

3. FTB accepted the amended return as filed and treated it as a claim for refund in the amount of \$24,582.¹
4. FTB issued appellants a claim denial notice based on FTB's determination that the amended return was filed after the statute of limitations had expired.²
5. Appellants timely filed this appeal.

DISCUSSION

Appellants do not dispute that their refund claim is untimely. Rather, appellants state they experienced unavoidable delays caused by the COVID-19 pandemic. Appellants also point to their history of diligently fulfilling their tax obligations, submitting accurate returns, and promptly paying any taxes owed. Appellants contend these extenuating circumstances warrant an exception to the statute of limitations be made in their case.

The untimely filing of a claim prohibits a refund for any reason, absent an exception provided by law. (*Appeal of Benemi Partners, L.P.*, 2020-OTA-144P.) There is no reasonable cause or equitable basis for suspending the statute of limitations. (*Ibid.*) OTA does not have general legal authority to disregard the statute of limitations and order an untimely claim for refund be granted based on reasonable cause or other equitable grounds. (*Ibid.*) Appellants' statements concerning the COVID-19 pandemic and their record of complying with their tax obligations are, essentially, an argument that their claim for refund should be granted for reasonable cause, which is not a recognized legal basis to grant an untimely claim for refund. Appellants request that OTA make an exception in their case, but California law prohibits OTA from doing so.

¹ FTB adjusted the refund from \$24,635 to \$24,582 to account for a previous refund issued to appellants for the same tax year. This adjustment is not in dispute.

² California 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).)

HOLDING

Appellants' claim for refund for the 2018 tax year is barred by the statute of limitations.

DISPOSITION

FTB's action is sustained.

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

We concur:

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

DocuSigned by:
Cheryl Akin
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Cheryl L. Akin
Administrative Law Judge

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