

As relevant here, a claim for credit or refund must be filed within four years from the date the return was filed, if filed within an extension allowed by R&TC section 18567 or 18604; within four years from the last day prescribed for filing the return without regard to any such extension; or within one year from the date of the overpayment, whichever time period expires last. (R&TC, § 19306(a).) For the 2016 tax year, the deadline for appellant to file a timely claim for refund would have been April 15, 2021; however, because of the COVID-19 pandemic, respondent postponed the deadline to May 17, 2021.¹

It is undisputed appellant filed a claim for refund after the statute of limitations expired, and thus, appellant is not entitled to a refund for the 2016 tax year at issue. Such fixed deadlines may appear harsh, particularly in cases such as this where a taxpayer cannot obtain a refund of an admitted and substantial overpayment; but the law considers such a harsh result to be an acceptable consequence of having an important obligation clearly defined. (*Appeal of Khan*, 2020-OTA-126P.)

Appellant argues respondent should issue the refund despite the statute of limitations. To prepare the 2016 return, appellant relied on tax software that did not indicate any tax exemption for in-home supportive services income. Thus, appellant asserts entitlement to a refund of the overpayment due to lack of knowledge. OTA acknowledges appellant may have overpaid the amount of tax due for 2016. However, a taxpayer's failure, for whatever reason, to file a claim for refund or credit within the statutory period prevents the taxpayer from doing so at a later date. (*Appeal of Khan, supra.*) There is no waiver or extension of the statute of limitations on the grounds appellant argues. OTA also finds no reason in the record to waive or extend the statute of limitations.

¹ See <https://www.ftb.ca.gov/about-ftb/newsroom/news-releases/2021-04-state-postpones-deadline-for-claiming-2016-tax-refunds-to-may-17-2021.html>.

HOLDING

Appellant’s claim for refund for the 2016 tax year is barred by the statute of limitations.

DISPOSITION

Respondent’s action is sustained in full.

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Richard Tay
Administrative Law Judge

We concur:

DocuSigned by:

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Natasha Ralston
Administrative Law Judge

DocuSigned by:

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Ovsep Akopchikyan
Administrative Law Judge

Date Issued: 8/30/2023