

- filing penalty of \$4,608.75, and applicable interest. FTB did not receive a response to the NPA, and it became final.
4. FTB began collection action and received payments totaling \$24,741.32 during the period July 6, 2022, through August 11, 2022.
 5. On August 14, 2024, appellant filed an untimely California Resident Income Tax Return. After applying withholding credits, appellant claimed an overpayment of \$1,074.
 6. FTB treated appellant's return as a claim for refund, which it timely denied in the amount of \$25,815.30¹ based on the expiration of the statute of limitations to file a claim for refund.
 7. 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.) There is generally no reasonable cause or equitable basis to suspend the statute of limitations. (*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. (*Ibid.*)

Here, there is no dispute that appellant failed to file a timely return for the 2019 tax year. Therefore, the statute of limitations began to run on the return's original due date and expired four years later on April 15, 2024. (R&TC, § 19306(a).) Appellant filed his return on August 14, 2024, which is after the four-year statute of limitations to file a claim for refund

¹ FTB's denial denies amounts collected during the period July 6, 2022, through August 11, 2022, as well as amounts claimed on appellant's return.

expired. Therefore, FTB is barred from refunding or crediting any overpayment for the 2019 tax year under that provision.

The alternative one-year statute of limitations applies only to payments made within one year of the date the claim for refund is filed. (R&TC, § 19306(a).) For purposes of R&TC section 19306, withholding is treated as paid on the last day prescribed for filing the return. (R&TC, § 19002(c).) Here, appellant's payments include withholding credits, which are treated as paid on April 15, 2020. Appellant also made payments during the period July 6, 2022, through August 11, 2022. In each case, appellant's payments were made more than one year before appellant filed his claim for refund. Accordingly, appellant's claim for refund is barred by the one-year statute of limitations.

On appeal, appellant contends that he was unable to file a timely claim for refund based on a cancer diagnosis, as well as a period of anxiety and depression. OTA notes that 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).) 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.) To the extent that appellant argues the statute of limitations should be suspended due to financial disability, appellant has not provided the requisite physician's affidavit.² Appellant also has not provided any other evidence of financial disability. Therefore, appellant has not met his burden of proof, and OTA finds no basis to suspend the statute of limitations. As such, OTA finds that appellant's claim for refund is barred by the statute of limitations.


² On appeal, FTB provided appellant with a copy of this form and its instructions. Appellant did not respond with a completed form.

HOLDING

Appellant's claim for refund is barred by the statute of limitations.

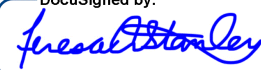
DISPOSITION

FTB's action denying appellant's claim for refund is sustained.

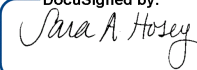
DocuSigned by:

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Keith T. Long
Administrative Law Judge

We concur:

DocuSigned by:

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Teresa A. Stanley
Administrative Law Judge

DocuSigned by:

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Sara A. Hosey
Administrative Law Judge

Date Issued: 8/14/2025