



3. On July 29, 2024, appellants filed a 2019 amended tax return, reporting on Schedule X, California Explanation of Amended Tax Return Changes, a \$4,818 refund (\$5,297 refund reported on amended return minus \$479 overpaid tax originally reported). Appellants included a statement explaining that tax was withheld from the sale of real estate, but they were not given any paperwork at the time of the withholding to provide to their tax preparer. As a result, appellants state that they forgot to claim the withholding on the originally filed 2019 tax return.
4. Respondent accepted appellants' amended tax return and treated it as a claim for refund. On August 26, 2024, respondent sent appellants a Statute of Limitations notice to deny appellants' claim for refund due to the expiration of the statute of limitations.
5. This timely appeal followed.

### DISCUSSION

The statute of limitations to file a claim for refund is set forth in R&TC section 19306. The statute of limitations provides, in pertinent part, that no credit or refund may 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 pursuant to an extension of time to file; (2) four years from the due date for filing a return for the year at issue (determined without regard to any extension of time to file); or (3) one year from the date of overpayment. (R&TC, § 19306(a).) The taxpayer has the burden of proof in showing entitlement to a refund and that the claim is timely. (*Appeal of Benemi Partners, L.P.*, (Benemi) 2020-OTA-144P.)

There is no reasonable cause or equitable basis for suspending the statute of limitations. (*Appeal of Jacqueline Mairghread Patterson Trust*, 2021-OTA-187P.) The language of the statute of limitations is explicit and must be strictly construed. (*Benemi, supra.*) 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. (*Ibid.*) This is true even when it is later shown that the tax was not owed in the first place. (*Ibid.*) Although the result of fixed deadlines may appear harsh, the occasional harshness is redeemed by the clarity imparted. (*Ibid.*)

Appellants timely filed their 2019 tax return on April 4, 2020, prior to the due date for filing the return. Thus, the second four-year statute of limitations period applies. The original due date for filing the 2019 return was April 15, 2020,<sup>1</sup> and the four-year statute of limitations expired four years later on April 15, 2024. (R&TC, §§ 18566, 19306(a).) Appellants filed their

---

<sup>1</sup> In response to COVID-19, FTB postponed the due dates for returns, payments, and refund claims to July 15, 2020. The postponed due date did not change the original due date for filing a return. (*Appeal of Bannon*, 2023-OTA-096P.)

amended 2019 tax return on July 29, 2024, which respondent treated as a claim for refund, more than three months after the expiration of the four-year statute of limitations. Therefore, appellants' claim for refund is barred under the four-year statute of limitations.

Regarding the one-year statute of limitations, the time for appellants to file a claim for refund is one year from the date of overpayment. Appellants' only tax payments for the 2019 tax year were withholdings. Under R&TC section 19002(c)(1), tax deducted and withheld during the tax year is deemed to be paid on the original due date for the return (without regard to any extension of time for filing the return). A deadline of April 15, 2021, applies, which is one year from the due date of appellants' return. (R&TC, §§ 18566, 19306(a).) As stated above, appellants filed their claim for refund on July 29, 2024. Therefore, appellants' claim for refund is also barred under the one-year statute of limitations.

Appellants make several reasonable cause type arguments to toll the statute of limitations and allow their claim for refund. Appellants first argue that they were not provided with any paperwork from the broker for the sale of their real estate property at the time of the withholding and, as a result, forgot to claim the withholding credit on their originally filed 2019 tax return. On appeal, appellants further argue that they were unaware of the withholding due to the broker's failure to provide them with paperwork indicating money had been withheld from the sale proceeds. Appellants assert that respondent did not inform them of the unclaimed withholdings until after the statute of limitations had expired.

As stated above, there is no reasonable cause or equitable basis for suspending the statute of limitations. (*Appeal of Jacqueline Mairghread Patterson Trust, supra.*) The language of the statute of limitations is explicit and must be strictly construed. (*Benemi, supra.*) 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. (*Ibid.*) Regardless, OTA notes that while respondent does not have an obligation to discover a taxpayer's overpayment or inform a taxpayer of the time within which a claim for a refund must be filed (*Appeal of Matthiessen* (85-SBE-077) 1985 WL 15856; *Appeal of Cervantes* (74-SBE-029) 1974 WL 2844), respondent sent appellants the Withholding Letter on February 6, 2024, more than two months prior to the expiration of the statute of limitations period, and informed them of the applicable statute of limitations under R&TC section 19306(a). Appellants did not timely file their claim for refund for the 2019 tax year, and the refund is therefore barred by the applicable statute of limitations.

HOLDING

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

DISPOSITION

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

Signed by:



C04CD432E3254FD...

Seth Elsom  
Hearing Officer

Date Issued: 7/29/2025