

**OFFICE OF TAX APPEALS
STATE OF CALIFORNIA**

In the Matter of the Appeal of:)
A. CARRANZA) OTA Case No. 240115130
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OPINION

Representing the Parties:

For Appellant: A. Carranza

For Respondent: Caitlin S. Russo, Senior Legal Analyst

V. LONG, Administrative Law Judge: Pursuant to Revenue and Taxation Code (R&TC) section 19324, A. Carranza (appellant) appeals an action by respondent Franchise Tax Board (FTB) denying appellant’s claim for refund of \$3,378 for the 2018 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 claim for refund is barred by the statute of limitations.

FACTUAL FINDINGS

1. Appellant did not timely file a 2018 California income tax return (return) but had income tax withholding of \$3,378 on his 2018 account.
2. FTB issued appellant a Request for Tax Return. Appellant did not respond.
3. FTB issued appellant a Notice of Proposed Assessment proposing tax and penalties in excess of appellant’s withholding of \$3,378. When appellant did not respond, the tax became due and payable.
4. On September 25, 2023, appellant filed a return reporting zero tax due and an overpayment of \$3,378.

5. FTB accepted appellants' return as filed and treated the return as a claim for refund. FTB denied the claim on the basis that it was barred by the statute of limitations.
6. This timely appeal follows.

DISCUSSION

Appellant does not dispute that his claim for refund was untimely filed.¹ However, appellant requests that his claim nevertheless be granted because in 2023, he experienced financial hardship.²

The Office of Tax Appeals (OTA) is sympathetic to appellant's situation. However, OTA lacks the authority to grant appellant's untimely refund claim. The law does not provide for an equitable or reasonable cause exception to the statute of limitations for making a refund claim. (*Appeal of Benemi Partners, L.P.*, 2020-OTA-144P.) This means that except in very limited situations which are not present here,³ a taxpayer's untimely filing of a refund claim for *any reason* bars a refund. (*Ibid.*) Although the result of fixed deadlines may appear harsh, the occasional harshness is redeemed by the clarity imparted. (*Ibid.*)

¹ The law generally requires that taxpayers file their refund claims by the later of: (1) four years from the date the return is filed, if filed on or before the extended due date; (2) four years from the due date of the return without regard to any extensions; or (3) one year from the date of overpayment. (R&TC, § 19306(a).) Since withholdings are deemed to have been paid on the original due date of the return, here April 15, 2019, appellant had until April 15, 2020 (which FTB postponed to July 15, 2020, due to COVID-19), to claim a refund for the \$3,378 overpayment. (R&TC, §§ 18566, 19002(c)(1); FTB Notice 2020-02.)

² Appellant specifies that he was unemployed from June 2023, and was out of work until December 2023.

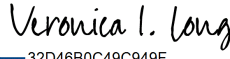
³ For instance, R&TC section 19316 suspends the running of the statute of limitations during any period where the taxpayer is unable to manage his or her financial affairs by reason of a medically determinable physical or mental impairment that is either deemed to be a terminal impairment or is expected to last for a continuous period of not less than 12 months.

HOLDING

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

DISPOSITION

FTB’s denial of appellant’s claim for refund is sustained.

Signed by:

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Veronica I. Long
Administrative Law Judge

We concur:

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Kenneth Gast
Administrative Law Judge

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Asaf Kletter
Administrative Law Judge

Date Issued: 9/4/2024