OFFICE OF TAX APPEALS

STATE OF CALIFORNIA

In the Matter of the Appeal of: **S. HOLLAND AND** **C. HOLLAND**	OTA Case No. 250923385

OPINION

Representing the Parties:

For Appellants: S. Holland
C. Holland

For Respondent: Ariana Macedo, Attorney

For Office of Tax Appeals: Nguyen Dang, Attorney

N. RALSTON, Administrative Law Judge: Pursuant to Revenue and Taxation Code (R&TC) section 19324, S. Holland and C. Holland (appellants) appeal an action by the Franchise Tax Board (respondent) denying appellants' claim for refund of $20,912 for the 2019 tax year.

Appellants 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 appellants are entitled to a refund or credit of their overpayment for the 2019 tax year.

FACTUAL FINDINGS

1. Appellants timely filed a joint 2019 California nonresident or part-year resident income tax return.
2. On February 12, 2024, roughly two months prior to the expiration of the statute of limitations for filing a refund claim, respondent issued a notice to appellants informing them of an unclaimed withholding credit for the 2019 tax year (Notice).
3. On August 26, 2024, appellants filed an amended return claiming the withholding credit and requesting a $20,912 refund of their reported overpayment.
4. Respondent processed the amended return as filed but did not refund or credit appellants' overpayment because respondent determined that appellants' refund claim was untimely.
5. This timely appeal followed.

DISCUSSION

Appellants do not dispute that their refund claim was untimely filed. Instead appellants contend that their refund claim should be granted because respondent issued the Notice to appellants shortly before the expiration of the statute of limitations and the 2023 tax return filing deadline. Consequently, it did not allow appellants' tax return preparer sufficient time to file appellants' refund claim.[1]

The general rule is that a taxpayer's untimely filing of a refund claim *for any reason* bars a refund. (*Appeal of Benemi Partners, L.P.*, 2020-OTA-144P.) It is well established that respondent has no duty to discover or notify taxpayers of any overpayment (*Appeal of Cervantes* (74-SBE-029) 1974 WL 2844), nor is respondent obligated to inform taxpayers of the time for filing a refund claim (*Appeal of Matthiessen* (85-SBE-077) 1985 WL 15856). Thus, respondent's Notice to appellants was merely a courtesy. Furthermore, without a timely refund claim, respondent does not have the statutory authorization to credit or refund amounts paid, and OTA does not have statutory authorization to require respondent to do so. (*Appeal of Estate of Gillespie*, 2018-OTA-052P.)

[1] The law generally requires that taxpayers file their refund claims 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 from the due date of the return without regard to any extensions; or (3) one year from the date of overpayment. (R&TC, § 19306(a).)

And despite the fact appellants had overpaid their 2019 tax liability, OTA does not have the authority to make an exception in this case to avoid a seemingly unfair or harsh outcome. (*Appeal of Estate of Gillespie*, *supra*.)

HOLDING

Appellants are not entitled to a refund or credit of their overpayment for the 2019 tax year.

DISPOSITION

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

Signed by:
Natasha Ralston
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Natasha Ralston
Administrative Law Judge

We concur:

Signed by:
Veronica I. Long
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Veronica I. Long
Administrative Law Judge

Signed by:
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Hans Famularo
Administrative Law Judge

Date Issued: 3/16/2026