

- entitled to \$712, which resulted in a balance due of \$310.62.¹ Appellants made a payment of \$310.62 on September 15, 2020.
3. On July 12, 2024, appellants filed an amended 2019 tax return reporting total tax of \$25,827 and withholdings of \$23,813, resulting in total tax due of \$2,014.² After accounting for tax payments of \$7,166 and \$288, appellants claimed an overpayment of \$5,440.
 4. Respondent considered the amended return as a claim for refund of \$5,442.62. Respondent denied the claim for refund.
 5. Appellants timely filed this appeal.

DISCUSSION

California law generally requires a taxpayer to file a refund claim 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 California income tax returns is April 15 following the close of the calendar year. (R&TC, § 18566.)

Appellants' 2019 California tax return was due on April 15, 2020. Due to COVID-19, respondent postponed the due date to file and pay taxes for the 2019 tax year to July 15, 2020.³ However, a postponement period does not change the due date of the return for the purpose of timely filing a claim for refund.⁴ (See *Appeal of Bannon*, 2023-OTA-096P.) Thus, the four-year statute of limitations to file a claim for refund expired on April 15, 2024. Appellants did not file

¹ The balance of \$310.62 consisted of additional tax of \$288, an underpayment of estimated tax penalty of \$20, and interest of \$2.62.

² Appellants subtracted appellant K. Podraza's income from their California adjusted gross income, arguing that her income was not subject to tax because she was a teacher.

³ See <https://www.ftb.ca.gov/about-ftb/newsroom/news-releases/2020-3-state-postpones-tax-deadlines-until-july-15-due-to-the-covid-19-pandemic.html>. See also R&TC, § 18752(b); Internal Revenue Code (IRC), § 7508A.

⁴ Respondent's authority to grant state of emergency postponements for tax-related acts is found in R&TC section 18572(b), which adopts IRC section 7508A. R&TC section 18752(b) modifies IRC section 7508A to provide that postponements under this section apply to taxpayers affected by a state of emergency declared by the Governor of California, as opposed to taxpayers affected by a federally declared disaster. When applying the IRC for purposes of California personal income tax, IRS Treasury Regulations shall be applicable to the extent that they do not conflict with California personal income tax code sections or regulations. (R&TC, § 17024.5(d).) The postponement of the deadline of a tax-related act does not extend the due date for the act, and to the extent that other statutes may rely on the date a return is due to be filed, the postponement period will not change the due date of the return. (Treas. Reg. § 301.7508A-1(b)(4) (while subsection (g) was invalidated by *Abdo v. C.I.R.* (2024) 162 T.C. 148, subsection (b) remains in effect.)

their claim for refund until July 12, 2024. Furthermore, appellants had withholdings for the 2019 tax year,⁵ and made payments on March 15, 2020, and September 15, 2020. The one-year statute of limitations to file a claim for refund for those payments expired on April 15, 2021, March 15, 2021, and September 15, 2021, respectively. Consequently, appellants' claim for refund is barred by the statute of limitations.

Appellants argue that the due date for filing the 2019 return was extended to July 15, 2020, and thus, the four-year statute of limitations to file a claim for refund for 2019 was also extended until July 15, 2024. However, the fact that the due date to file a return for the 2019 tax year was postponed until July 15, 2020, does not affect the four-year statute of limitations to file a claim for refund for the 2019 tax year, which expired on April 15, 2024. (See *Appeal of Bannon, supra.*) Appellants also argue that appellant K. Podraza's income is not subject to California income tax because she is a California teacher.⁶ Nevertheless, the statute of limitations for filing a claim for refund must be strictly construed; a taxpayer's untimely filing of a claim for any reason bars a refund, even if the tax is alleged to have been erroneously, illegally, or wrongfully collected, and even when it is later shown that the tax was not owed in the first place. (*Appeal of Benemi Partners, L.P.*, 2020-OTA-144P.) Although the result of fixed deadlines may appear harsh, the occasional harshness is redeemed by the clarity imparted. (*Ibid.*)

⁵ Tax withholdings are deemed to have been paid on the last day prescribed for filing the return. (R&TC, § 19002(c)(1).) Thus, appellants withholdings for the 2019 tax year were deemed paid on April 15, 2020.

⁶ Appellants have not cited to, and OTA does not know of, any legal authority in support of the proposition that California teachers' income are not subject to California income tax. California residents are taxed upon their entire taxable income, regardless of its source, and gross income includes all income from whatever source derived. (See R&TC, §§ 17041(a)(1), 17071; IRC, § 61.)

HOLDING

Appellants' claim for refund for the 2019 tax year is barred by the statute of limitations.

DISPOSITION

Respondent's action is sustained.

DocuSigned by:
Steven Kim
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Steven Kim
Administrative Law Judge

We concur:

DocuSigned by:
Sheriene Anne Ridenour
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Sheriene Anne Ridenour
Administrative Law Judge

Signed by:
Kim Wilson
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Kim Wilson
Hearing Officer

Date Issued: 7/9/2025