

BEFORE THE OFFICE OF TAX APPEALS

STATE OF CALIFORNIA

IN THE MATTER OF THE APPEAL OF, )  
 )  
R. DELGADO and D. DELGADO, ) OTA NO. 250118597  
 )  
 )  
 APPELLANTS. )  
 )  
 )  
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TRANSCRIPT OF ELECTRONIC PROCEEDINGS

State of California

Thursday, January 15, 2026

Reported by:  
ERNALYN M. ALONZO  
HEARING REPORTER

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Transcript of Electronic Proceedings,  
taken in the State of California, commencing  
at 3:25 p.m. and concluding at 3:44 p.m. on  
Thursday, January 15, 2026, reported by  
Ernaly M. Alonzo, Hearing Reporter, in and  
for the State of California.

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APPEARANCES:

Panel Lead: ALJ TERESA A. STANLEY

Panel Members: ALJ SARA A. HOSEY  
ALJ KATRINE SHELTON

For the Appellant: R. DELGADO  
D. DELGADO  
JIM BECKSTEAD

For the Respondent: STATE OF CALIFORNIA  
FRANCHISE TAX BOARD  
  
SHAH KHAN  
BRAD COUTINHO

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I N D E X

E X H I B I T S

(Appellants' Exhibits 1-2 were received into evidence at page 6.)

(Department's Exhibits A-E were received into evidence at page 6.)

P R E S E N T A T I O N

	<u>PAGE</u>
By Mrs. Delgado	8
By Mr. Kahn	13

W I T N E S S T E S T I M O N Y

	<u>PAGE</u>
By Mr. Delgado	9
By Mr. Beckstead	11

C L O S I N G S T A T E M E N T

	<u>PAGE</u>
By Mr. Beckstead	17
By Mrs. Delgado	18
By Mr. Delgado	18

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California; Thursday, January 15, 2026

3:25 p.m.

JUDGE STANLEY: Okay. We're going on the record in the Appeal of Delgado, OTA Case No. 250118597. The date is January 15th, 2026, and the time is 3:25 p.m. This hearing is being held electronically with the agreement of the parties.

Once again, I'm Judge Teresa Stanley. I'll be the lead for purposes of conducting the hearing. My co-panelists, Judge Sara Hosey, Judge Katrina Shelton and I are equal participants in deliberating and deciding the outcome of the appeal.

I'm going to ask the parties to identify them and who they represent, starting with Appellants, please.

MRS. DELGADO: Denise M. Delgado, Appellant, representing myself.

MR. DELGADO: And Reynaldo G. Delgado, witness, I guess.

JUDGE STANLEY: Okay.  
And Franchise Tax Board.

MR. KAHN: Shah Khan, Franchise Tax Board.

MR. COUTINHO: And Brad Coutinho, also for Franchise Tax Board.

JUDGE STANLEY: Okay. Thank you.

1           This is Judge Stanley speaking again. As stated  
2 in the Minutes and Orders, the issue to be decided in this  
3 appeal is whether Appellants' claim for refund for taxable  
4 year 2019 is barred by the statute of limitations.

5           Mrs. Delgado, I think you're taking the lead on  
6 this.

7           MRS. DELGADO: Yes.

8           JUDGE STANLEY: Do you agree that that's correct?

9           MRS. DELGADO: Yes.

10          JUDGE STANLEY: And, Mr. Khan, do you agree that  
11 that's correct?

12          MR. KAHN: This is Shah Kahn. Yes, that is  
13 correct.

14          JUDGE STANLEY: Okay. Appellants submitted  
15 Exhibits 1 through 2. The Franchise Tax Board did not  
16 object to the admissibility of those exhibits, and they  
17 are admitted into evidence.

18                 (Appellants' Exhibits 1-2 were received into  
19 evidence by the Administrative Law Judge.)

20          JUDGE STANLEY: Franchise Tax Board submitted  
21 Exhibits A through E. Appellants did not object to the  
22 admissibility of those exhibits, and they are also  
23 admitted into evidence.

24                 (Department's Exhibits A-E were received into  
25 evidence by the Administrative Law Judge.)

1 JUDGE STANLEY: Appellants indicated, during the  
2 prehearing conference, that they will be calling  
3 Mr. Beckstead, Mrs. Delgado, and Mr. Delgado to present  
4 witness testimony.

5 Is that still accurate, Mrs. Delgado?

6 MRS. DELGADO: Yes.

7 JUDGE STANLEY: Okay. So before we begin  
8 Appellants' presentation, I'll need to place the two of  
9 you that we have here under oath. So if you could please  
10 raise your right hand.

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D. DELGADO,

13 produced as a witness, and having been first duly sworn by  
14 the Administrative Law Judge, was examined, and testified  
15 as follows:

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R. DELGADO,

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

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JUDGE STANLEY: Okay. Mrs. Delgado, you can  
proceed as you wish. You can speak first or have  
Mr. Delgado speak first or however you want to present.  
You requested -- or your representative requested

1 15 minutes for the presentation, and you can proceed  
2 whenever you're ready.

3 MRS. DELGADO: Okay. Thank you.  
4

5 PRESENTATION

6 MRS. DELGADO: So this is the Denise M. Delgado  
7 speaking. Thank you, Your Honor.

8 A letter addressed to me arrived via U.S. mail  
9 saying it was the from the State of California Franchise  
10 Tax Board. The letter was titled "Unclaimed Non-Wage  
11 Withholding Credits," regarding a refund of \$3,607.50.  
12 The letter was dated February 12th of 2024. Since the  
13 letter did not appear to be one I've seen before, I  
14 questioned its legitimacy when scanning through it. This  
15 is because there have been and still are many -- many tax  
16 scams out there. In showing the letter to my husband,  
17 Reynaldo G. Delgado, he also questioned its legitimacy.  
18 We agreed we'd provide it to our tax agent James Beckstead  
19 when filing our 2023 taxes a couple of weeks after the  
20 unclaimed non-wage withholding credits letter had arrived  
21 in order to obtain his input.

22 At the appointment, our tax agent also had not  
23 seen a letter like that before nor had his counterpart.  
24 The tax agent said he would look into it. When contacting  
25 the FTB on three separate times, they told us each time we

1 would be receiving the refund. They never said anything  
2 about a statute of limitations. After not receiving the  
3 refund for the first call, where it was stated in the  
4 refund would arrive in two to three weeks, our tax agent  
5 filed an amended tax return for 2019. When making the  
6 third call, the FTB agent said if the refund was not  
7 received by December 7th, 2024, to call back. Instead, a  
8 denial letter was -- had arrived.

9 We don't understand why when calling into the FTB  
10 the agents are not able to provide accurate information.  
11 This happened three times. Also, why was the third call  
12 to the FTB not shown as documented in exhibits as were  
13 Exhibits C and D? We did not know there was a statute of  
14 limitations until receiving the denial letter dated  
15 November 25th of 2024. If we were denied in November of  
16 2024, then why is there a credit showing of \$3,608 in  
17 February of 2025 on Exhibit B? And why did we not receive  
18 a copy of that until April of 2025?

19 Thank you.

20 JUDGE STANLEY: This is Judge Stanley speaking.  
21 Mr. Delgado, do you have anything to add?

22

23 WITNESS TESTIMONY

24 MR. DELGADO: No. Well, maybe. Just affirming  
25 that, yeah, when we did get -- receive the letter, I

1 remember her telling me about it, and me completely  
2 thinking it was some kind of scam, and don't call, don't  
3 give them our information. I said send it to the tax guy,  
4 'cause at least they can figure out whether it's real or  
5 not. And -- and that's kind of the last I had anything to  
6 deal with the initial letter until maybe once in a while  
7 her bringing up the fact that she spoke to them, and they  
8 said it was on the way.

9 JUDGE STANLEY: This is Judge Stanley speaking.  
10 Thank you.

11 I want to confirm that the caller who just joined  
12 the meeting is Mr. Beckstead.

13 MR. BECKSTEAD: That's correct.

14 JUDGE STANLEY: Good afternoon, Mr. Beckstead.  
15 The Appellants, Mr. And Mrs. Delgado have both just  
16 presented their case, including the fact that they  
17 received a letter, thought it was a scam, and called  
18 Franchise Tax Board three times, and were told that a  
19 refund was forthcoming. Before I ask you if you have  
20 anything to add, I'm going to ask you to raise your right  
21 hand. I can't see you to confirm that, but I'll ask you  
22 to raise your right hand.

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J. BECKSTEAD,

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

JUDGE STANLEY: Okay. So you may add onto what the Delgados have testified to, when you're ready.

WITNESS TESTIMONY

MR. BECKSTEAD: Okay. Well, at the time that the father's house was sold, I don't remember -- I usually get a document that says this is how much refund they should be getting from the withholding that they do when you sell a house. And I don't remember being anything like that. I know I checked for the capital gain, but I don't remember seeing any document that showed there was a refund due.

And then when they got the letter, the statute of limitations was almost out at the time. So I'm -- I'm thinking that this letter I wrote to the Franchise Tax Board was that the statute of limitations should start at the time that they got the letter.

That's it.

JUDGE STANLEY: Okay. Thank you, Mr. Beckstead.  
This is Judge Stanley speaking again. Mr. Khan,

1 does the Franchise Tax Board have any questions for any of  
2 the three witnesses?

3 MR. KAHN: This is Shah Kahn. And, no, FTB does  
4 not have any questions for any of the witnesses.

5 JUDGE STANLEY: Judge Hosey, do you have any  
6 questions for any witness?

7 JUDGE HOSEY: This is Judge Hosey. No questions  
8 from me. Thank you for all your testimony today.

9 MRS. DELGADO: Thank you.

10 JUDGE STANLEY: And, Judge Shelton, do you have  
11 any questions for any of the witness?

12 JUDGE SHELTON: This is Judge Shelton.  
13 Judge Stanley, no, I do not. Thank you all for attending  
14 today, though.

15 MRS. DELGADO: Thank you.

16 MR. DELGADO: Thank you.

17 JUDGE STANLEY: Thank you.

18 And this is Judge Stanley again. I don't have  
19 any questions at the moment, so we're going to move to  
20 Franchise Tax Board's presentation. And as we discussed  
21 at the prehearing conference, the Franchise Tax Board is  
22 not presenting any witnesses and will only argue the  
23 appeal, so they will not be testifying under oath or  
24 affirmation.

25 Mr. Khan, you requested 10 minutes for Franchise

1 Tax Board's presentation, and you may proceed when you are  
2 ready.

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PRESENTATION

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MR. KAHN: Good afternoon, everyone. My name is Shah Khan. I'm a program specialist at the Franchise Tax Board. Along with me is counsel Brad Coutinho, and we will be presenting the Franchise Tax Board or FTB in this matter.

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There's only one issue on this appeal, and that issue is for the 2019 tax year; the Appellants did not file a claim for refund prior to the expiration of the statute of limitations. Under California law, there's a strict time limit to file a claim for refund. The California statute of limitations generally has three prongs that taxpayers can utilize, and the law provides that the latest date allowed by any of these three prongs can be used. As it was stated in FTB's opening brief, the law does not provide for the waiver of the statutory period based on reasonable cause or extenuating circumstances.

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So in analyzing when a claim for refund can be allowed, we generally look to these three prong. The first prong states that taxpayers can file a claim for refund four years from the date.

1 MR. BECKSTEAD: You're breaking up on my phone.

2 MR. KAHN: Okay. I'm sorry. Did you want me to  
3 go back to a particular sentence? Can you hear me okay,  
4 Mr. Beckstead?

5 JUDGE STANLEY: Mr. Beckstead, did you -- are you  
6 able to hear what Mr. Khan is saying?

7 Okay. I'm going to assume that he can. But the  
8 Appellants have waived Mr. Beckstead's presence in case he  
9 was unable to make it anyway, so you may proceed,  
10 Mr. Khan.

11 MR. KAHN: Thank you.

12 So the first prong states that taxpayers can file  
13 a claim for refund four years from a date a return was  
14 filed, if it was filed during the period of the extended  
15 due date. The second prong states that the taxpayers can  
16 file a claim for refund four years from the original due  
17 date. And the last prong states that taxpayers can file  
18 claim for refund one year from the date of an overpayment.

19 In this case, the Appellants did timely file an  
20 original 2019 return, and it was filed in February of  
21 2020. And therefore, only two prongs are available to the  
22 Appellants in consideration of the statute of limitations.  
23 This includes the second prong, which allows for a claim  
24 for refund within four years of the original due date of  
25 the return or April 15, 2024; or they were also -- the

1 third prong was also available, which allows for a claim  
2 for refund for overpayments that are one year from the  
3 date of the overpayment.

4 Now, the Appellants filed their amended return,  
5 which acted as their claim for refund, in August of 2024.  
6 And this filing was beyond the four-year time allowed of  
7 April 15, 2024; and thus, FTB correctly disallowed the  
8 claim under the four-year statute of limitations. If the  
9 four-year statute of limitations has run, only payments  
10 made within one year from the date of overpayment can be  
11 refunded or credited under California law. Withholding  
12 payments are deemed paid on the return filing due date,  
13 which in this case was April 15, 2020; and therefore, this  
14 payment was -- is also barred by the one-year statute of  
15 limitations.

16 There are some unique aspects that applied to the  
17 2019 tax year that I want to address for the 2019 tax  
18 year. The original due date for the tax return was  
19 April 15, 2020. But due to COVID -- due to COVID-19  
20 pandemic, the due date for the 2019 tax year -- tax return  
21 was postponed to July 15, 2020. However, this  
22 postponement has no bearing on the periods covered under  
23 the statute of limitations laws.

24 And lastly, in this case, it does appear that FTB  
25 staff informed -- provided information to Appellants'

1 represent -- to Appellants' representative to suggest a  
2 pending refund for this year. And while this is  
3 unfortunate, taxpayers can only rely on authoritative  
4 sources, such as laws which are statutes, regulations, and  
5 judicial decisions, and cannot rely on informal advice by  
6 a tax agency. Additionally, this inquiry was regarding a  
7 refund that was made after the statute of limitation that  
8 had already expired. And in conjunction with the reliance  
9 on the authoritative sources, this is a moot issue.  
10 Accordingly, FTB's denial of the Appellants' refund is  
11 proper, and should be sustained.

12 And I'm happy to answer any questions you may  
13 have or provide any clarification regarding FTB's  
14 position. Thank you.

15 JUDGE STANLEY: Thank you, Mr. Khan.

16 This is Judge Stanley speaking again. Judge  
17 Hosey, do you have any questions for the Franchise Tax  
18 Board?

19 JUDGE HOSEY: This is Judge Hosey. No questions.  
20 Thank you for your presentation.

21 JUDGE STANLEY: Judge Shelton, do you have any  
22 questions for the Franchise Tax Board?

23 JUDGE SHELTON: This is Judge Shelton. No, I do  
24 not. Thank you, though. And back to you, Judge Stanley.

25 JUDGE STANLEY: Thank you.



1 that I received. That's -- that's really all I can say.

2 JUDGE STANLEY: Okay. This is Judge Stanley  
3 speaking. Mr. or Mrs. Delgado, would you like to make any  
4 final comments?

5 MRS. DELGADO: Yes. In closing, we believe that  
6 we are entitled to the 3 -- I'm sorry. This is Denise M.  
7 Delgado.

8 In closing, we believe that we are entitled to  
9 the \$3,607.50 refund because we did not know if the letter  
10 was legitimate when scanning through it. When contacting  
11 the FTB three separate times, they always told us that we  
12 were receiving the refund. We did not know there was a  
13 statute of limitations until receiving the denial letter.

14 And then I just wanted to say thank you for your  
15 time and consideration.

16 JUDGE STANLEY: Thank you.

17 And, Mr. Delgado, do you have anything to add?

18 MR. DELGADO: I just kind of question the -- the  
19 intent of the law being the -- the statute of limitations  
20 being four years for -- to claim money that was basically  
21 pulled before -- I mean, she's never touched that. It --  
22 it just automatically goes to, you know, somewhere and  
23 sits. And then when -- for -- for her to get a refund,  
24 there's a limit of four years. But if we owed money, it's  
25 like a 20-year that they can come after us. So it just

1 seems a little odd that law would be intended in order  
2 to -- to be fair just doesn't seem fair. But I get that  
3 the law doesn't need to be fair.

4 JUDGE STANLEY: Okay. Thank you.

5 If that concludes your presentation, then today's  
6 hearing in the Appeal of Delgado is concluded.

7 We are off the record.

8 I want to thank everyone for coming here and  
9 spending the time to present to the panel today.

10 The panel will meet to deliberate and will decide  
11 the appeal, and we'll issue a written opinion within  
12 100 days.

13 MRS. DELGADO: Okay.

14 MR. DELGADO: Thank you.

15 JUDGE STANLEY: This concludes the hearing  
16 calendar for today. So the hearing is adjourned.

17 (Proceedings concluded at 3:44 p.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 12th day of February, 2026.

\_\_\_\_\_  
ERNALYN M. ALONZO  
HEARING REPORTER