

**OFFICE OF TAX APPEALS**  
**STATE OF CALIFORNIA**

In the Matter of the Appeal of: )  
N. AUDAIN ) OTA Case No. 230413090  
)  
)  
)  
)  
)  
\_\_\_\_\_

**OPINION**

Representing the Parties:

For Appellant: N. Audain

For Respondent: Tristen Thalhuber, Attorney

L. KATAGIHARA, Administrative Law Judge: Pursuant to Revenue and Taxation Code (R&TC) section 19324, N. Audain (appellant) appeals actions by respondent Franchise Tax Board (FTB) denying appellant’s claims for refund of \$1,008 for the 2015 tax year, \$891 for the 2016 tax year, and \$1,102 for the 2017 tax year.

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

**ISSUE**

Whether appellant’s claims for refund for the 2015, 2016, and 2017 tax years are barred by the statute of limitations.

**FACTUAL FINDINGS**

1. On January 9, 2023, appellant late-filed her California income tax returns for the 2015, 2016, and 2017 tax years, reporting no taxes due and claiming refunds of \$1,008, \$891, and \$1,102, respectively.
2. All the payments for which appellant seeks refunds were made through appellant’s income tax withholdings, which, for purposes of the claim for refund statute of limitations, are deemed to be paid on the original filing due dates of the tax years at issue under R&TC section 19002(c)(1).

3. FTB denied appellant's claims for refund, and this timely appeal followed.

### DISCUSSION

R&TC section 19306(a) provides that no credit or refund may be allowed 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 date the return was due, 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 Benemi Partners, L.P.*, 2020-OTA-144P.)

The language of the statute of limitations must be strictly construed, and there is no reasonable cause or equitable basis for suspending the statute of limitations. (*Appeal of Benemi Partners, L.P., supra.*) However, R&TC section 19316 provides a narrow exception for suspending the statute of limitations where an individual taxpayer is deemed "financially disabled." Under this provision, the time for filing a claim for refund may be suspended during the period in which an individual taxpayer is financially disabled (as defined in R&TC section 19316(b)) if the taxpayer can establish such financial disability in accordance with the procedures and requirements specified by FTB. (R&TC, § 19316(a).) As relevant here, pursuant to R&TC section 19316(b)(1), a taxpayer is considered financially disabled if the individual taxpayer is unable to manage his or her financial affairs by reason of a medically determinable physical or mental impairment that is either deemed to be a terminal impairment or is expected to last for a continuous period of not less than 12 months. FTB imposes the additional requirement that a taxpayer submit an affidavit from a physician that identifies the period during which the taxpayer's impairment rendered the taxpayer incapable of managing his or her financial affairs. (*Appeal of Estate of Gillespie*, 2018-OTA-052P.)

Appellant does not argue that her claim for refund was filed within the statutory periods prescribed in R&TC section 19306(a). Instead, appellant contends that the statute of limitations should be suspended because she has been experiencing mental health issues which made it difficult for her to perform tasks, including timely filing her tax returns. Appellant explains that, because she is a registered nurse, the COVID-19 pandemic exacerbated her mental health issues. While OTA commends appellant's service as a healthcare professional during the COVID-19 pandemic, appellant did not provide the requisite affidavit from a physician. Consequently,

appellant has not established that she was “financially disabled” pursuant to R&TC section 19316(b).

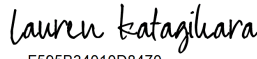
Appellant also argues that a denial of her claims for refund will negatively impact her ability to care for her family and pay her student loans. However, there is no equitable basis for suspending the statute of limitations. (*Appeal of Benemi Partners, L.P., supra.*) As such, appellant’s claims for refund are barred by the statute of limitations.

HOLDING


Appellant’s claims for refund for the 2015, 2016, and 2017 tax years are barred by the statute of limitations.


DISPOSITION

FTB’s actions denying appellant’s claims for refund are sustained.

DocuSigned by:  
  
F595B34010D0470...  
Lauren Katagihara  
Administrative Law Judge

We concur:

DocuSigned by:  
  
A11783ADD49442B...  
Huy “Mike” Le  
Administrative Law Judge

DocuSigned by:  
  
CB1F7DA37831416...  
Josh Lambert  
Administrative Law Judge

Date Issued: 11/29/2023