OFFICE OF TAX APPEALS

STATE OF CALIFORNIA

In the Matter of the Appeal of: **Y. SOLANKI AND** **M. SOLANKI**	OTA Case No. 241118109

OPINION

Representing the Parties:

For Appellants: Y. Solanki
M. Solanki

For Respondent: John Ly, Attorney

H. FAMULARO, Administrative Law Judge: Pursuant to Revenue and Taxation Code (R&TC) section 19324, Y. Solanki and M. Solanki (appellants) appeal an action by the Franchise Tax Board (respondent) denying appellants' claim for refund of $7,925 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 the statute of limitations bars appellants' claim for refund.

FACTUAL FINDINGS

1. On October 10, 2020, appellants timely filed their 2019 California income tax return reporting total tax of $4,186, California income tax withheld of $5, estimated tax payments of $15,293, nonwage withholdings of $8,333, and an overpayment of $19,445.
2. Respondent applied $10,000 of appellants' overpayment to the 2020 tax year, as appellants requested on their return, and refunded the balance of $9,445 to appellants.

3. On February 6, 2024, respondent sent appellants a notice advising them of potential unclaimed nonwage withholding credits of $7,924.50 for 2019, which appellants had to claim by filing an amended tax return before the applicable statute of limitations date.
4. On October 14, 2020, respondent received appellants' 2019 amended tax return, on which appellants revised their refund claim to include their nonwage withholding credits of $7,925 (rounded).
5. On November 6, 2024, respondent denied appellants' claim for refund of $7,925 for 2019, asserting that the statute of limitations had expired.
6. This timely appeal followed.
7. OTA requested that the parties provide additional briefing. OTA requested that appellants provide evidence, such as a registered or certified mail receipt, that on or before October 10, 2024, appellants deposited in the United States mail or through a bona fide commercial delivery service a postage prepaid envelope properly addressed to respondent containing their 2019 amended tax return. Appellants did not provide any such evidence but instead provide Mr. Solanki's affidavit that he was financially disabled for an unspecified period with attached medical records of Mr. Solanki's health condition history and physical examination on September 25, 2024. OTA also requested that respondent provide, if available, a copy of the envelope with the stamped cancellation mark, which contained appellants' 2019 amended return. Respondent responded that it does not have a copy of the envelope.

DISCUSSION

R&TC section 19306(a) provides that no credit or refund will be allowed unless a claim for refund is filed within the later of: (1) four years from the date the return was filed, if filed within the extended filing period; (2) four years from the due date of the return, without regard to extensions; or (3) one year from the date of the overpayment. For purposes of the one-year statute of limitations, withholdings are deemed paid on the original due date of the return. (R&TC, § 19002(c)(1).)

Government Code section 11003 provides, in pertinent part, that a claim for refund "shall be deemed filed on the date shown by the cancellation mark stamped on the envelope containing it, or on the date it was mailed if proof satisfactory to the state agency establishes that the mailing occurred on an earlier date."[1] (See *Appeal of Fisher*, 2022-OTA-337P.) The taxpayer has the burden of proof to establish that the refund claim is timely. (*Appeal of Benemi Partners, L.P.*, 2020-OTA-144P.)

There is no reasonable cause or equitable basis for suspending the statute of limitations. (*Appeal of Benemi Partners, L.P.*, *supra*.) Although the result of fixed deadlines may appear harsh, the occasional unfairness is necessary to allow for a more workable tax enforcement system and is redeemed by the clarity imparted. (*Ibid*.)

The language of R&TC section 19306 is explicit and must be strictly construed. (*Appeal of Cornbleth*, 2019-OTA-408P.) Absent an exception, a taxpayer's untimely filing of a claim for refund bars a refund. (*Appeal of Benemi Partners, L.P.*, *supra*.) Financial disability due to a medically determinable physical or mental impairment is an example of an exception that may suspend the general statute of limitations period for refund claims. (R&TC, § 19316; *Appeal of Estate of Gillespie*, 2018-OTA-052P.) The running of the period for filing a claim for refund pursuant to section 19306 is suspended if (1) an individual taxpayer 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, and (2) there is no spouse or other legally authorized person to act on the taxpayer's behalf in financial matters. When an appellant alleges financial disability to suspend and thus extend the limitations period to file a timely claim for refund, a physician's affidavit must be provided that identifies the disability period when appellant was unable to manage his or her financial affairs. (*Ibid*.) To suspend the statute of limitations, the period of financial disability must occur during the limitations period. (*Ibid*.)

Appellants timely filed their 2019 tax return within the extended filing period on October 10, 2020, and therefore the first four-year statute of limitations period applies. Under the first four-year statute of limitations, appellants were required to file a refund claim no later than October 10, 2024, which is four years from the timely filing date of appellants' 2019 tax return. (See *Appeal of Nguyen*, 2025-OTA-333P.) Under the one-year statute of limitations, appellants were required to file a refund claim no later than April 15, 2021, which is one year from the date appellants' nonwage withholdings of $7,925 are deemed paid. (See R&TC, § 19002(c)(1).)

---

[1] Effective January 1, 2002, California amended R&TC section 21027 to add subdivisions (a)(2) and (b) to conform with specific provisions in IRC section 7502 regarding "designated delivery service" and "electronic filing." Aside from those specific provisions, R&TC section 21027 does not conform to IRC section 7502 in its entirety. (See R&TC, § 21027, as amended by Stats. 2001, ch. 543 (SB 1185), § 20, West's Cal. Legis. Service.)

On appeal, appellants argue that they timely filed their 2019 amended tax return on October 9, 2024. Respondent, however, received appellants' amended return on October 14, 2024 (four days after the first four-year statute of limitations period deadline). The record does not contain evidence, such as a registered or certified mail receipt, that appellants, on or before October 10, 2024, deposited in the United States mail or through a bona fide commercial delivery service a postage prepaid envelope properly addressed to respondent containing their 2019 amended tax return. OTA granted appellants additional time to provide such evidence to OTA. Appellants did not provide any such evidence. In addition, respondent responded that it does not have a copy of the envelope with the stamped cancellation mark, which contained appellants' 2019 amended return.

Consequently, the record does not contain evidence that appellants timely filed their 2019 amended tax return, and appellants have not provided sufficient evidence to establish that their amended return was filed on a date different from the date indicated by respondent's records. (See *Appeal of Fisher*, *supra*.) Therefore, appellants filed their 2019 amended tax return on October 14, 2024, after both the first four-year and one-year statute of limitations periods expired. Thus, appellants' claim for refund is barred under R&TC section 19306(a).

Appellants appear to contend that the statute of limitations should not bar their claim for refund based on reasonable cause because appellants did not receive their mail timely because they "moved to Southern California" and Mr. Solanki was "out of the country on family issues."[2] However, there is no reasonable cause exception or equitable basis for suspending the statute of limitations. (*Appeal of Benemi Partners, L.P.*, *supra*.)

Appellants further provide Mr. Solanki's affidavit that he was financially disabled for an unspecified period with attached medical records of Mr. Solanki's health condition history and physical examination on September 25, 2024. However, there is no evidence showing whether, or for how long, Mr. Solanki was unable to manage his financial affairs during the first four-year statute of limitations period from October 10, 2020, through October 10, 2024. Without evidence showing when Mr. Solanki was unable to handle his financial affairs during his illness, such as a doctor's affidavit, it is not possible to define the period when the statute of limitations for filing a claim for refund must be suspended. (See R&TC, § 19316; *Appeal of Estate of Gillespie*, *supra*.) Therefore, no suspension of the limitations period for filing a claim for refund can be considered. Thus, appellants' claim for refund is barred under R&TC section 19306(a).

[2] R&TC section 18567 provides a six-month extension period for filing original returns where the taxpayer is residing or traveling abroad. However, the plain language in this section only applies to original returns and does not apply to amended returns, such as appellants' 2019 amended return.

HOLDING

The statute of limitations bars appellants' claim for refund.

DISPOSITION

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

Signed by:
E407D7E70D3E41C...

Hans Famularo
Administrative Law Judge

We concur:

DocuSigned by:
0CC6C6ACCC6A44D...

Teresa A. Stanley
Administrative Law Judge

Signed by:
Natasha Ralston
25F8FE08FF56478...

Natasha Ralston
Administrative Law Judge

Date Issued: 4/1/2026