OFFICE OF TAX APPEALS

STATE OF CALIFORNIA

In the Matter of the Appeal of: **S. PATRO AND** **S. GUDLA**	OTA Case No. 250923183

OPINION

Representing the Parties:

For Appellant: S. Patro and S. Gudla

For Respondent: Blake Cunningham, Program Specialist

For Office of Tax Appeals: Tom Hudson, Attorney

T. STANLEY, Administrative Law Judge: Pursuant to Revenue and Taxation Code (R&TC) section 19324, S. Patro and S. Gudla (appellants) appeal an action by respondent Franchise Tax Board (FTB) denying appellants' claim for refund of $3,824 for the 2020 taxable 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

Is appellants' claim for refund for 2020 barred by the statute of limitations?

FACTUAL FINDINGS

1. Appellants did not file a timely California income tax return (Return) for the 2020 taxable year, so FTB contacted them on June 14, 2022, to request a tax return.
2. Appellants did not respond to FTB's request for tax return. FTB issued a Notice of Proposed Assessment (NPA) on September 2, 2022, which proposed to assess tax, penalties, and interest, based on an estimate of appellants' income.
3. Appellants had withholdings of $6 for 2020. On April 24, 2023, FTB transferred an overpayment of $1,542.90 from appellants' 2022 taxable year account to appellants'

outstanding balance for the 2020 taxable year. On August 25, 2023, appellants paid $3,785.55 toward their remaining 2020 balance.

4. On July 29, 2025, appellants filed their 2020 Return, reporting total tax of $908, California income tax withholding of $6, and an estimated tax penalty of $20. Appellants paid $922 on the same date.
5. FTB accepted the 2020 return as filed and treated it as a claim for refund. FTB determined that appellants had overpaid $4,746 and refunded appellants' most recent payment of $922 but denied the refund for the remaining $3,824 on the grounds that it was barred by the statute of limitations.
6. This timely appeal followed.

DISCUSSION

The statute of limitations to file a claim for refund is set forth in R&TC section 19306. No credit or refund is allowed unless a claim for refund was filed within the later of: (1) four years from the date the return was filed, if filed within the extended filing period pursuant to an extension of time to file; (2) four years from the due date 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. (R&TC, § 19306(a).) The language of the statute of limitations is explicit and must be strictly construed. (*Appeal of Benemi Partners, L.P.*, 2020-OTA-144P.) The taxpayer has the burden of proof to show entitlement to a refund and that the claim is timely. (*Appeal of Estate of Gillespie*, 2018-OTA-052P.)

Here, appellants' 2020 Return was filed on July 29, 2025, after the extended due date of October 15, 2021, so the first four-year statute of limitations period does not apply. (R&TC, §§ 18567(a)(1), 19306(a); Cal. Code Regs., tit. 18, § 18567(a).) The second four-year statute of limitations period expired on April 15, 2025 (i.e., four years after the original due date for the 2020 return, which was April 15, 2021), so appellants' refund claim was filed after that deadline. (R&TC, §§ 18566, 19306(a).) Therefore, the refund claim is barred by the four-year statute of limitations.

The one-year statute of limitations for the $922 payment that appellants made on July 29, 2025, did not expire until July 29, 2026 (i.e., one year later), so the claim for refund for that amount was not barred by the statute of limitations. FTB correctly refunded that amount before this appeal commenced. Appellant's withholdings of $6 were deemed paid on the original due date for the return on April 15, 2021. (R&TC, §§ 19002(c)(1), 18566.) Appellants' claim for refund was filed more than one year after that date. Similarly, both the transfer of

$1,542.90 from appellants' 2022 taxable year account on April 24, 2023, and the $3,785.55 payment made on August 25, 2023, occurred more than one year before appellants filed their claim for refund on July 29, 2025, so a refund of those amounts is also barred by the one-year statute of limitations.

In their appeal letter, appellants mention that they were "not aware of the four-year refund rule." Unfortunately, lack of knowledge of the statute of limitations does not excuse the delinquent filing of a claim for refund. (*Appeal of Spradlin* (75-SBE-010) 1975 WL 3271.)

Appellants also assert that "tax deadlines were extended during the COVID-19 pandemic." The deadline for filing income tax returns for the 2020 taxable year was postponed from April 15, 2021, to May 17, 2021,[1] but that postponement only applied to tax returns or claims that were actually filed between April 15, 2021, and May 17, 2021. Furthermore, that postponement did not extend the statutory four-year limitations period that began on the original due date for appellants' 2020 return on April 15, 2021, and expired on April 15, 2025. (*Appeal of Nguyen*, 2025-OTA-333P.) It is understandable that appellants might have been unaware of the actual deadline for filing claims for refund, but OTA has no legal authority to waive or ignore the statute of limitations for good cause, ignorance of the law, or other extenuating circumstances.[2] (See *Appeal of Benemi Partners, L.P.*, *supra*.)

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[1] In response to COVID-19, pursuant to R&TC section 18572, FTB postponed the 2020 individual tax filing due date from April 15, 2021, to May 17, 2021. (See https://www.ftb.ca.gov/about-ftb/newsroom/news-releases/2021-03-state-tax-deadline-for-individuals-postponed-until-may-17-2021.html.)

[2] A narrow exception for financial disability, which appellants do not allege is applicable here, may be found in R&TC section 19316.

HOLDING

Appellants' claim for refund for 2020 is barred by the statute of limitations.

DISPOSITION

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

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Teresa A. Stanley
Administrative Law Judge

We concur:

DocuSigned by:
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Asaf Kletter
Administrative Law Judge

DocuSigned by:
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Steven Kim
Administrative Law Judge

Date Issued: 4/6/2026