

In the Matter of the Appeal of:) OTA Case No. 240917390
M. GROVER)
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1. FTB issued appellant a Demand for Tax Return (Demand) for the 2015 tax year, stating that FTB's records indicate appellant may have a California filing requirement, but no return was on file. Appellant did not respond to the Demand.
2. FTB issued appellant a Notice of Proposed Assessment (NPA) for the 2015 tax year that estimated appellant's income based on wages, dividend income, sale of stocks, and miscellaneous income reported to FTB by third parties. The NPA also imposed a late filing penalty, a notice and demand penalty, a filing enforcement fee, and applicable interest. Appellant did not respond to the NPA; therefore, the NPA became final and payable.

3. On May 21, 2018, FTB received a payment in satisfaction of appellant's 2015 account balance due.
4. On May 15, 2024, appellant untimely filed a 2015 California tax return.
5. FTB accepted the return as filed and treated it as a claim for refund of \$6,691.37. FTB, however, denied the claim for refund due to the expiration of the statute of limitations, and this timely appeal followed.

DISCUSSION

R&TC section 19306(a) provides 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 pursuant to an extension of time to file; (2) four years from the last date prescribed 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. The taxpayer has the burden of proving entitlement to a refund and that the claim is timely. (*Appeal of Fischer (Dec'd)*, 2024-OTA-518P.)

Appellant does not dispute that the 2015 claim for refund filed on May 15, 2024, was filed outside of the statute of limitations prescribed in R&TC section 19306(a). Rather, appellant explains that he was laid off in March 2015, it was difficult finding subsequent employment, and he was scared to file his taxes. Appellant states that upon filing his 2023 tax return, he realized his fears were unfounded and made efforts to file outstanding tax returns. Appellant contends that he now owes taxes for the 2018 and 2019 tax years and is experiencing financial difficulty. Appellant requests that the 2015 claim for refund be applied to the outstanding balance for the 2018 and 2019 tax years.

OTA lacks the authority to grant appellant's request to apply an untimely claim for refund to a subsequent tax year balance based on the reasons provided by appellant. The language of the statute of limitations is explicit and must be strictly construed. (*Appeal of Benemi Partners, L.P.*, 2020-OTA- 144P.) The law does not provide an equitable or reasonable cause exception to the statute of limitations to file a claim for refund. (*Ibid.*) Except in very limited situations which are not shown here,¹ a taxpayer's untimely filing of a claim for refund for any reason bars a refund. (*Ibid.*) Although the result of fixed deadlines may appear harsh, the occasional

¹ For example, R&TC section 19316 suspends the running of the statute of limitations during any period where the taxpayer 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. On appeal, appellant does not claim or provide evidence that he was unable to manage his financial affairs during the relevant time period.

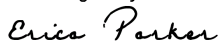
harshness is redeemed by the clarity imparted. (*Ibid.*) As such, appellant's claim for refund for the 2015 tax year is barred by the statute of limitations.

HOLDING

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

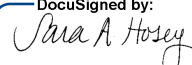
DISPOSITION

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

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Erica Parker
Hearing Officer

We concur:

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Sara A. Hosey
Administrative Law Judge

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Michael F. Geary
Administrative Law Judge

Date Issued: 7/22/2025