

OFFICE OF TAX APPEALS
STATE OF CALIFORNIA

In the Matter of the Appeal of:)
K. PAINCHAUD-BULLIS AND) OTA Case No. 250522263
J. BULLIS)
_____)

OPINION

Representing the Parties:

For Appellants: K. Painchaud-Bullis
For Respondent: Noel Garcia-Rosenblum, Attorney

A. KLETTER, Administrative Law Judge: Pursuant to Revenue and Taxation Code (R&TC) section 19324, K. Painchaud-Bullis and J. Bullis (appellants) appeal an action by respondent Franchise Tax Board (FTB) denying appellants' claim for refund of \$3,933.77¹ for the 2018 tax year.

Appellants 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).)

Office of Tax Appeals (OTA) Administrative Law Judge Asaf Kletter held a virtual oral hearing for this matter on November 19, 2025. At the conclusion of the oral hearing, the record was closed, and this matter was submitted on the oral hearing record pursuant to California Code of Regulations, title 18, section 30209(b).

ISSUE

Whether the statute of limitations bars appellants' claim for refund for the 2018 tax year.

¹ Appellants paid \$159.58 on September 28, 2021. On appeal, FTB states that appellants' payment was designated for the 2020 tax year account, however, FTB mistakenly applied the payment to the 2018 tax year account. When this appeal is final, FTB agrees to apply this payment to the 2020 tax year account, which it states will result in a credit or refund to appellants at the conclusion of this appeal.

FACTUAL FINDINGS

1. FTB obtained information from third party sources that appellant J. Bullis received wage and miscellaneous income for the 2018 tax year. FTB issued appellant J. Bullis a Request for Tax Return but appellant J. Bullis did not respond.
2. FTB issued appellant J. Bullis a Notice of Proposed Assessment (NPA) for the 2018 tax year, which proposed total tax of \$5,431, a late filing penalty, and interest based on the income reported by third party sources. Appellant J. Bullis did not protest the NPA, and it went final. Therefore, the NPA was due and payable.
3. FTB initiated collection action. On September 28, 2021, FTB applied appellants' payment of \$159.58. FTB collected a payment of \$1,000 on December 2, 2021, and a payment of \$4,723.93 on April 21, 2022.
4. On February 27, 2025, appellants filed their 2018 California Income Tax Return (return), which reported California income tax withholding of \$94 and total tax of \$1,474.
5. FTB processed the return, which it treated as a claim for refund for the 2018 tax year. FTB determined that appellants had an overpayment of \$3,933.77.²
6. On March 11, 2025, FTB denied appellants' claim for refund because appellants failed to file the return claiming the refund before the statute of limitations expired.
7. This timely appeal followed.
8. On appeal, appellant K. Painchaud-Bullis provided testimony concerning her health between April 15, 2019, the due date of the return, and February 27, 2025, when the return was filed.

DISCUSSION

R&TC section 19306(a) provides that no credit or refund shall be allowed or made 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 any extension of time to file); or (3) one year from the date of overpayment. Taxpayers have the burden of proof in showing entitlement to a refund and that the claim is timely. (*Appeal of Estate of Gillespie*, 2018-OTA-052P.) Taxpayers' untimely filing of a claim for any reason bars a refund even if the

² Appellants' liabilities totaled \$2,043.74 (total tax of \$1,474 + late filing penalty of \$345 + interest of \$224.75 = \$2,043.74). Appellants' payments totaled \$5,977.51 (\$159.58 + \$1,000 + \$4,723.93 + \$94 = \$5,977.51). Thus, appellants' overpayment was \$3,933.77 (\$5,977.51 - \$2,043.74 = \$3,933.77).

tax is alleged to have been erroneously, illegally, or wrongfully collected. (*Appeal of Benemi Partners, L.P.*, 2020-OTA-144P.)

Appellants untimely filed the return, and so the four-year statute of limitations concerning the due date of the return applies here (and the four-year statute of limitations concerning filing a return on extension is inapplicable). The return was due on April 15, 2019, and therefore, the four-year statute of limitations expired on April 15, 2023. (See R&TC, §§ 18566, 19306(a).)

Under the one-year statute of limitations, income tax withholdings are deemed paid on the original due date of the return. (R&TC, § 19002(c)(1).) Thus, appellants' income tax withholding of \$94 is deemed paid on April 15, 2019. FTB collected payments on December 2, 2021, and April 21, 2022.³ Appellants had one year from the latest payment to file a claim for refund, or until April 21, 2023. The statute of limitations expired on April 21, 2023, which was the latest expiration date for the 2018 tax year. (See R&TC, 19306(a).)

Here, appellants filed the return, which constituted their claim for refund, on February 27, 2025, which is one year and ten months after April 21, 2023. Appellants assert that they timely filed their claim for refund under the statute of limitations concerning overpayments, however, that limitations period is only one year, not four. (R&TC, § 19306(a).) While there is a four-year statute of limitations period, it began running from the due date for appellants' return and therefore expired on April 15, 2023, well before appellants filed their claim for refund on February 27, 2025.

On appeal, appellant K. Painchaud-Bullis provided testimony concerning her personal health, including diagnosis and treatment for one health condition between September 2021, and December 2022, and a second condition which began in January 2023, and continued intermittently for approximately two years. Appellant K. Painchaud-Bullis testified that the second condition impacted her ability to walk and caused severe pain. Appellants also provided evidence to corroborate the testimony, including a medical report, an after-visit summary, and a record of doctors' visits between December 8, 2021, and January 23, 2023. Based on the foregoing, OTA interprets appellants' argument to be that an exception to the statute of limitations should apply because of appellant K. Painchaud-Bullis's health conditions.

However, the language of R&TC section 19306 is explicit and must be strictly construed. (*Appeal of Fischer (Dec'd)*, 2024-OTA-518P.) Absent an exception, taxpayers' untimely filing of a claim for any reason bars a refund, even if it is later shown that the tax was not owed in the first place. (*Appeal of Benemi Partners, L.P.*, *supra*.)

³ Because FTB agrees on appeal that appellants' \$159.58 payment on September 28, 2021, will be credited or refunded to appellants after this appeal is final, OTA does not discuss it further.

R&TC section 19316(a) provides a narrow exception for suspending the statute of limitations during the period in which an individual taxpayer is financially disabled (as defined in R&TC section 19316(b)) if the taxpayer can establish financial disability in accordance with the procedures and requirements specified by FTB. Pursuant to R&TC section 19316(b), a taxpayer is considered “financially disabled” if: (1) the taxpayer is unable to manage their financial affairs by reason of a medically determinable physical or mental impairment that is either deemed to be a terminal impairment or is expected to last for a continuous period of not less than 12 months; and (2) there is no spouse or other legally authorized person to act on the taxpayer’s behalf in financial matters during the relevant period. FTB imposes the additional requirement that a taxpayer submit an affidavit from a physician that identifies the period during which the taxpayer’s impairment rendered the taxpayer incapable of managing their financial affairs. (*Appeal of Estate of Gillespie, supra.*)

While OTA finds appellant K. Painchaud-Bullis’s testimony that she had a medically determinable physical impairment that would impact her ability to manage her financial affairs during the relevant time period to be credible and corroborated by the evidence, appellants have not provided the required physician affidavit to establish the period during which appellant K. Painchaud-Bullis was incapable of managing her affairs. No evidence shows for how long appellant K. Painchaud-Bullis was unable to handle her financial affairs. Moreover, appellant K. Painchaud-Bullis’s testimony does not show that appellant J. Bullis, her spouse, was unable to act on her behalf in financial matters during the relevant period.⁴

Even if there were sufficient evidence to find that appellant K. Painchaud-Bullis was financially disabled from September 2021, when she received the diagnosis of her first health condition, to the completion of treatment in December 2022, the refund claim would still be untimely. The latest statute of limitations expired on April 21, 2023, and the return was filed approximately one year and ten months later. A claim of financial disability based on the first health condition would toll the statute of limitations for a period of approximately one year and three months. As mentioned above, appellant K. Painchaud-Bullis testified that the second health condition was intermittent, impacted her ability to walk, and caused pain, but no evidence shows that it rendered her unable to manage her financial affairs.

As described above, appellants have not substantiated the period for which the statute of limitations should be tolled because appellant K. Painchaud-Bullis was financially disabled. Therefore, OTA cannot suspend the statute of limitations.

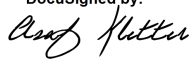
⁴ Appellant K. Painchaud-Bullis testified that she filed their taxes in 2019 and that appellant J. Bullis filed appellants’ taxes himself prior to their move to California in March 2018.

HOLDING

The statute of limitations bars appellants' claim for refund for the 2018 tax year.

DISPOSITION

On appeal, FTB agrees to credit or refund \$159.58 to appellants. Otherwise, OTA sustains FTB's action denying appellants' claim for refund.

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Asaf Kletter
Administrative Law Judge

Date Issued: 12/22/2025