



### FACTUAL FINDINGS

1. On January 3, 2024, FTB received appellant's untimely 2017 and 2018 California income tax returns (Returns). Appellant reported an overpayment of \$70 and \$1,990 for the 2017 and 2018 tax years, respectively, and requested a refund of these same amounts.
2. FTB processed the 2017 Return and computed an overpayment of \$855.15, \$401.15 of which it credited to appellant's 2020 tax year. FTB did not refund the remaining \$454 because the 2017 Return was filed outside the general limitation period for making a refund claim with respect to this amount.
3. FTB accepted the 2018 Return as filed but did not refund or credit appellant's overpayment because the 2018 Return was filed outside the general limitation period for making a refund claim.
4. FTB issued claim denial notices to appellant and this timely appeal followed.

### DISCUSSION

Appellant concedes that her refund claims were untimely<sup>1</sup> but requests that they nevertheless be granted due to various personal hardships, including severe illness.

The statute of limitations for filing a refund claim must be strictly construed, meaning that a taxpayer's untimely filing of a refund claim for *any reason* bars a refund. (*Appeal of Benemi Partners, L.P.*, 2020-OTA-144P.) This is true even if the tax was not owed in the first place. (*Ibid.*) Although the result of fixed deadlines may appear harsh, the occasional harshness is redeemed by the clarity imparted. (*Ibid.*)

The running of the statute of limitations, however, may be suspended during any period where a taxpayer is "financially disabled." A taxpayer is financially disabled if he or she 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. (R&TC, § 19316(b)(1).) A taxpayer shall not be considered financially disabled for any period during which that taxpayer's spouse or any other person is legally authorized to act on that individual's behalf in financial matters. (R&TC, § 19316(b)(2).) To prove financial disability, a taxpayer must provide a physician's affidavit

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<sup>1</sup> 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).)

which contains a description of the taxpayer’s physical or mental impairment and the period of disability. (*Appeal of Estate of Gillespie*, 2018-OTA-052P.)

Insofar as appellant contends that appellant was financially disabled due to a severe illness, appellant has not provided the requisite physician’s affidavit to establish financial disability for suspending the statute of limitations.<sup>2</sup> Appellant’s failure to establish financial disability for any period prior to the filing of appellant’s refund claims means that they are untimely. Absent a legislatively-enacted exception to the statute of limitations, OTA does not have the authority to grant an untimely refund claim to achieve a more equitable result for taxpayers or to avoid a seemingly harsh outcome. (*Appeal of Estate of Gillespie, supra.*) Thus, while OTA is sympathetic to the situation described by appellant, OTA is unable to provide the relief appellant seeks.

HOLDING

Appellant is not entitled to a refund or credit for the 2017 and 2018 tax years.

DISPOSITION

FTB’s actions are sustained.

DocuSigned by:  
*Kenneth Gast*  
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 Kenneth Gast  
 Administrative Law Judge

We concur:

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

Signed by:  
*Veronica I. Long*  
 32D46B0C40C940E  
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 Veronica I. Long  
 Administrative Law Judge

Date Issued: 2/11/2025

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<sup>2</sup> During briefing, FTB provided appellant with a copy of this form and its instructions.