

OFFICE OF TAX APPEALS
STATE OF CALIFORNIA

In the Matter of the Appeal of:)
G. INGRAM) OTA Case No. 240415850
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OPINION

Representing the Parties:

For Appellant: G. Ingram

For Respondent: Caitlin S. Russo, Senior Legal Analyst

For Office of Tax Appeals: Nguyen Dang, Attorney

K. GAST, Administrative Law Judge: Pursuant to Revenue and Taxation Code (R&TC) section 19324, G. Ingram (appellant) appeals actions by respondent Franchise Tax Board (FTB) denying appellant’s claims for refund of \$20,538.64 and \$36,464.48 for the 2017 and 2018 tax years, respectively.

Appellant waived the right to an oral hearing; therefore, the matter was submitted to the Office of Tax Appeals (OTA) on the written record pursuant to California Code of Regulations, title 18, section 30209(a).

ISSUE

Whether appellant is entitled to a refund or credit of his overpayments for the 2017 and 2018 tax years.

FACTUAL FINDINGS

1. On January 15, 2024, appellant late filed his 2017 and 2018 California income tax returns.
2. FTB processed these returns and computed overpayments of \$20,538.64 and \$36,464.48 for the 2017 and 2018 tax years, respectively, which appellant does not dispute.

3. FTB treated the returns as refund claims but did not refund or credit appellant's overpayments because appellant's 2017 and 2018 returns were filed outside the limitation period for making a refund claim.
4. FTB issued claim denial notices from which appellant timely appeals.

DISCUSSION

Appellant does not dispute that his refund claims for the 2017 and 2018 tax years were untimely.¹ Rather, appellant asks that these untimely claims be granted due to illness and various personal hardships.

The statute of limitations for filing a refund claim must be strictly construed; in other words, 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 necessary to allow for a more workable tax system and is redeemed by the clarity imparted. (*Appeal of Estate of Gillespie*, 2018-OTA-052P.)

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 which contains a description of the taxpayer's physical or mental impairment and the period of disability. (*Appeal of Estate of Gillespie, supra.*)

To the extent appellant argues the statute of limitations should be suspended due to financial disability, appellant has not provided the requisite physician's affidavit.² Appellant's failure to establish that he was financially disabled for a sufficient time prior to the filing of his claims on January 15, 2024, means that these claims are untimely. Absent a legislatively

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 On appeal, FTB states in its brief that it provided appellant with a copy of this form and its instructions.

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 cannot provide the relief appellant seeks.

HOLDING

Appellant is not entitled to a refund or credit of his overpayments 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:

Signed by:
Veronica I. Long
32D46B0C49C949F
Veronica I. Long
Administrative Law Judge

DocuSigned by:
Sara A. Hosey
6D3FF4A0CA514E7
Sara A. Hosey
Administrative Law Judge

Date Issued: 3/13/2025