

**OFFICE OF TAX APPEALS**  
**STATE OF CALIFORNIA**

In the Matter of the Appeal of: )  
**J. PRICE** ) OTA Case No. 250118564  
 )  
 )  
 )  
 )  
 )

---

**OPINION**

Representing the Parties:

For Appellant: J. Price

For Respondent: AnaMarija Antic-Jezildzic, Specialist

K. SHELTON, Administrative Law Judge: Pursuant to Revenue and Taxation Code (R&TC) section 19324, J. Price (appellant) appeals an action by the Franchise Tax Board (respondent) denying appellant’s claim for refund of \$4,522.92 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 timely filed a claim for refund for the 2019 tax year.

**FACTUAL FINDINGS**

1. Appellant did not timely file a Form 540, California Resident Income Tax Return (Return), for the 2019 tax year.
2. Respondent received information from third parties that appellant had received income during the 2019 year. Accordingly, respondent issued appellant a Demand for Tax Return, to which appellant did not respond.
3. Respondent subsequently issued appellant a Notice of Proposed Assessment (NPA) in which respondent estimated appellant’s taxes, penalties, and interest due. Appellant did not respond to the NPA. Subsequently respondent issued appellant a State Income Tax Balance Due Notice, to which appellant did not respond.

4. Thereafter, respondent issued an Earnings Withholding Order for Taxes to appellant's employer, which stated respondent's intent to collect appellant's balance due from appellant's employer. Respondent then collected appellant's taxes due from appellant's employer.
5. On December 9, 2024, appellant filed a 2019 Return. Respondent accepted appellant's 2019 Return and treated it as a claim for refund.
6. On December 23, 2024, respondent issued appellant a Statute of Limitations notice, which notified appellant that appellant had overpaid tax by \$4,522.92. However, respondent disallowed appellant's claim for refund on the ground that appellant filed the refund claim late, that is, after the statute of limitations period expired.
7. This appeal timely follows.

### DISCUSSION

If a taxpayer has an overpayment of an income tax liability, no credit or refund will be allowed unless the taxpayer files a claim for refund within the later of: (1) four years from the date the return was filed, if the return was timely filed within an extended due date pursuant to an extension of time to file; (2) four years from the due date for filing a return (determined without regard to any extension of time to file); or (3) one year from the date of the overpayment. (R&TC, § 19306(a).)

A taxpayer's untimely filing of a claim for refund for any reason bars the refund even if the tax is alleged to have been erroneously, illegally, or wrongfully collected. (*Appeal of Benemi Partners, L.P.*, 2020-OTA-144P.) The language of the statute of limitations must be strictly construed. (*Ibid.*) OTA can only grant relief if there is an exception to the statute of limitations. (*Appeal of Estate of Gillespie*, 2018-OTA-052P.)

Appellant does not squarely dispute that the claim for refund for the 2019 tax year was filed untimely. Instead, appellant requests reconsideration of the denial of the claimed refund, because the lack of a refund will cause appellant severe financial hardship. Appellant points to personal difficulties encountered because of the COVID-19 pandemic while working as a nurse. Thus, OTA need not consider whether the claim for refund was timely but will consider whether any exception applies that would allow appellant to receive the refund.

One exception that allows for the statutory period for filing a refund claim to be suspended is when a taxpayer is financially disabled. (R&TC, § 19316(a).) A financial disability occurs when a taxpayer is unable to manage his or her financial affairs due to 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 the taxpayer has no spouse or other legally authorized person to act on the taxpayer’s behalf. (R&TC, § 19316(b).) A taxpayer must provide proof of the financial disability, such as an affidavit from a physician. (*Appeal of Estate of Gillespie, supra.*) While appellant points to personal difficulties suffered because of the COVID-19 pandemic and financial difficulties that will be caused if the refund claim is denied, none of these circumstances satisfies the requirements of a financial disability under R&TC section 19316(b)(1). Thus, the exception allowing for the statute of limitations to be suspended on a refund claim is not available to appellant.


Appellant’s arguments appear to be more in the nature of a “reasonable cause” argument, that is, that appellant’s failure to timely file the refund claim occurred despite appellant’s exercise of ordinary care and prudence. (See *Appeal of Rougeau, 2021-OTA-335P*; *Appeal of GEF Operating, Inc., 2020-OTA-057P.*) However, reasonable cause is not an exception to the statutory period for filing a refund claim. (*Appeal of Benemi Partners, L.P., supra.*) Accordingly, appellant filed the refund claim after the expiration of the statute of limitations for filing a refund claim and does not qualify for any exception to the time limit for filing a refund claim.

HOLDING

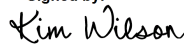
Appellant did not timely file a claim for refund for the 2019 tax year.


DISPOSITION

Respondent’s action denying appellant’s claim for refund is sustained.

Signed by:  
  
L. Katrine Shelton  
Administrative Law Judge

We concur:

Signed by:  
  
Kim Wilson  
Hearing Officer

DocuSigned by:  
  
Kenneth Gast  
Administrative Law Judge

Date Issued: 2/24/2026