

**OFFICE OF TAX APPEALS
STATE OF CALIFORNIA**

In the Matter of the Appeal of:) OTA Case No. 231014515
J. CARRANZA)
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OPINION

Representing the Parties:

For Appellant: J. Carranza

For Respondent: Andrea Watkins, Attorney

For Office of Tax Appeals: Nguyen Dang, Attorney

S. HOSEY, Administrative Law Judge: Pursuant to Revenue and Taxation Code (R&TC) section 19324, J. Carranza (appellant) appeals an action by the Franchise Tax Board (respondent) denying appellant’s claim for refund of \$1,649 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 is entitled to a refund for the 2018 tax year.

FACTUAL FINDINGS

1. On August 28, 2023, appellant filed a 2018 California income tax return (Return) reporting zero total tax and requesting a refund of appellant's \$1,649 withholding payment, which was credited on April 15, 2019.
2. Respondent accepted the Return as filed but did not refund appellant's withholding payment because respondent determined that the Return was filed outside the period prescribed by law for making a refund claim.¹
3. Respondent issued a claim denial notice to appellant and this timely appeal followed.

DISCUSSION

Appellant does not dispute that the refund claim was untimely filed. Instead, appellant requests that the claim be granted due to circumstances outside of appellant's control which caused delays in renewing a federal Individual Taxpayer Identification Number for one of appellant's dependents. Appellant also argues that denial of the claim would result in financial hardship to appellant.

The Office of Tax Appeals (OTA) is sympathetic to the situation described by appellant. 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,² 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).)

² 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 is not entitled to a refund for the 2018 tax year.

DISPOSITION

Respondent’s action is sustained.

DocuSigned by:
Sara A. Hosey
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Sara A. Hosey
Administrative Law Judge

We concur:

Signed by:
Josh Lambert
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Josh Lambert
Administrative Law Judge

DocuSigned by:
Kenneth Gast
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Kenneth Gast
Administrative Law Judge

Date Issued: 9/5/2024