

**OFFICE OF TAX APPEALS**  
**STATE OF CALIFORNIA**

In the Matter of the Appeal of: )  
S. DAVIDSON AND ) OTA Case No. 240315750  
G. DAVIDSON (DEC'D) )  
\_\_\_\_\_ )

**OPINION**

Representing the Parties:

For Appellants: S. Davidson

For Respondent: Paige Chang, Attorney

For Office of Tax Appeals: Amber Poon, Attorney

S. HOSEY, Administrative Law Judge: Pursuant to Revenue and Taxation Code (R&TC) section 19324, S. Davidson and G. Davidson (Dec'd) (appellants) appeal an action by the Franchise Tax Board (respondent) denying appellants' claim for refund of \$27,197.75 for the 2018 tax year.

Appellants 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 appellants' refund claim for the 2018 tax year is timely.

**FACTUAL FINDINGS**

1. Appellants did not timely file a 2018 California income tax return (Return).
2. Respondent received appellants' estimated tax payment of \$25,626, California withholdings of \$4,596, and an amount withheld at source of \$2,217.
3. After demanding but not receiving a Return from appellants, respondent issued a Notice of Proposed Assessment proposing tax and various other charges based on an estimate of appellants' income.
4. In September 2021, appellants submitted a Quick Resolution Worksheet to request additional time to file their Return.

5. On January 2, 2024, respondent received appellants' Return reporting overpaid tax.
6. Respondent processed appellants' Return and treated the Return as a claim for refund in the amount of \$27,197.75.
7. Respondent did not credit or refund appellants' overpayment because respondent determined that the Return was filed outside the limitation period for making a refund claim.
8. This timely appeal followed.

### DISCUSSION

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).) In other words, for appellants' refund claim to be considered timely under the applicable four-year limitation period, it must have been filed within four years from the due date of the Return without regard to any extensions (i.e., April 15, 2023). (*Ibid*; R&TC, § 18566.) Since appellants' January 2, 2024 refund claim was filed after the April 15, 2023 deadline, it is untimely under the applicable four-year limitation period.<sup>1</sup> Thus, a refund can only be granted for appellants' 2018 tax year if appellants' claim for refund was timely under the one-year limitation period.

The one-year statute of limitations period begins to run from the date of payment. (R&TC, § 19306(a).) Estimated tax payments and withholdings are deemed paid on the original due date of the return. (R&TC, § 19002(c)(1), (2).) As such, for the 2018 tax year, appellants' withholdings and estimated tax payment were deemed paid on April 15, 2019. (R&TC, §§ 19002(c), 18566.) Appellants had one-year from April 15, 2019, to file a refund claim. (R&TC, § 19306(a).) Appellants' 2018 claim for refund was not filed until January 2, 2024, and therefore, is also untimely under the one-year limitation period.

Appellants argue that the 2018 refund claim should be granted due to appellant G. Davidson's medical issues, the California wildfires in 2017 and 2018,<sup>2</sup> and the COVID-19 pandemic, all of which made it difficult for appellants to access their tax documents and fulfill

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<sup>1</sup> Due to the 2023 California winter storms, respondent postponed the four-year statute of limitations to timely file a claim for refund to November 16, 2023. However, appellants filed their refund claim on January 2, 2024, past the postponed deadline. (See [www.ftb.ca.gov/about-ftb/newsroom/news-releases/10-16-extended-tax-deadline.html](http://www.ftb.ca.gov/about-ftb/newsroom/news-releases/10-16-extended-tax-deadline.html); see also [www.ftb.ca.gov/about-ftb/newsroom/news-releases/2023-10-due-date-for-tax-returns-payments-moved.html](http://www.ftb.ca.gov/about-ftb/newsroom/news-releases/2023-10-due-date-for-tax-returns-payments-moved.html).)

<sup>2</sup> Specifically, the 2017 Tubbs Fire and 2018 Camp Fire.

their filing obligations. The running of the statute of limitations 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*, 2018-OTA-052P.)

Here, appellants have not provided the requisite physician’s affidavit to establish financial disability for tolling the statute of limitations. Appellants’ failure to establish financial disability for any period prior to the filing of appellants’ refund claim means that such claim is untimely. Appellants’ remaining arguments regarding COVID-19 and the California wildfires are reasonable cause or equitable type arguments. However, the language of the statute of limitations is explicit and must be strictly construed. (*Appeal of Benemi Partners, L.P.*, 2020-OTA-144P.) There is no reasonable cause or equitable basis for suspending the statute of limitations. (*Ibid.*) 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 appellants’ situation, OTA is unable to provide the relief appellants seek.

HOLDING

Appellants' refund claim for the 2018 tax year is untimely.

DISPOSITION

Respondent's action denying appellants' claim for refund is sustained.

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*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

Date Issued: 4/2/2025