

- late filing penalty of \$1,337.75, and accrued interest. Appellant-husband did not file a 2019 return or protest the NPA, and the proposed assessment became final and payable.
4. Respondent initiated collection action and imposed a collection cost fee of \$316. Respondent received payments of \$5,756.33 on August 29, 2022, \$355.05 on October 31, 2022, and \$772.80 on June 15, 2023, totaling \$6,884.18. Respondent transferred a credit of \$684.72 from appellants' 2023 tax year account to their 2019 tax year account effective April 9, 2024.
 5. On September 12, 2024, appellants filed a joint 2019 California Resident Income Tax Return reporting total tax of \$3,289 and self-assessed an underpayment of estimated tax penalty of \$115 for a total amount due of \$3,404.
 6. Respondent processed the return and treated it as a claim for refund. Respondent reduced the late filing penalty to \$822.25 and the accrued interest to \$310.86. Respondent credited appellants for the \$684.72 credit from their 2023 tax year account and allowed interest of \$2.70 effective September 30, 2024.¹ Respondent denied the claim for refund for the remaining overpayment of \$2,031.07 because it was barred by the statute of limitations.²
 7. Appellants timely filed this appeal.

DISCUSSION

If it is determined that there has been an overpayment of any liability imposed under the Personal Income Tax Law by a taxpayer for any tax year for any reason, the amount of the overpayment may be credited against any amount due from the taxpayer and the balance shall be refunded to the taxpayer. (R&TC, § 19301(a); *Appeal of Cornbleth*, 2019-OTA-408P.) The taxpayer has the burden of proof in showing entitlement to a refund and that the claim for refund is timely. (*Appeal of Benemi Partners, L.P.*, 2020-OTA-144P; Cal. Code Regs., tit. 18, § 30219(a).)

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

¹ Respondent applied \$201.71 of the overpayment as a credit to appellants' 2020 tax year account and \$485.71 of the overpayment as a credit to appellants' 2021 tax year account.

² The remaining overpayment of \$2,031.07 results from total payments of \$6,884.18, the credit of \$684.72 from appellants' 2023 tax year account, and allowed interest of \$2.70 minus the total tax of \$3,289, credits of \$687.42 applied to appellants' 2020 and 2021 tax years accounts, the late filing penalty of \$822.25, the estimated tax penalty of \$115, the collection cost fee of \$316, and accrued interest of \$310.86.

from the due date of the return determined without regard to any extension of time to file; 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.)

Here, appellants filed a return for the 2019 tax year on September 12, 2024, which respondent treated as a claim for refund. Appellants' 2019 California tax return was due on April 15, 2020. Due to COVID-19, respondent postponed the due date to file and pay taxes for the 2019 tax year to July 15, 2020.³ However, a postponement period does not change the due date of the return for the purpose of filing a timely claim for refund. (*Appeal of Nguyen*, 2025-OTA-333P.) The first four-year statute of limitations period described in R&TC section 19306(a) is not applicable because appellants did not file the return within the extended filing period ending on October 15, 2020. The second four-year statute of limitations period to file a claim for refund expired on April 15, 2024, four years from the original due date of appellants' 2019 return. (R&TC, §§ 19306(a), 18566.) Appellants' claim for refund was filed after the second four-year statute of limitations period expired. As such, appellants' claim for refund is barred by the four-year statute of limitations.

The alternative one-year statute of limitations period described in R&TC section 19306(a) expired one year from the dates of appellants' overpayments. Appellants made tax payments on August 29, 2022, October 31, 2022, and June 15, 2023. The one-year statute of limitations period to file a claim for refund for these payments expired on August 29, 2023, October 31, 2023, and June 15, 2024, respectively. Consequently, appellants' claim for refund is barred by the one-year statute of limitations.

Appellants state that respondent "errantly overcalculated the monies due for tax year 2019." Thus, appellants argue that they are entitled to a complete refund of \$2,031.07 under R&TC section 19301(a).

However, notwithstanding R&TC section 19301(a), no credit or refund shall be allowed if the statute of limitations to file a claim for refund has expired. (R&TC, § 19306(a).) The statute of limitations for filing a claim for refund must be strictly construed; a taxpayer's untimely filing of a claim 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

³ See <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>. See also R&TC, § 18752(b); Internal Revenue Code, § 7508A.

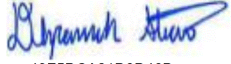
the first place. (*Appeal of Benemi Partners, L.P., supra.*) Although the result of fixed deadlines may appear harsh, the occasional harshness is redeemed by the clarity imparted. (*Ibid.*)

HOLDING

Appellants' claim for refund is barred by the statute of limitations.

DISPOSITION

Respondent's action denying appellants' claim for refund is sustained.

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Steven Kim
Administrative Law Judge

Date Issued: 12/30/2025