

OFFICE OF TAX APPEALS
STATE OF CALIFORNIA

In the Matter of the Appeal of:)
ESTATE OF B. GRANADOS (DEC'D)) OTA Case No. 250118551
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OPINION

Representing the Parties:

For Appellant: Norma Vazquez, Representative
For Respondent: Ariana Macedo, Graduate Legal Assistant

E. PARKER, Hearing Officer: Pursuant to Revenue and Taxation Code (R&TC) section 19324, Estate of B. Granados (Dec'd) (appellant) appeals an action by respondent Franchise Tax Board (FTB) denying appellant's claim for refund of \$11,949.02 for the 2019 tax year.

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, section 30209(a).

ISSUE

Whether appellant's claim for refund is barred by the statute of limitations.

FACTUAL FINDINGS

1. B. Granados did not timely file a California tax return for the 2019 tax year.
2. FTB received information that B. Granados held a California bar license, and received interest and dividend income, and broker exchange proceeds, in the 2019 tax year.
3. On August 3, 2021, FTB issued B. Granados a Demand for Tax Return (Demand). B. Granados failed to respond to the Demand.
4. On October 8, 2021, FTB issued a Notice of Proposed Assessment (NPA), estimating B. Granados' total income based on the sum of the average income reported by individuals holding a California bar license, and the information reported by third parties (i.e., interest and dividend income, and broker exchange proceeds.) The NPA proposed

a tax liability based on the estimated income. The NPA also proposed the late filing penalty, the notice and demand penalty, the filing enforcement fee, and applicable interest. B. Granados did not respond to the NPA; therefore, the NPA became final and payable.

5. FTB commenced collection action.
6. On July 27, 2022, B. Granados unexpectedly passed away.
7. On September 6, 2022, FTB collected a payment which fully satisfied B. Granados' 2019 account balance.
8. On December 4, 2024, appellant untimely filed a California Resident Income Tax Return (return) for the 2019 tax year on behalf of decedent B. Granados.
9. FTB accepted the return as filed and treated it as a claim for refund.
10. FTB denied appellant's claim for refund because the statute of limitations expired.
11. Appellant filed this timely appeal.
12. During this appeal, FTB determined that appellant is entitled to a refund of \$2,102.25 due to the improper imposition of the notice and demand penalty.

DISCUSSION

R&TC section 19306(a) provides that no credit or refund shall 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 last date prescribed 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. The taxpayer has the burden of proving entitlement to a refund and that the claim is timely. (*Appeal of Fischer (Dec'd)*, 2024.OTA-518P (*Fischer*).

Appellant does not dispute that the 2019 return, which FTB treated as a claim for refund, was filed on December 4, 2024, outside of the statute of limitations. Rather, appellant argues reasonable cause and requests a compassionate and equitable resolution. Appellant also asserts it is currently facing substantial financial hardship and argues that the imposition of the penalties and interest causes a financial burden on appellant and its beneficiaries.

There is generally no reasonable cause or equitable basis for suspending the statute of limitations. (*Fischer, supra.*) The language of R&TC section 19306 is explicit and must be strictly construed. (*Ibid.*) Absent an exception, 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. (*Ibid.*) Therefore, appellant's reasonable cause and equitable arguments do not

establish a basis for suspending the statute of limitations, and because appellant’s claim for refund is untimely, the statute of limitations bars a refund.

While R&TC section 19316(a) provides a narrow exception for suspending the statute of limitations while an individual taxpayer is “financially disabled,” as defined in R&TC section 19316(b), this exception does not include any period of time after a taxpayer’s death, and equitable tolling for the period of time after a taxpayer’s death is prohibited. (*Fischer, supra.*) Here, appellant does not assert that B. Granados was financially disabled prior to his death. Therefore, appellant has not asserted any period for which tolling of the statute of limitations applies. Rather, appellant claims that, after B. Granados passed, appellant is experiencing financial hardship. Because appellant is not an individual taxpayer, R&TC section 19316(a) is inapplicable, and the statute of limitations cannot be suspended.

For the foregoing reasons, appellant has not met its burden to show that it is entitled to a refund.

HOLDING

Appellant’s claim for refund is barred by the statute of limitations.

DISPOSITION

FTB’s action denying appellant’s claim for refund is modified, pursuant to FTB’s concession to refund \$2,102.25. In all other respects, FTB’s action is sustained.

DocuSigned by:
Erica Parker
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Erica Parker
Hearing Officer

We concur:
DocuSigned by:
Asaf Kletter
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Asaf Kletter
Administrative Law Judge

DocuSigned by:
Keith T. Long
DC88A60D8C3E442...
Keith T. Long
Administrative Law Judge

Date Issued: 2/5/2026