

OFFICE OF TAX APPEALS
STATE OF CALIFORNIA

In the Matter of the Appeal of:) OTA Case No. 240516224
G. YOUNG)
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OPINION

Representing the Parties:

For Appellant: G. Young

For Respondent: Yadi Li, Graduate Student Assistant

For Office of Tax Appeals: Oliver Pfof, Attorney

C. AKIN, Administrative Law Judge: Pursuant to Revenue and Taxation Code (R&TC) 19324, G. Young (appellant) appeals an action by respondent Franchise Tax Board (FTB) denying appellant’s claim for refund of \$9,034 for the 2018 tax year.

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’s claim for refund for the 2018 tax year is barred by the statute of limitations.

FACTUAL FINDINGS

1. Appellant filed a California nonresident or part-year resident personal income tax return (tax return) for the 2018 tax year on March 28, 2024. Appellant reported becoming a California resident on February 2, 2018, and remaining a resident for the rest of 2018.

2. The tax return reported California taxable income of \$0, California income tax withheld of \$9,034, and a refund due of \$9,034.¹
3. FTB treated the tax return as a claim for refund. It issued a claim denial notice based on its determination that the refund claim was filed after the statute of limitations had expired.
4. Appellant timely filed this appeal.

DISCUSSION

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).) The due date for individual state income tax returns is April 15 following the close of the calendar year. (R&TC, § 18566.) Consequently, appellant's state income tax return for the 2018 tax year was due on April 15, 2019. Here, the statute of limitations to file a claim for refund expired on April 15, 2023, and the tax return was filed on March 28, 2024.² Therefore, appellant's claim for refund is barred by the statute of limitations.

Appellant offers several reasons why the refund claim should be granted, such as personal hardships caused by the COVID-19 pandemic, working 80 to 100 hours a week as a manager with a railroad, and having to move to other states to remain employed, among other circumstances. Appellant states the combination of these personal challenges and hardships delayed the filing of the tax return. Appellant also states that it is unfair that taxpayers only have four years to file a claim for refund.

A taxpayer's untimely filing of a claim for any reason bars a refund, 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 legal authority to disregard the statute of limitations and order an untimely claim for refund be

¹ On appeal, FTB asserts appellant's self-reported California taxable income of \$0 does not appear "appropriate" because appellant was a California resident for most of 2018 tax year and realized income from wages during this year citing to R&TC section 17041. Because OTA concludes that appellant's claim for refund for the 2018 tax year (regardless of amount) is barred by the statute of limitations, OTA need not address the correctness of appellant's reported taxable income and resulting refund claim amount.

² Appellant's only payment is withholdings which are deemed paid on the due date of the return, April 15, 2019. (R&TC, § 19002(c)(1).) The one-year statute of limitations expired one year later on April 15, 2020.


granted based on reasonable cause or other equitable grounds, such as to avoid an unfair or harsh result. (*Ibid.*) Appellant’s statements concerning the challenges and hardships he experienced that delayed his filing of the tax return is an argument that his refund claim should be granted for reasonable cause. The statement concerning fairness is a claim that the refund should be granted on equitable grounds. These are not recognized legal bases to grant an untimely claim for refund, and California law prohibits OTA from making exceptions on a case-by-case basis.

HOLDING

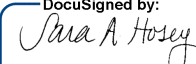
Appellant’s claim for refund for the 2018 tax year is barred by the statute of limitations.


DISPOSITION

FTB’s action is sustained.

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Cheryl L. Akin
Administrative Law Judge

We concur:

DocuSigned by:

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Sara A. Hosey
Administrative Law Judge

Signed by:

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Veronica I. Long
Administrative Law Judge

Date Issued: 3/18/2025