

OFFICE OF TAX APPEALS
STATE OF CALIFORNIA

In the Matter of the Appeal of:	)	OTA Case No. 241017746
O. FAHMY AND	)	
G. SIDDIQUI	)	
	)	
	)	
	)	
	)	

OPINION

Representing the Parties:

For Appellants:	Jim Deutch, EA
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For Respondent:	Tristen Thalhuber, Attorney
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S. ELSOM, Hearing Officer: Pursuant to Revenue and Taxation Code (R&TC) section 19324, O. Fahmy and G. Siddiqui (appellants) appeal an action by the Franchise Tax Board (respondent) denying appellants' claim for refund of \$26,640 for the 2019 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' claim for refund is barred by the statute of limitations.

FACTUAL FINDINGS

1. On July 3, 2021, appellants jointly filed a 2019 California Resident Income Tax Return, requesting a refund of \$2,632 which respondent subsequently refunded to appellants.¹
2. On February 6, 2024, respondent sent appellant O. Fahmy an Unclaimed Nonwage Withholding Credits letter, informing him that he may be entitled to nonwage withholdings of \$26,640 and must file an amended tax return to claim the withholdings. Additionally, respondent's letter informed appellants that the statute of limitations to file a claim for refund is four years from the tax return's original due date,

¹ Appellants' refund of \$2,632 is not at issue in this appeal and OTA does not further address it.

- four years from the date the return was filed, if filed by the extended due date; or, one year from the date the withholding payment was made.
3. On June 15, 2024, appellants filed an amended California Resident Income Tax Return, claiming the withholding credit of \$26,640 and requesting that it be refunded.
 4. Respondent then sent appellant O. Fahmy a Statute of Limitations letter to deny the claim 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 (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.*, 2020-OTA-144P. (*Benemi*))

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 filed their 2019 return on July 3, 2021, after the extension period to file expired on October 15, 2020. (R&TC, §§ 18566, 18567; Cal. Code Regs., tit. 18, § 18567). Thus, the first statute of limitations period concerning returns filed on extension does not apply. The original due date for filing the 2019 return was April 15, 2020, and the second statute of limitations based on the original due date expired four years later on April 15, 2024. (R&TC, §§ 18566, 19306(a).) Therefore, appellants' June 15, 2024 claim for refund is untimely under the second statute of limitations period. For the foregoing reasons, 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). The deadline to file a claim for refund under the one-year statute of limitations was April 15, 2021, 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 June 15, 2024. Therefore, appellants' claim for refund is also barred under the one-year statute of limitations.

Appellants assert that they filed their claim for refund within the four-year statute of limitations based on the COVID-19 state of emergency postponement respondent provided to taxpayers in 2020, which postponed the 2019 filing and payment deadlines to July 15, 2020.² Based upon the postponement date, appellants assert the statute of limitations to file a claim for refund for the 2019 tax year expired four years later, on July 15, 2024. Appellants further argue that respondent issued guidance for the 2019 return filing deadline that contained multiple documents which created confusion about the statute of limitations to file a claim for refund. Appellants contend that respondent did not inform them of the unclaimed withholding credits in sufficient time to consult with a tax preparer.

Respondent's postponement of the due date to July 15, 2020, did not change the original due date of April 15, 2020, upon which the four-year statute of limitations for refund claims is based. (*Appeal of Nguyen*, 2025-OTA-333P.) Because appellants filed the claim for refund on June 15, 2024, outside the statute of limitations period, the claim for refund is time-barred.

Appellants argue that they were confused by respondent's guidance and did not have sufficient time to consult with a tax professional, which are reasonable cause-type arguments. 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.*) For the reasons explained above, appellants' claim for refund is barred by the statute of limitations.

² See *State Postpones Tax Deadlines Until July 15 Due to COVID-19 Pandemic*, news release (Mar. 18, 2020) <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>. 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.)

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:

Seth Elsom

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Seth Elsom
Hearing Officer

We concur:

Signed by:

Natasha Ralston

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Natasha Ralston
Administrative Law Judge

DocuSigned by:

Asaf Kletter

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Asaf Kletter
Administrative Law Judge

Date Issued: 9/9/2025