

BEFORE THE OFFICE OF TAX APPEALS

STATE OF CALIFORNIA

IN THE MATTER OF THE APPEAL OF, )  
 )  
R. KHATRI and R. WADERA, ) OTA NO. 241017808  
 )  
 )  
 APPELLANTS. )  
 )  
 )  
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TRANSCRIPT OF PROCEEDINGS

Cerritos, California

Wednesday, March 11, 2026

Reported by:  
ERNALYN M. ALONZO  
HEARING REPORTER

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Transcript of Proceedings, taken at  
12900 Park Plaza Drive, Suite 300, Cerritos,  
California, 90703, commencing at 11:21 a.m.  
and concluding at 11:40 a.m. on Wednesday,  
March 11, 2026, reported by Ernalyn M. Alonzo,  
Hearing Reporter, in and for the  
State of California.

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APPEARANCES:

Panel Lead: ALJ STEVEN KIM

Panel Members: ALJ ASAF KLETTER  
ALJ HANS FAMULARO

For the Appellant: R. KHATRI

For the Respondent: STATE OF CALIFORNIA  
FRANCHISE TAX BOARD  
JOHN LY  
JACKIE ZUMAETA

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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-G were received into evidence at page 6.)

O P E N I N G   S T A T E M E N T

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Cerritos, California; Wednesday, March 11, 2026

11:21 a.m.

JUDGE KIM: We are now going on the record.

This is the Appeal of R. Khatri and R. Wadera, OTA Case No. 241017808. The date is March 11th, 2026, and the time is 11:21 a.m. This hearing is being held in person at Cerritos, California.

I am Judge Steven Kim. I will be the lead ALJ for the purpose of conducting this hearing. My co-panelists are Judge Asaf Kletter and Judge Hans Famularo. We are equal participants in deliberating and determining the outcome of this appeal.

Starting with Appellant, can you please state your name.

MR. KHATRI: Rasish Khatri.

JUDGE KIM: Thank you.

And for Respondent Franchise Tax Board, can you please state your name and your title.

MR. LY: John Ly, attorney for Franchise Tax Board.

MS. ZUMAETA: Jackie Zumaeta. I'm a Deputy Chief Counsel at Franchise Tax Board.

JUDGE KIM: Thank you.

As stated in my prehearing conference Minutes and

1 Orders, the issue to be decided in this appeal is whether  
2 Appellant's claim for refund for the 2019 tax year is  
3 barred by the statute of limitations.

4 Mr. Khatri, do you agree this is the issue on  
5 appeal?

6 MR. KHATRI: Yes, I do. Thank you.

7 JUDGE KIM: And, Respondent, do you agree?

8 MR. LY: Yes.

9 JUDGE KIM: Thank you.

10 Appellant submitted Exhibits 1 through 2 -- 1 and  
11 2. And Respondent FTB did not object to the admissibility  
12 of these exhibits. Therefore, Exhibits 1 and 2 are now  
13 admitted into evidence.

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

16 JUDGE KIM: FTB submitted exhibits A through G,  
17 and Appellant did not -- Appellants did not object to the  
18 admissibility of these exhibits. Therefore, Exhibits A  
19 through G are now admitted into evidence.

20 (Department's Exhibits A-G were received into  
21 evidence by the Administrative Law Judge.)

22 JUDGE KIM: Mr. Khatri, you indicated you would  
23 like to testify as a witness. Do you still intend to  
24 testify?

25 MR. KHATRI: Yes.

1 JUDGE KIM: Okay. And FTB did not raise any  
2 objections to you testifying as a witness. If you  
3 testify, FTB may ask questions of you as a witness. All  
4 right. Mr. Khatri, you'll have five minutes for your  
5 presentation. Before we begin, I need to place you under  
6 oath so that we can consider your statements as testimony,  
7 and you will remain under oath until the close of the  
8 hearing.

9 So if you can please raise your right hand.

10

11

R. KHATRI,

12

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

15

16

JUDGE KIM: Thank you, Mr. Khatri. You have  
17 five minutes, and you may begin when you are ready.

18

MR. KHATRI: Okay. I appreciate it. Thank you,  
19 everybody.

20

21

PRESENTATION

22

MR. KHATRI: So this appeal concerns my 2019  
23 California income tax refund. For context, the filing  
24 deadline for the 2019 federal tax year was extended from  
25 April 15th, 2020, to July 15th, 2020, due to COVID-19

1 relief measures announced by the IRS, Internal Revenue  
2 Service, two days later.

3 THE HEARING REPORTER: Mr. Khatri, may I please  
4 ask you slow down a bit.

5 MR. KHATRI: Okay.

6 THE HEARING REPORTER: Thank you.

7 MR. KHATRI: No problem. Should I start over?

8 THE HEARING REPORTER: No, no need.

9 MR. KHATRI: Okay. Two days later California  
10 Franchise Tax Board announced that they were conforming  
11 with the extension announced by the IRS for California tax  
12 returns for -- for calendar year 2019. This effectively  
13 changed the due date for the California income tax return  
14 from April 15th, 2020, to July 15th, 2020. In March 2024  
15 before filing, I contacted the Franchise Tax Board to  
16 comprehensively discuss my 2019 through 2023 tax returns.  
17 I was behind on all those returns for various reasons,  
18 personal reasons that I won't get into at this moment.

19 Regarding 2019, I did want to specifically  
20 discuss statute of limitations as I've gotten notices  
21 regarding, you know, needing to file that, you know,  
22 before it expires four years beyond the original filing  
23 deadline. I discussed with an -- a Franchise Tax Board  
24 employee -- customer service employee over the phone that  
25 the federal government had extended its own deadline in

1 the previous year to July. The federal government had  
2 extended from April 15th, 2023, to July 15th, 2023. And I  
3 asked is California doing the same thing, or if I need to  
4 submit by April 15th of 2024? And they responded in the  
5 affirmative that I was okay to submit my refund claim by  
6 July 15, 2024.

7 So relying on that information, I filed my return  
8 in June 2024. After I filed, the FTB declined my refund  
9 and stated that the statute had, in fact, expired  
10 April 15th, 2024, and I had missed the deadline for -- by  
11 two months. I feel I acted in good faith and relied on  
12 the guidance provided by the FTB when determining the  
13 filing deadline. And for that reason, I'm respectfully  
14 requesting that the Office of Tax Appeals allow my refund  
15 claim.

16 FTB acknowledged that the call took place but  
17 does not have a transcript of the call and claims it  
18 solely referred to my 2020 tax year. Regarding -- you  
19 know, FTB has stated, and I agree, that there's case law  
20 related to, sort of, informal advice given by agency  
21 employees not really being able to effect California law  
22 or change statutes. I think in this particular situation  
23 FTB should be held to a higher standard. I think I made  
24 every effort to try to comply with the law and  
25 specifically called FTB with the number that was provided

1 on their notices to try to comply with the law.

2 I feel in this -- in the majority of case law  
3 related to contacting FTB customer service employees --  
4 sorry -- the taxpayer owes money, and the government says  
5 you cannot rely on, sort of, informal advice from the  
6 customer service representative. In this case, FTB -- FTB  
7 would have owed me money. I think there's a clear  
8 administrative slippery slope if we allow FTB employees,  
9 when they owe the taxpayer money, to effectively argue  
10 that -- you know, they could effectively mislead people on  
11 deadlines and then not have to pay that money. I think  
12 the standard has to be higher when FTB owes the taxpayer  
13 money than when the taxpayer owes FTB money.

14 And so, additionally, I -- I think in this  
15 particular year because there was a lot of confusion  
16 related to the COVID-19 tax relief, I think FTB should  
17 also be held to a higher standard on how they communicate  
18 that information. In the case of the IRS, the IRS made a  
19 clear public release that they were extending statute of  
20 limitations from April 2023 to July 2023.

21 To this day, if you try to Google or try to find  
22 information about when the statute of limitations for 2019  
23 tax returns for California are, you can't really find that  
24 information. The only real avenue is to call the customer  
25 service number that's on the paper given. So that's --



1 that a time -- that a timely claim for refund for the 2019  
2 tax year was filed before the statute of limitations  
3 expired. The evidence will show that Appellants did not  
4 timely file their claim for refund.

5 Under the applicable section of the Revenue &  
6 Taxation Code, the general statute of limitations provides  
7 that the last day to file a claim for refund is the later  
8 of four years from the date that the return was filed, if  
9 it was filed within the extended due date; four years from  
10 the due date of the return without regard to extensions;  
11 or one year from the date of overpayment. For the 2019  
12 tax year, as Appellants failed to file a timely return,  
13 the four-year statute of limitations expired on  
14 April 15, 2024, two months before Appellants late-filed  
15 their original 2019 return on June 15, 2024.

16 Under the one-year statute of limitations,  
17 Appellants did not have any payments on their 2019 tax  
18 year account that were made within one year of the filing  
19 of their return. According to law, Appellants' estimated  
20 tax payments and their withholding credits are deemed paid  
21 on the return due date of April 15, 2020. Therefore, the  
22 one year statute of limitations is also unavailable to  
23 allow refund of Appellants' overpayment.

24 Appellants contend that the four-year statute of  
25 limitations expired on July 15, 2024 because of the 2020

1 state of emergency postponement for COVID-19 and the IRS  
2 Notice 2023-21. However, in the precedential opinion of  
3 the Appeal of T. Nguyen, OTA held that for the 2019 tax  
4 year the emergency postponement did not change the  
5 original due date of April 15, 2020, in which the general  
6 four-year statute of limitations is calculated from.  
7 Therefore, in this appeal, the four-year statute of  
8 limitations for the 2019 tax year expired on  
9 April 15, 2024.

10 Appellants also contend that they received  
11 erroneous advice from an FTB employee that the four-year  
12 statute of limitations expired on July 15, 2024. The  
13 evidence in the record does not reflect that such advice  
14 was given. However, even if such advice was given,  
15 taxpayers can only rely on authoritative sources of law  
16 and cannot rely on informal advice by a taxing agency.  
17 Reliance on informal opinions offered by an FTB employee  
18 is not sufficient to create estoppel against FTB.

19 The language of statute of limitations is  
20 explicit and must be strictly construed. In the  
21 precedential opinion of the Appeal of Benemi Partners, LP,  
22 OTA held that there's no reasonable cause or equitable  
23 basis for suspending the statute of limitations.  
24 Moreover, the United States Supreme Court in  
25 United States v Dalm, explained that taxpayer's failure to

1 file a claim for refund or credit within the statute of  
2 limitations bars the refund or credit, even when it is  
3 later shown that the tax was not owed in the first  
4 instance.

5 Appellants have not provided any additional  
6 evidence that would allow FTB by law to grant their claim  
7 for refund. Therefore, FTB requests that the OTA sustain  
8 FTB's claim for refund denial for the 2019 tax year.

9 Thank you, and I'm happy to answer any questions.

10 JUDGE KIM: Thank you, Mr. Ly.

11 Judge Famularo, did you have any questions for  
12 FTB?

13 JUDGE FAMULARO: No questions. Thank you.

14 JUDGE KIM: And Judge Kletter?

15 JUDGE KLETTER: I don't have any questions for  
16 FTB. Thank you.

17 JUDGE KIM: I also don't have any questions.  
18 Thank you for your presentation.

19 Mr. Khatri, you have reserved five minutes to  
20 make a rebuttal or closing statement, and you may proceed  
21 when you are ready.

22 MR. KHATRI: Okay. Thank you.

23

24 CLOSING STATEMENT

25 MR. KHATRI: So regarding the definition of

1 original deadline due, I want to make a couple of  
2 statements. First of all, in all of the notices that I  
3 received from Franchise Tax Board, it used that same  
4 language of original deadline due. It could have easily  
5 stated, you know, April 15th, 2023, or could have given a  
6 specific date, but it held, you know, original deadline  
7 due and left a customer service number at the bottom that  
8 I could call for clarification.

9 I -- I believe in the particular year of, you  
10 know, 2019 tax return with the COVID relief extension --  
11 the emergency relief extension, it is ambiguous. And I  
12 think it also is not within the purpose of what original  
13 deadline is meant to say. I think the purpose of the  
14 terminology "original deadline" is meant to apply to a  
15 consistent statute of limitations for all taxpayers and  
16 not to have individual extended deadlines because of  
17 individual circumstances or individual extensions.

18 In this case, the emergency COVID relief applied  
19 to all taxpayers. And I believe the interpretation should  
20 be that the original deadline was changed from April 15th  
21 to July 15th, 2020. And again, that conforms with the  
22 what the IRS did as well with their own statute of  
23 limitations. It conforms with what a -- I'm saying on the  
24 record that an FTB employee told me when I asked.

25 So, in closing, I respectfully ask that the

1 Office of Tax Appeals allow my 2019 refund claim. I think  
2 I made a good-faith effort. I was behind on several tax  
3 returns but made a good-faith effort to try to catch up on  
4 those and to try to find out what the right process and  
5 the right deadlines were ahead of time.

6 Thank you.

7 JUDGE KIM: Thank you.

8 All right. Judge Famularo, do you have any final  
9 questions?

10 JUDGE FAMULARO: I do not. Thank you.

11 JUDGE KIM: Judge Kletter, do you have any final  
12 questions?

13 JUDGE KLETTER: I just have one question for  
14 Mr. Khatri.

15 In this case, you are saying that the Franchise  
16 Tax Board gave you erroneous advice. And in your opening  
17 brief you said that the Franchise Tax Board told you that  
18 they would accept the return until July 15th, 2024, just  
19 get it in as soon as you can. I just wanted to make sure  
20 that you're aware that that this call happened. The  
21 parties agree. And then Franchise Tax Board provided  
22 contemporaneous notes that explain what they said during  
23 the call. And I'm just curious what your response is to  
24 those notes that they took on March 21st, 2024.

25 MR. KHATRI: So, yeah. I think the notes that I

1 understood that they provided were that I was calling  
2 about the 2020 tax year. Is that what we're referring to?

3 JUDGE KLETTER: Yes, that's correct. And it  
4 mentions that they advised you to file the 2019 return.

5 MR. KHATRI: Correct. Yeah. So -- so I called  
6 to -- again, I was behind by like four years. It was  
7 2024, and I had not submitted returns from 2019 to 2023.  
8 Each of those tax years had a different situation that I  
9 needed to ask about. 2019, in that case, the statute of  
10 limitations letters was what I was calling about. 2020  
11 they had begun garnishing wages about a month earlier  
12 because I -- I was -- I think they had done a calculation,  
13 and they'd showed that I owed X number of dollars. So  
14 they were starting to garnish wages. And I did spend  
15 quite a bit of time talking about the 2020 tax year.

16 And then 2021 and 2022, it was just about  
17 understanding process and deadlines for both of those.  
18 And if I -- I think I had a question about if I could  
19 apply the 2019 return to future years. But it was -- it  
20 was kind of a comprehensive call for all of those, and we  
21 did specifically discuss the statute of limitations and  
22 the federal extension that I had read about from April to  
23 July. And the FTB employee did say, yeah, that -- that  
24 makes sense. Get it in as soon as you can, but we should  
25 be okay through July 15th, 2023.

1 JUDGE KLETTER: So I just want to summarize and  
2 make sure that I understand what you're saying correctly.

3 MR. KHATRI: Yeah.

4 JUDGE KLETTER: So these call notes, even though  
5 they say they are for the 2020 tax year, it's your  
6 position that it was a comprehensive call notes. And even  
7 though the fact that the call notes, you're saying they  
8 are inaccurate, and that they don't reflect what you  
9 understand to have been communicated to you.

10 MR. KHATRI: That's 100 percent correct, yes.

11 JUDGE KLETTER: Okay.

12 MR. KHATRI: Yeah. I would question whether it's  
13 a I.T. kind of thing, if they are even able to mark  
14 multiple years or -- I mean, we did spend a lot of time  
15 talking about 2020 and the garnishing of wages. But  
16 definitely I was calling about all tax years. And just  
17 based on the timing, I think it's reasonable to see that I  
18 called about -- is -- is March 2024. I submitted my 2019  
19 return three months later, and I'd been getting these  
20 letters. But it's -- it was definitely a comprehensive  
21 call to start catching up.

22 JUDGE KLETTER: So to make sure I understand, the  
23 call notes are -- your position is they're completely  
24 inaccurate? Or there are aspects of it that are accurate,  
25 but that --

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MR. KHATRI: No.

JUDGE KLETTER: -- it just doesn't reflect those statements that FTB told you that you have until July 2024 to file the return?

MR. KHATRI: I -- I believe that they are accurate. I think they're just missing the information about 2019, 2021, and 2022. So I believe what's in there is accurate about 2020.

JUDGE KLETTER: Okay. Thank you. I understand now. I appreciate it.

MR. KHATRI: Yeah.

JUDGE KIM: Okay. Thank you.

All right. I don't have any final questions.

So we are going to conclude the hearing.

This case is submitted on March 11th, 2026.

And the record is now closed, and we are off the record.

(Proceedings concluded at 11:40 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 26th day of March, 2026.

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