

OFFICE OF TAX APPEALS
STATE OF CALIFORNIA

In the Matter of the Appeal of:)
M. MOJADDADI) OTA Case No. 250622344
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OPINION

Representing the Parties:

For Appellant: M. Mojaddadi

For Respondent: Rosemary Villasenor, Senior Legal Analyst

T. STANLEY, Administrative Law Judge: Pursuant to Revenue and Taxation Code (R&TC) section 19324, M. Mojaddadi (appellant) appeals actions by respondent Franchise Tax Board (FTB) denying appellant’s claims for refund of \$1,867 for the 2019 taxable year and \$2,173 for the 2020 taxable year.

Appellant elected to have this appeal determined pursuant to the procedures of the Small Case Program. Those procedures require the assignment of a single panel member. (Cal. Code Regs., tit. 18, § 30209.05(b).) 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, (Regulation) section 30209(a).

ISSUE

Are appellant’s claims for refund barred by the statute of limitations?

FACTUAL FINDINGS

1. Appellant late-filed a 2019 California Resident Income Tax Return (return) on May 5, 2025, reporting total tax of \$5,342, withholding credits of \$7,209, and requesting a refund of \$1,867.
2. FTB denied appellant’s claim for refund due to the expiration of the statute of limitations.
3. Appellant late-filed a 2020 return on May 5, 2025, reporting total tax of \$5,933, withholding credits of \$8,106, and requesting a refund of \$2,173.

4. FTB denied appellant's claim for refund due to the expiration of the statute of limitations.
5. Appellant timely appealed the denials for both 2019 and 2020.

DISCUSSION

With certain exceptions not at issue here, 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 for the year at issue (determined without regard to an 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 to show entitlement to a refund and that the claim is timely. (*Appeal of Benemi Partners, L.P.*, 2020-OTA-144P.) There is no reasonable cause or equitable basis for suspending the statute of limitations. (*Ibid.*) If a taxpayer fails to file a claim for refund within the statute of limitations, the claim is barred even if the tax is alleged to have been erroneously, illegally, or wrongfully collected. (*Ibid.*)

Taxable Year 2019

Appellant failed to file a 2019 tax return by April 15, 2020, the original due date for the return,¹ or by October 15, 2020, the extended due date for the return. (R&TC, §§ 18566, 18567(a)(1); Cal. Code Regs., tit. 18, § 18567(a).) Therefore, the first four-year statute of limitations period described in R&TC section 19306(a) is inapplicable because appellant did not file a return within an extension of time to file. The second four-year statute of limitations period runs from the original due date for appellant's 2019 return, and thus expired on April 15, 2024, which is four years from the original due date of the return on April 15, 2020. (R&TC, §§ 19306(a), 18566.) Appellant, however, filed the 2019 return on May 5, 2025, which is beyond the second four-year statute of limitations period prescribed in R&TC section 19306(a).

Regarding the one-year statute of limitations, appellant's withholding credits for 2019 are deemed paid on the original due date for the return, April 15, 2020. (R&TC, § 19002(c)(1).) Thus, to be within the one-year statute of limitations, appellant must have filed a claim for refund of the withholdings on or before April 15, 2021. Appellant filed the return after that date, and therefore, appellant's claim for refund is also barred under the one-year statute of limitations.

¹ Due to COVID-19, FTB postponed the original filing deadline for 2019 tax returns to July 15, 2020. (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>.)

Appellant contends the claim for refund is timely because FTB postponed the filing deadline for 2019 tax returns to July 15, 2020, so the first four-year statute of limitations expired on July 15, 2024. Appellant also asserts that FTB ignored a “filed within extension” rule.

With respect to the first four-year statute of limitations period, R&TC section 19306(a) expressly states that no credit or refund shall be allowed after four years from the date the return was filed “*if filed within the time prescribed by [R&TC] [s]ection 18567.*” (Italics added.) Thus, in order for this first four-year statute of limitations to apply, appellant’s 2019 return needed to have been *filed* during the extension period, which ran from after the original filing deadline of April 15, 2020, to October 15, 2020. (See R&TC, § 18567(a)(1); Cal. Code Regs., tit. 18, § 18567(a).) FTB’s postponement of the 2019 original filing deadline from April 15, 2020, to July 15, 2020, ran concurrently with the extension of time to file provided pursuant to R&TC section 18567. (*Appeal of Bannon*, 2023-OTA-096P.) Because appellant did not file the 2019 return before the October 15, 2020 statutorily extended due date (which ran concurrently with and encompassed the July 15, 2020 postponed original due date), the first four-year limitations period does not apply.

Regarding appellant’s argument that the COVID-19 filing postponement extended the statute of limitations, FTB’s authority to grant state of emergency postponements for tax-related acts is pursuant to R&TC section 18572(b), which adopts Internal Revenue Code (IRC) section 7508A. When applying the IRC for purposes of California personal income tax, IRS Treasury Regulations are applicable to the extent that they do not conflict with California personal income tax code sections or regulations. (R&TC, § 17024.5.) Treasury Regulation section 301.7508A-1(b)(4) provides that “[t]o the extent that other statutes may rely on the date a return is due to be filed, the postponement period will not change the due date of the return.” FTB’s postponement of the due date to July 15, 2020, did not change the original due date of April 15, 2020, upon which the second four-year statute of limitations is based. (*Appeal of Nguyen*, 2025-OTA-333P.) Also, even if appellant had filed the 2019 return within the COVID-19 postponement period, appellant filed her claim for refund nearly a year later in 2025 rather than in 2024.

With respect to appellant’s argument that FTB ignored a “file within extension rule,” again, appellant did not file within the automatic extension pursuant to Regulation section 18567(a). Again, because appellant did not file a return before the October 15, 2020 statutorily extended due date (which encompassed and included the COVID-19 postponement period), the first four-year limitations period does not apply. Appellant’s claim for refund for taxable year 2019 is thus barred by the statute of limitations.

Taxable Year 2020

Appellant failed to file a 2020 tax return by April 15, 2021, the original due date for the return,² or by October 15, 2021, the extended due date for the return. (R&TC, §§ 18566, 18567(a)(1); Cal. Code Regs., tit. 18, § 18567(a).) Therefore, the first four-year statute of limitations period described in R&TC section 19306(a) is inapplicable because appellant did not file a return within an extension of time to file. The second four-year statute of limitations period runs from the original due date for appellant's 2020 return, and thus expired on April 15, 2025, which is four years from the original due date of the return on April 15, 2021. (R&TC, §§ 19306(a), 18566.) Appellant, however, filed the 2020 return on May 5, 2025, which is beyond the second four-year statute of limitations period prescribed in R&TC section 19306(a).

Regarding the one-year statute of limitations, appellant's withholding credits for 2020 are deemed paid on the original due date for the return, April 15, 2021. (R&TC, § 19002(c)(1).) Thus, to be within the one-year statute of limitations, appellant must have filed a claim for refund of the withholdings on or before April 15, 2022. Appellant filed the return after that date, and therefore, appellant's claim for refund is also barred under the one-year statute of limitations.

Appellant's assertions with respect to taxable year 2020 are the same as those for taxable year 2019; namely, that FTB postponed the 2020 filing deadline to May 17, 2021, and FTB ignored the "file within extension" rule.

As discussed above with respect to taxable year 2019, since appellant did not file a 2020 return within the automatic extension period (which encompassed and included the COVID-19 postponement period), the second four-year statute of limitations period does not apply. The due date for appellant's return was April 15, 2021, and the statute of limitations expired four years later on April 15, 2025.

² Due to the COVID-19 pandemic, FTB postponed the original filing due date for 2020 tax returns from April 15, 2021, to May 17, 2021. (See <https://www.ftb.ca.gov/about-ftb/newsroom/news-releases/2021-03-state-tax-deadline-for-individuals-postponed-until-may-17-2021.html>.)

HOLDING

Appellant's claims for refund for taxable years 2019 and 2020 are barred by the statute of limitations.

DISPOSITION

OTA sustains FTB's denial of appellant's claims for refund.

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Teresa A. Stanley
Administrative Law Judge

Date Issued: 11/25/2025