

appellant Lynch's death certificate, which indicates that as of October 1, 2019, appellant Lynch was deceased.

4. On July 25, 2024, appellant Bosch filed an untimely individual California Resident Income Tax Return on appellant Lynch's behalf. On the return, appellants reported tax of \$9,885, which after applying withholding credits resulted in a claim for refund of \$3,970. FTB accepted appellant Lynch's tax return and treated it as a claim for refund, but denied the claim based on the expiration of the statute of limitations.
5. 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, unless an exception applies.¹ (*Appeal of Benemi Partners, L.P.*, 2020-OTA-144P.) There is generally no reasonable cause or equitable basis to suspend the statute of limitations. (*Ibid.*) 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.*)

On appeal, there is no dispute that appellant Lynch failed file a timely return. However, appellant argue asserts that the claim for refund was filed within four years of October 15, 2020, and is therefore timely. Here, appellant Lynch did not file a timely return within the extension period. As a result, the statute of limitations began to run on the return's original due date (April 15, 2020) and expired four years later on April 15, 2024. (R&TC, 19306(a).) Appellants

¹ In this instance, appellant Lynch's passing may implicate the "financial disability" exception to the general statute of limitations for any period of incapacity prior to appellant's death. (R&TC § 19316.) However, the financial disability exception does not include any period of time after a taxpayer's death, and equitable tolling for the period of time after appellant's death is prohibited. (*Appeal of Fisher (Dec'd)*, 2024-OTA-518P.)

filed their claim for refund on July 25, 2024, after the statute of limitations expired. Accordingly, appellants are barred by the four-year statute of limitations.

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 Lynch’s only payments were withholding credits, which are treated as paid on April 15, 2020. Appellants filed a claim for refund on July 25, 2024, which is more than one year after the date of the payment. Accordingly, appellants’ claim for refund is barred by the one-year statute of limitations.

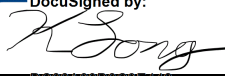
Finally, it is well settled that the statute of limitations for refund claims cannot be suspended based on reasonable cause. (*Appeal of Benemi Partners, L.P., supra.*) Additionally, FTB did not have a duty to inform appellants of the time when their refund claim must be filed. (*Appeal of Matthiessen (85-SBE-077) 1985 WL 15856.*) Thus, whether appellant Lynch was notified of the due date for filing appellants’ claim for refund has no bearing on the statute of limitations. As such, FTB properly denied appellants’ claim for refund.

HOLDING

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


DISPOSITION

FTB’s action denying appellants’ claim for refund is sustained.


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Keith T. Long
Administrative Law Judge

We concur:

Signed by:


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Veronica I. Long
Administrative Law Judge

Signed by:


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Natasha Ralston
Administrative Law Judge

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