

OFFICE OF TAX APPEALS
STATE OF CALIFORNIA

In the Matter of the Appeal of:)
M. JAIME AND) OTA Case No. 241218379
L. JAIME)
_____)

OPINION

Representing the Parties:

For Appellants: Alison S. Turner, CPA

For Respondent: Kaleigh Adams, Graduate Legal Assistant

K. WILSON, Hearing Officer: Pursuant to Revenue and Taxation Code (R&TC) section 19324, M. Jaime and L. Jaime (appellants) appeal an action by respondent Franchise Tax Board (FTB) denying appellants' claim for refund of \$5,330.80 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 for the 2019 tax year is barred by the statute of limitations.

FACTUAL FINDINGS

1. Appellants filed their 2019 California Resident Income Tax Return on June 26, 2020, reporting total tax of \$96,109, withholding credits of \$714, estimated tax payments of \$23,600,¹ tax due of \$71,795, a self-assessed penalty of \$2,467, and a total amount due of \$74,262.
2. On July 15, 2020, appellants made a return payment of \$86,562.
3. On July 30, 2020, FTB refunded \$12,298 to appellants.

¹ Estimated payments totaling \$23,600 were made as follows: \$7,100 on April 15, 2019; \$4,700 on June 15, 2019; \$5,900 on September 15, 2019; and \$5,900 on January 14, 2020.

4. On July 15, 2024, FTB received appellants' amended return reporting total tax of \$93,178, withholding credits of \$714, estimated tax payments of \$23,600, tax due of \$68,864, a self-assessed penalty of \$2,353, a total amount due of \$71,217, and requesting a refund of \$2,931.
5. FTB accepted appellants' amended return as a claim for refund and made minor adjustments causing appellants' account to reflect an overpayment of \$5,330.80.² On October 3, 2024, FTB denied appellants' claim for refund due to the statute of limitations.
6. This timely appeal follows.

DISCUSSION

Generally, 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 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. (R&TC, § 19306(a).) The taxpayer has the burden of proving that the claim for refund was timely and that the taxpayer is entitled to the refund. (*Appeal of Estate of Gillespie*, 2018-OTA-052P.)

The language of the statute of limitations is explicit and must be strictly construed. (*Appeal of Benemi Partners, L.P.*, 2020-OTA-144P.) There is no reasonable cause exception or equitable basis for suspending the statute of limitations. (*Ibid.*) 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. (*Appeal of Jacqueline Mairghread Patterson Trust*, 2021-OTA-187P.) While the result of fixed deadlines may appear harsh, the occasional harshness is redeemed by the clarity imparted. (*Appeal of Benemi Partners, L.P.*, *supra.*)

Appellants' 2019 California tax return was due on April 15, 2020. A taxpayer may file their return on or before the automatic extended due date, which is six months after the original filing due date, or October 15, 2020. (R&TC, § 18567; Cal. Code Regs., tit. 18, § 18567.) Because appellants timely filed their tax return on June 26, 2020, before the extended due date, the first four-year statute of limitations period applies, and appellants' time to file a claim for refund expired on June 26, 2024. Appellants did not file their claim for refund until

² Total revised tax of \$93,178 less withholding credits of \$714, estimated payments of \$23,600 and a return payment of \$86,562 equals an overpayment of \$17,698. The overpayment less \$12,298 already refunded equals \$5,400. FTB adjusted the estimated tax penalty and interest which resulted in a credit balance of \$5,330.80 on appellants' account.

July 15, 2024. The second statute of limitations period is inapplicable because appellants filed their return within the extended due date. Therefore, under the four-year statute of limitations, the claim for refund is barred.

The one-year statute of limitations period runs one year from the date of payment. For purposes of the statute of limitations, withholding and estimated tax payments are deemed paid on the due date of the return (without regard to extensions). (R&TC, § 19002(c)(1),(2).) Appellants made estimated payments, a return payment, and had withholdings for the 2019 tax year. The one-year statute of limitations to file a claim for refund for the withholding and estimated payments expired on April 15, 2021. The one-year statute of limitations to file a claim for refund for the return payment expired on July 15, 2021, one year from the date the payment was made. Therefore, under the one-year statute of limitations, the claim for refund is barred.

Here, appellants note that FTB postponed the original due date to timely file a 2019 return to July 15, 2020, and contend that as a result of this postponement, their amended return filed on July 15, 2024, was timely under the four-year statute of limitations. Appellants are correct that FTB postponed the due date to file and pay taxes for the 2019 tax year to July 15, 2020.³ However, FTB's postponement period does not change the original filing due date of April 15, 2020, upon which the first four-year statute of limitations is based. (See *Appeal of Nguyen*, 2053-OTA-333P.) Therefore, appellants' claim for refund filed on July 15, 2024, was filed after the deadline.

³ See www.ftb.ca.gov/about-ftb/newsroom/news-releases/2020-5-april-15-tax-day-postponed-until-july-15-2020.html.

HOLDING

Appellants' claim for refund for the 2019 tax year is barred by the statute of limitations.

DISPOSITION

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

Signed by:
Kim Wilson
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Kim Wilson
Hearing Officer

We concur:

Signed by:
Seth Elsom
C846D432E2354FD...

Seth Elsom
Hearing Officer

Signed by:
Natasha Ralston
25E8EE08EE56478

Natasha Ralston
Administrative Law Judge

Date Issued: 9/16/2025