

OFFICE OF TAX APPEALS
STATE OF CALIFORNIA

In the Matter of the Appeal of:)
D. ESHBAUGH) OTA Case No. 241218338
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OPINION

Representing the Parties:

For Appellant: D. Eshbaugh

For Respondent: Tristen Thalhuber, Attorney

S. KIM, Administrative Law Judge: Pursuant to Revenue and Taxation Code (R&TC) section 19324, D. Eshbaugh (appellant) appeals an action by the Franchise Tax Board (respondent) denying appellant’s claim for refund of \$3,326 for the 2019 tax year.

Appellant 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 appellant’s claim for refund for the 2019 tax year is barred by the statute of limitations.

FACTUAL FINDINGS

1. On November 5, 2024, appellant untimely filed his 2019 California Resident Income Tax Return reporting total tax of \$7,210 and withholding credits of \$10,536. Appellant claimed an overpayment and refund of \$3,326.
2. Respondent accepted appellant’s return as filed but denied appellant’s claim for refund based on the expiration of the statute of limitations.
3. Appellant timely filed this appeal.

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.)

Because appellant did not timely file his 2019 California tax return, the four-year statute of limitations period to file a claim for refund expired on April 15, 2024. However, appellant filed his claim for refund on November 5, 2024. As such, appellant's claim for refund is barred by the four-year statute of limitations. Furthermore, appellant had withholdings for the 2019 tax year, which are deemed to have been paid on the last day prescribed for filing the return, or April 15, 2020. (See R&TC, § 19002(c)(1).) The one-year statute of limitations period to file a claim for refund for the withholding credits expired on April 15, 2021. Consequently, appellant's claim for refund is barred by the one-year statute of limitations.

Appellant asserts that he relied on his accountant because of the complexity of his tax returns and that his accountant suffered a stroke and was unable to complete the return. However, there is no reasonable cause or equitable basis for suspending the statute of limitations. (*Appeal of Benemi Partners, L.P.*, 2020-OTA-144P.)¹ The statute of limitations for filing a claim for refund must be strictly construed; absent an exception,² a taxpayer's untimely filing of a claim for refund 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 shown that the tax was not owed in the first place. (*Appeal of Benemi Partners, L.P.*, *supra.*) Although the result of fixed deadlines may appear harsh, the occasional harshness is redeemed by the clarity imparted. (*Ibid.*)

¹ Moreover, a taxpayer's inability to timely file a return because of reliance on an accountant does not constitute reasonable cause. (See *United States v. Boyle* (1985) 469 U.S. 241, 252 (finding that a taxpayer's reliance on an agent is not reasonable cause for late filing.)

² For example, although inapplicable here, the general statute of limitations period to file a claim for refund may be suspended for financial disability, that is, if the taxpayer is unable to manage their financial affairs by reason of a medically determined physical or mental impairment. (R&TC, § 19316; *Appeal of Estate of Gillespie*, *supra.*)

HOLDING

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

DISPOSITION

Respondent's action is sustained.

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Steven Kim

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Steven Kim
Administrative Law Judge

We concur:

Signed by:
Kim Wilson

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Kim Wilson
Hearing Officer

Signed by:
Heather Boyd

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Heather Boyd
Administrative Law Judge

Date Issued: 12/9/2025