2026-OTA-273
Nonprecedential

OFFICE OF TAX APPEALS

STATE OF CALIFORNIA

In the Matter of the Appeal of:

W. XIN AND
C. JIANG

OTA Case No. 241017740

OPINION

Representing the Parties:

For Appellant: W. Xin

For Respondent: Noel Garcia-Rosenblum, Attorney
Brad Coutinho, Assistant Chief Counsel

J. LAMBERT, Administrative Law Judge: Pursuant to Revenue and Taxation Code (R&TC) section 19324, W. Xin and C. Jiang (appellants) appeal an action by respondent Franchise Tax Board (FTB) denying appellants' claims for refund of $24,049.17 for the 2017 tax year. On appeal, FTB agrees to grant a refund in the amount of $2,456.17.[1]

Office of Tax Appeals (OTA) Panel Members Josh Lambert, Josh Aldrich, and Steven Kim held a Virtual oral hearing for this matter on January 22, 2026. At the conclusion of the oral hearing, the record was left open to allow the submission of additional information. The record was closed on February 11, 2026, and this matter was submitted on the oral hearing record pursuant to California Code of Regulations, title 18, section 30209(b).

ISSUE

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

FACTUAL FINDINGS

1. On April 15, 2018, W. Xin made an extension payment of $19,383 for the 2017 tax year.
2. Appellants did not file a timely California income tax return.
3. On September 4, 2019, FTB sent W. Xin a letter stating that a payment was made, but no tax return was filed. W. Xin did not respond.

[1] This amount consists of a 2019 overpayment that FTB transferred to appellants' 2017 tax year account on July 17, 2020. The remaining amount at issue is $21,593 (i.e., $24,049.17 - $2,456.17).

4. FTB received information that W. Xin received income sufficient to create a filing requirement.
5. On September 24, 2019, FTB sent W. Xin a Request for Tax Return requesting that he file a tax return, provide a copy of the tax return if already filed, or provide information to determine whether he was required to file a tax return.
6. W. Xin did not respond. On November 27, 2019, FTB issued a Notice of Proposed Assessment (NPA) estimating W. Xin's income and proposing tax, penalties, and interest.[2]
7. The NPA became a final tax liability. The balance was satisfied on July 17, 2020, after a 2019 tax year overpayment transfer.
8. On June 10, 2024, appellants filed a joint 2017 California Resident Income Tax Return.
9. FTB processed the return and determined a $24,049.17 overpayment for the 2017 tax year. FTB treated the return as a claim for refund, which it denied because it was filed after the expiration of the statute of limitations.
10. This timely appeal followed.

DISCUSSION

The statute of limitations to file a claim for refund is set forth in R&TC section 19306. Generally, no credit or refund shall be allowed or made 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 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 in showing entitlement to a refund and that the claim is timely. (*Appeal of Estate of Gillespie*, 2018-OTA-052P.)

Appellants filed their claim for refund on June 10, 2024. Appellants did not file within the extension period by October 15, 2018 (see R&TC, § 18567), thus barring their claim under the first four-year statute of limitations. Appellants also did not file by April 15, 2022, which is four years from the original filing deadline, barring their claim under the second four-year statute of limitations.

[2] FTB later waived the penalties.

On appeal, FTB agrees to grant a refund in the amount of $2,456.17. This amount consists of a 2019 overpayment that FTB transferred to appellants' 2017 tax year account on July 17, 2020. W. Xin made an extension payment of $19,383 on April 15, 2018, and appellants did not file their claim within one year of that date, barring the claim under the one-year statute of limitations for the remaining amount at issue.

Appellants contend that FTB should have credited their extension payment after they filed their return, which would have resulted in a refund of that payment.[3] As stated above, the extension payment was made on April 15, 2018, and is considered paid on that date for purposes of the statute of limitations, and not the date the claim for refund was filed. Appellants also contend that, because of a move to a new house, they could not find their tax records and did not receive FTB's correspondence. Appellants also assert that they were unable to timely file the return due to various personal hardships. Based on the foregoing, appellants argue that they should be allowed a refund. However, the statute of limitations must be strictly construed, meaning that a taxpayer's untimely filing of a refund claim for any reason bars a refund. (*Appeal of Benemi Partners*, *L.P.*, *supra*.) This includes the reasons provided by appellants. There is no reasonable cause or equitable basis for suspending the statute of limitations.[4] (*Ibid*.) Although the result of fixed deadlines may appear harsh, the occasional harshness is redeemed by the clarity imparted. (*Ibid*.)

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[3] At the hearing appellant W. Xin testified in support of appellants' contentions.

[4] There is a limited exception that allows for the tolling of the statute of limitations when a taxpayer is financially disabled. A taxpayer is financially disabled if he or she is unable to manage his or her financial affairs by reason of 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. (R&TC, § 19316(b)(1).) To prove financial disability, a taxpayer must provide a physician's affidavit which contains a description of the taxpayer's physical or mental impairment and the period of disability. (*Appeal of Estate of Gillespie*, *supra*.) Appellants do not assert, and the record does not show, that this exception applies.

HOLDING

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

DISPOSITION

Appellants are granted a refund of $2,456.17, as conceded by FTB on appeal. FTB's action is otherwise sustained.

Signed by:
Josh Lambert
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Josh Lambert
Administrative Law Judge

We concur:

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Josh Aldrich
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Josh Aldrich
Administrative Law Judge

DocuSigned by:
Steven Kim
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Steven Kim
Administrative Law Judge

Date Issued: 4/1/2026