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APPEARANCES:

Panel Lead: ALJ SHERIENE ANNE RIDENOUR

Panel Members: ALJ AMANDA VASSIGH
HEARING OFFICER SETH ELSOM

For the Appellant: D. HUGHES

For the Respondent: STATE OF CALIFORNIA
FRANCHISE TAX BOARD
ARIANA MACEDO
BRAD COUTINHO

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I N D E X

E X H I B I T S

(Department's Exhibits A-P were previously received into evidence during the prehearing conference.)

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California; Wednesday, January 21, 2026

11:13 a.m.

JUDGE RIDENOUR: We are opening the record in the Office of Tax Appeals oral hearing for the Appeal of Donald Hughes, OTA Case No. 241017607. Today's date is January 21st, 2026, and the time is 11:13. This hearing is being conducted virtually with the agreement of the parties.

Today's hearing is being heard but a three-person panel. My name is Sheriene Ridenour, and I'm the lead judge. My co-panelists are Judge Vassigh and Hearing Officer Elsom. The panel will meet after the hearing and produce a written decision as equal participants. While I'll be conducting the hearing, any panel member may ask questions or otherwise participate to ensure that we have all of the information needed to decide this appeal.

For the record, will the parties state their names and who they represent, starting with the representatives for FTB.

MS. MACEDO: My name is Ariana Macedo, and I represent Respondent Franchise Tax Board in this matter. I am joined today by my colleague Brad Coutinho.

JUDGE RIDENOUR: Thank you.

1 And for Appellant, can you state your name for
2 the record.

3 MR. HUGHES: Is that me?

4 JUDGE RIDENOUR: Yes.

5 MR. HUGHES: Oh, Donald -- Donald Nolan
6 Hughes, Jr.

7 JUDGE RIDENOUR: Thank you, Mr. Hughes.

8 As stated in my Minutes and Orders dated
9 December 17th, 2025, there's one issue in this appeal,
10 whether Appellant's claim for refund for the 2019 tax year
11 is barred by the statute of limitations.

12 The exhibits are listed in the exhibit log, which
13 has been distributed to the parties. Appellant has not
14 submitted exhibits to be admitted into evidence. During
15 the prehearing conference, Appellant raised no objections
16 to FTB's Exhibits A through P, and they were admitted into
17 evidence.

18 As for witnesses, FTB previously indicated it
19 will not call any witness. As for Appellant, he has
20 indicated that he will be sworn in before his
21 presentation. There are no other witnesses today.

22 As a reminder to the parties, during a prehearing
23 conference, we decided that Appellant will have 10 minutes
24 to make his presentation, followed by FTB who will also
25 have 10 minutes. Then Appellant will have 5 minutes to

1 provide closing remarks, should he choose. Each party is
2 encouraged to monitor their own time.

3 Does anyone have any questions before we move on
4 to the presentation?

5 Mr. Hughes, any questions?

6 MR. HUGHES: No.

7 JUDGE RIDENOUR: Thank you.

8 Ms. Macedo?

9 MS. MACEDO: No questions. Thank you.

10 JUDGE RIDENOUR: Great. All right. Mr. Hughes,
11 before we proceed, I need to place you under oath so that
12 we can consider your statements as testimony. Please be
13 aware that you will remain under oath until the close of
14 this hearing.

15

16

D. HUGHES,

17 produced as a witness, and having been first duly sworn by
18 the Administrative Law Judge, was examined, and testified
19 as follows:

20

21 JUDGE RIDENOUR: Thank you, Mr. Hughes. The time
22 is 11:15. As a reminder, you have 10 minutes. And when
23 you're ready, Mr. Hughes, please begin your presentation.

24

MR. HUGHES: Do I start now?

25

JUDGE RIDENOUR: Yes, please.

1 I had to drive up to his office to see him
2 because they wouldn't return calls. So he was -- he was
3 very difficult to deal with. Basically, couldn't deal
4 with him at all, unless you went to see him in person.
5 And, basically, that's -- you know, he just took forever
6 to do them, and I don't -- there's no real reason I can --
7 I could subpoena him or anything like that legally. But I
8 believe that he should be held accountable for at least
9 not disclosing the fact that, you know, I wouldn't be able
10 to collect my returns for 2019 because of the past -- the
11 statute of limitations, which I didn't know about myself.

12 So, basically, I'm just throwing myself at the
13 mercy of the Court to maybe consider paying me for 2019;
14 the fact that it was not my fault, that did everything I
15 could in due diligence, you know, to complete the returns.
16 And basically, that's -- that's all I really have to
17 offer.

18 As far as dates and times and all that, I don't
19 really have that information. Most of that was on an old
20 phone that is no longer working. So I can't retrieve that
21 information, but that's basically why I haven't submitted
22 any exhibits. But I was hoping that they would at least
23 have the letter that I wrote, you know, honor of my word,
24 and what I told the Franchise Tax Board.

25 So, basically, that's about it for me, unless the

1 Franchise Tax Board has any questions.

2 JUDGE RIDENOUR: Thank you, Mr. Hughes.

3 On that note, Ms. Macedo, does FTB have any
4 questions for the witness?

5 MS. MACEDO: No questions. Thank you.

6 JUDGE RIDENOUR: Thank you.

7 Judge Vassigh, do you have any questions?

8 JUDGE VASSIGH: I do not. Thank you.

9 JUDGE RIDENOUR: Okay. Thank you.

10 And, Hearing Officer Elsom, do you have any
11 questions for Mr. Hughes?

12 HEARING OFFICER ELSOM: I do not have any
13 questions. Thank you.

14 JUDGE RIDENOUR: I also do not have any questions
15 at this time, Mr. Hughes. So thank you for your
16 presentation. We're going to move on to the FTB's
17 presentation, Mr. Hughes.

18 And the time is 11:20. When you're ready,
19 Ms. Macedo, please begin your presentation.

20 MS. MACEDO: Thank you.

21

22 PRESENTATION

23 MS. MACEDO: Good morning. My name is Ariana
24 Macedo, and I represent Respondent Franchise Tax Board in
25 this matter. I am joined today by my colleague, Brad

1 Coutinho.

2 The sole issue on appeal is whether Appellant's
3 claim for refund for the 2019 taxable year is barred by
4 the applicable statute of limitations.

5 First, I will go over a brief history of the
6 case. Respondent's records indicated that Appellant had
7 not filed a 2019 tax return. As such, Respondent took
8 filing enforcement action and issued a Notice of Proposed
9 Assessment or NPA. When Appellant did not respond or did
10 not protest the NPA, the NPA went final, and the balance
11 became due and payable. Thereafter, Respondent commenced
12 collection activities. As a result of Respondent's
13 collection activities, Appellant remitted payment of
14 approximately \$6,870.

15 Respondent received Appellant's untimely filed
16 2019 tax return in June of 2024. Respondent accepted the
17 return as filed and treated the return as a claim for
18 refund. However, as Appellant's claim for refund was
19 filed outside of the statutory period, Respondent properly
20 denied Appellant's claim.

21 California law provides three general statute of
22 limitations periods. As Appellant's 2019 tax return was
23 not filed within its respective extended due date,
24 Appellant's claim for refund must have either been filed
25 within four years from the due date of the original return

1 or within one year from the date of overpayment.

2 With respect to the four-year statute of
3 limitations, Appellant's claim for refund was filed on
4 June 5th, 2024, nearly two months after the expiration of
5 the four-year statute of limitations. With respect to the
6 one-year statute of limitations, only those payments made
7 within one year from the date of the claim are eligible
8 for refund and/or credit. In this case, no payments were
9 made to Appellant's 2019 tax account during the one year
10 proceeding Appellant's claim for refund. On appeal,
11 Appellant acknowledges that he did not timely file a claim
12 for refund within the statutory period, however, requests
13 reconsideration based on tax preparer delays and lack of
14 knowledge.

15 While Respondent sympathizes with Appellant's
16 position, the law is clear that taxpayers have a personal
17 nondelegable obligation to timely file their returns.
18 Further, even if a taxpayer is unaware of the statute of
19 limitations, ignorance of the law does not excuse a
20 taxpayer's failure to timely file a claim for refund.
21 Moreover, Respondent has no duty to discover a taxpayer's
22 overpayment or notify the taxpayer of such overpayment.

23 Accordingly, as Appellant's claim for refund was
24 filed beyond the expiration of both the four-year and
25 one-year statute of limitation, Respondent is barred from

1 refunding Appellant's overpayment for the 2019 taxable
2 year. Based on the relevant case law, facts, and evidence
3 in the record, Respondent requests that the panel sustain
4 Respondent's position.

5 I am happy to address any questions the panel may
6 have at this time. Thank you.

7 JUDGE RIDENOUR: This is Judge Ridenour.
8 Ms. Macedo, thank you very much.

9 Judge Vassigh, do you have any questions for the
10 FTB?

11 JUDGE VASSIGH: This is Judge Vassigh. I do not
12 have any questions. Thank you.

13 JUDGE RIDENOUR: Hearing Officer Elsom, do you
14 have any questions?

15 HEARING OFFICER ELSOM: I do not have any
16 additional questions. Thank you.

17 JUDGE RIDENOUR: Thank you.

18 This is Judge Ridenour again, and I do not have
19 any questions.

20 Mr. Hughes, as we discussed --

21 MR. HUGHES: Yes.

22 JUDGE RIDENOUR: -- in the prehearing conference,
23 you may make a closing statement in response to FTB's
24 arguments or any other statements you would like to make,
25 but it is not required. Would you like to make closing

1 remarks?

2 MR. HUGHES: Yes, I would.

3

4 CLOSING STATEMENT

5 MR. HUGHES: Yes, I understand that I was
6 ignorant of the -- of the statute -- statute of
7 limitations. I believe that my CPA was the one that
8 really should have known. He should have at least
9 cooperated with me to let me know that, you know,
10 something like that was imminently pending, that, you
11 know, I could actually not receive the funds from the
12 2019. But I just -- I know it's not -- it's not my fault
13 because I just didn't know, and he didn't inform me. And
14 I think maybe he might just be incompetent.

15 But is there any way he could be held liable for
16 the decision for me not to receive the return for 2019? I
17 don't know. But I -- I've tried to seek counsel on the
18 matter, but, you know, they want a couple of thousand
19 dollars up front just to even talk to me. So I -- I have
20 been unsuccessful there, and most of them are very far
21 away, any kind of tax attorney that could help me.

22 But yes, I -- I recognize that ignorance is not
23 an excuse, but when it comes to the tax -- it comes to
24 taxes, you really have to know a lot. And that
25 probably -- if I would have known that the statute of

1 limitations could be pending, I probably would have sought
2 out a tax attorney, someone that actually knew the -- the
3 tax laws.

4 So basically, I was just -- I'm just hoping that
5 the Court could recognize that I'm just kind of a victim
6 of -- of poor representation. And, you know, that's --
7 that's about all I really can say. So I'm sorry about
8 that, and I -- I guess maybe I'll pay the price for that,
9 but I don't believe it's fair. But, you know, that's the
10 way things are kind of panning out for now.

11 JUDGE RIDENOUR: Okay. This is Judge Ridenour.
12 Thank you, Mr. Hughes. I just want to say however our
13 decision goes, I do want to know that we're sorry about
14 your sister Dawn and everything that has happened since
15 then.

16 MR. HUGHES: Thank you.

17 JUDGE RIDENOUR: You're very welcome.

18 MR. HUGHES: Thank you.

19 JUDGE RIDENOUR: I'm going to ask my co-panelists
20 if they have any questions for the parties.

21 Judge Vassigh, do you have any questions?

22 JUDGE VASSIGH: This is Judge Vassigh. I don't
23 have any questions. Thank you.

24 JUDGE RIDENOUR: Hearing Officer Elsom, do you
25 have any questions?

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HEARING OFFICER ELSOM: This is
Hearing Officer Elsom. I do not have any questions.

And thank you for your presentation and your
testimony.

JUDGE RIDENOUR: This is Judge Ridenour. Yes, I
want to thank everyone for participating in today's
hearing. I'm now concluding the hearing. The record is
now closed.

The panel will issue a written opinion of OTA's
decision within 100 days from today. Today's hearing in
the Appeal of Donald Hughes is now closed, and we are off
the record.

(Proceedings concluded at 11:27 a.m.)

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HEARING REPORTER'S CERTIFICATE

I, Ernalyne M. Alonzo, Hearing Reporter in and for the State of California, do hereby certify:

That the foregoing transcript of proceedings was taken before me at the time and place set forth, that the testimony and proceedings were reported stenographically by me and later transcribed by computer-aided transcription under my direction and supervision, that the foregoing is a true record of the testimony and proceedings taken at that time.

I further certify that I am in no way interested in the outcome of said action.

I have hereunto subscribed my name this 17th day of February, 2026.

ERNALYN M. ALONZO
HEARING REPORTER