

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.) The taxpayer has the burden of proof in showing entitlement to a refund and that the claim is timely. (*Appeal of Estate of Gillespie*, 2018-OTA-052P.)

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, 2020.¹ However, a postponement period does not change the due date of the return for the purpose of timely filing a claim for refund. (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 their claim for refund until October 4, 2024. Furthermore, appellants had withholdings for the 2019 tax year.² The one-year statute of limitations to file a claim for refund for the withholding payment expired on April 15, 2021. Therefore, appellants' claim for refund is barred by the statute of limitations.

Appellants do not dispute that their claim for refund was untimely filed, after the expiration of the statute of limitations period. Rather, appellants argue that they believed their 2019 tax return had been timely filed in 2020, but the tax preparer who they paid to file the return failed to do so. Appellants contend they acted in good faith and filed as soon as they were aware of the failure to file. While reliance on the advice of a tax professional can constitute reasonable cause to relieve certain penalties, there is no reasonable cause or equitable basis for suspending the statute of limitations. (*Appeal of Benemi Partners, L.P.*, 2020-OTA-144P.) 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

¹ 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, § 7508A.

² 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.

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.*)

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
3DD7EF624397430...
Steven Kim
Administrative Law Judge

We concur:

Signed by:
Seth Elsom
C04CD432E3254FD...
Seth Elsom
Hearing Officer

DocuSigned by:
Erica Parker
6631E0AAC34B4F6...
Erica Parker
Hearing Officer

Date Issued: 8/20/2025