

5. On October 15, 2021, appellants filed a joint 2015 California Resident Income Tax Return (Return) reporting a lower tax liability than what respondent had assessed.
6. Respondent treated the Return as a claim for refund and calculated an overpayment of \$21,278.36 for the 2015 tax year.
7. On February 16, 2022, respondent notified appellants that their overpayment for the 2015 tax year would not be credited or refunded because the Return had been filed outside the statute of limitations for making a claim for refund.
8. This timely appeal followed.

DISCUSSION

R&TC section 19306 imposes a statute of limitations to file a claim for refund. R&TC section 19306(a) provides, in part, that no credit or refund shall 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 within the extended filing period pursuant to an extension of time to file; (2) four years from the due date prescribed for filing the return (determined without regard to any extension of time for filing the return); or (3) one year from the date of the overpayment. The taxpayer has the burden of proof in showing entitlement to a refund and that the claim for refund is timely. (*Appeal of Jacqueline Mairghread Patterson Trust*, 2021-OTA-187P.)

The language of R&TC section 19306 is explicit and must be strictly construed, without exception. (*Appeal of Cornbleth*, 2019-OTA-408P.) A taxpayer's failure to file a claim for refund, for whatever reason, within the statutory period bars the taxpayer from doing so later, even if the tax is alleged to have been erroneously, illegally, or wrongfully collected. (*Appeal of Benemi Partners, L.P.*, 2020-OTA-144P.) This is true even when it is later shown that the tax was not owed in the first place. (*Ibid.*) While fixed deadlines may appear harsh because they can be missed, the resulting occasional harshness is redeemed by the clarity imparted. (See *ibid.*)

Because appellants did not file a timely return, the applicable statute of limitations in this appeal is the later of four years from the last day prescribed for filing the tax return (without regard to any extension of time to file) or one year after the date of the overpayment. (See R&TC, § 19306(a).) Therefore, appellants' four-year statute of limitations for the 2015 tax year expired on April 15, 2020, four years from the tax return due date of April 15, 2016. However, as appellants' claim for refund was not filed until 2021, it was not timely under this four-year statute of limitations period.

The one-year statute of limitations only applies to claims for refund made within one year of the date payment is made. (R&TC, § 19306(a).) Appellant's account balance of \$24,056.76 for the 2015 tax year was satisfied on June 15, 2019. Thus, appellants had to file a claim for refund by June 15, 2020, to be considered timely. As appellants did not file their claim for refund until October 15, 2021, the statute of limitations bars a refund.

Appellants contend that despite the late filing of the Return, their claim for refund should be granted because they were prevented from timely filing by a multitude of personal difficulties, such as the failing health and eventual passing of R. Rosensweig's father, a mass shooting at A. Rosensweig's workplace, a wildfire which threatened appellants' home, the foreclosure of appellants' home, appellants' daughter's medical issues requiring numerous hospital visits, treatments and medical care, which also resulted in substantial medical bills, and a steady decline in R. Rosensweig's insurance business due to changes in federal law.

Although OTA is sympathetic to the difficulties appellants experienced and/or describe, OTA lacks the authority to grant appellants' untimely claim for refund due to these personal hardships. The statute of limitations for filing a claim for refund must be strictly construed, meaning that except in very limited situations which are not present here,² a taxpayer's untimely filing of a claim for refund for *any reason* bars a refund. (*Appeal of Benemi Partners, L.P., supra.*) "Although the result of fixed deadlines may appear harsh, the occasional harshness is redeemed by the clarity imparted." (*Ibid.*)

Accordingly, OTA finds no error in respondent's denial of appellants' claim for refund.

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

Appellants are not entitled to a refund of their overpayment for the 2015 tax year.

DISPOSITION

Respondent's action is sustained.

Signed by:

Natasha Ralston

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Natasha Ralston
Administrative Law Judge

We concur:

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Amanda Vassigh

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Amanda Vassigh
Administrative Law Judge

DocuSigned by:

Erica Parker

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Erica Parker
Hearing Officer

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