OFFICE OF TAX APPEALS

STATE OF CALIFORNIA

In the Matter of the Appeal of:) OTA Case No. 251023509

G. HELMS AND
D. HELMS

OPINION

Representing the Parties:

For Appellants: G. Helms and D. Helms

For Respondent: Shah Khan, Program Specialist

For Office of Tax Appeals: Namrita Randhawa, Program Specialist

T. STANLEY, Administrative Law Judge: Pursuant to Revenue and Taxation Code (R&TC) section 19324, G. Helms and D. Helms (appellants) appeal an action by respondent Franchise Tax Board (FTB), denying appellants' claim for refund of $20,860.99 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 the 2020 taxable year barred by the statute of limitations?

FACTUAL FINDINGS

1. Appellants did not timely file a 2020 tax return.
2. In 2022, FTB sent separate Requests for Tax Return (Requests) to each appellant stating that FTB received third-party information indicating that they may have earned income that required them to file a California tax return. The Requests required each

appellant to either file a 2020 tax return, provide evidence that they already had filed a return, or explain why they did not have a filing requirement.

3. When appellants did not respond, FTB issued separate Notices of Proposed Assessment (NPAs) to each appellant, which estimated each appellant's income and proposed an assessment of tax, a late-filing penalty, and interest.
4. FTB commenced collection actions and received payments of $829.85 and $18,359.72 on June 12, 2023, and June 26, 2023, respectively.
5. On June 26, 2025, appellants filed their 2020 California Resident Income Tax Return as married filing jointly, reporting total tax of $4,062, income tax withholdings of $6,049, and an overpayment of $1,987.
6. FTB accepted the return as filed. FTB processed the return as a claim for refund and calculated an overpayment of $20,860.99. FTB denied the claim stating that it was filed outside the statute of limitations.
7. This timely appeal followed.

DISCUSSION

R&TC section 19306(a) provides that no credit or refund shall be allowed 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 prescribed for filing the return (determined without regard to any extension of time for filing the return); or (3) one year from the date of the overpayment. California state income tax returns for individuals are due on April 15 following the close of the calendar year. (R&TC, § 18566.) For purposes of the one-year statute of limitations, any tax deducted and withheld during any calendar year is deemed to have been paid on the original due date for filing the return. (R&TC, § 19002(c)(1).) The taxpayer has the burden of proof to show entitlement to a refund and that the claim for refund is timely. (*Appeal of Benemi Partners, L.P.*, 2020-OTA-144P.)

Because appellants did not file a timely tax return, the first four-year statute of limitations period is inapplicable. The second statute of limitations period expired on April 15, 2025, or four years from the April 15, 2021 original due date. (R&TC, §§ 18566, 19306(a).) Appellants' return was not filed until June 26, 2025, and thus barred under the second four-year statute of limitations period. The one-year statute of limitations period expired on April 15, 2022, for appellants' withholdings. (See R&TC, §§ 19002(c)(1), 19306(a).) For appellants' payments on June 12, 2023, and on June 26, 2023, the one-year statute of limitations expired on

June 12, 2024, and June 26, 2024, respectively. (R&TC, § 19306(a).) Therefore, appellants' claim for refund was also untimely under the one-year statute of limitations.

Appellants argue that no tax was due for 2020. Appellants contend that they are entitled to a refund because FTB levied D. Helms' bank account in 2023 for the 2020 taxable year, which was within four years of their claim for refund filed on June 26, 2025.

Appellants' analysis is incorrect. As discussed above, the four-year statute of limitations ran from the original April 15, 2021 due date for appellants' 2020 return and expired four years later on April 15, 2025. The four-year statute of limitations is not impacted or changed based on when FTB levied their bank account. The language of R&TC section 19306 is explicit and must be strictly construed. *(Appeal of Cornbleth*, 2019-OTA-408P.) A taxpayer's untimely filing of a claim for any reason bars a refund even if the tax is alleged to have been erroneously, illegally, or wrongfully collected. (*Appeal of Benemi Partners, L.P.*, *supra*.) This is true even when it is later shown, as occurred here, that the tax was not owed in the first place. (*Ibid*.) While fixed deadlines may appear harsh because they can be missed, the resulting occasional harshness is redeemed by the clarity imparted. (*Ibid*.) A taxpayer's failure, for whatever reason, to file a claim for refund or credit within the statutory period prevents the taxpayer from doing so at a later date. (*Appeal of Estate of Gillespie*, 2018-OTA-052P.) Without a timely claim for refund, FTB does not have the statutory authority to refund amounts paid, and OTA does not have statutory authority to require FTB to do so. (*Ibid*.)

HOLDING

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

DISPOSITION

OTA sustains FTB's action denying appellants' claim for refund.

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Teresa A. Stanley
Administrative Law Judge

We concur:

Signed by:
Kim Wilson
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Kim Wilson
Hearing Officer

Signed by:
Natasha Ralston
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Natasha Ralston
Administrative Law Judge

Date Issued: 4/21/2026