2026-OTA-334
Nonprecedential

OFFICE OF TAX APPEALS

STATE OF CALIFORNIA

In the Matter of the Appeal of: **R. LEDGER AND** **A. LEDGER**	OTA Case No. 250319035

OPINION

Representing the Parties:

For Appellants:	R. Ledger A. Ledger
For Respondent:	Andrea Watkins, Attorney
For Office of Tax Appeals:	Grant S. Thompson, Attorney

T. STANLEY, Administrative Law Judge: Pursuant to Revenue and Taxation Code (R&TC) section 19324, R. Ledger and A. Ledger (appellants) appeal an action by respondent Franchise Tax Board (FTB) denying their claim for refund of $12,536.96 for the 2019 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

Did appellants file a timely claim for refund for the 2019 taxable year?

FACTUAL FINDINGS

1. On May 15, 2023, FTB collected $8,965.82 from appellants to satisfy amounts due for the 2019 taxable year.
2. On January 10, 2025, appellants untimely filed a 2019 California Resident Income Tax Return (Return) for the 2019 taxable year. The Return reported total tax of $242, California income tax withheld of $4,165, and claimed a refund of $3,923.

3. FTB accepted the Return as filed, treated it as a claim for refund, and calculated an overpayment of $12,536.96.[1]
4. FTB issued appellants a notice denying their claim for refund for the 2019 taxable year due to expiration of the statute of limitations.
5. This timely appeal followed.

DISCUSSION

The law generally requires taxpayers to file their refund claims by the later of: (1) four years from the date the return is filed, if filed within the extended filing period pursuant to an extension of the time to file; (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).) 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).) Taxpayers have the burden of proof to show entitlement to a refund and that the claim is timely. (*Appeal of Benemi Partners, L.P.*, 2020-OTA-144P.)

Appellants did not file a 2019 tax return by October 15, 2020, the extended due date for the return. (R&TC, § 18567(a)(1); Cal. Code Regs., tit. 18, § 18567(a).) The first four-year statute of limitations period set forth in R&TC section 19306(a) is therefore inapplicable because appellants did not file a 2019 return within an extension of time to file. The second four-year statute of limitations period runs from the original due date for appellants' 2019 return, and thus expired on April 15, 2024, which is four years from the original due date of the return on April 15, 2020. (R&TC, §§ 19306(a), 18566.) Appellants filed the Return on January 10, 2025, which is beyond the second four-year statute of limitations period set forth in R&TC section 19306(a).[2]

As to the one-year statute of limitations for taxable year 2019, appellants' withholdings are deemed paid on April 15, 2020, the original due date for the return. (See R&TC, §§ 18566,

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[1] FTB calculated this amount as the sum of the California withholdings of $4,165 (rounded), plus the payment of $8,965.82, plus a write-off of $24.64, minus the total tax reported of $242, minus a collection cost recovery fee of $316, minus a demand penalty of $60.50.

[2] FTB postponed the due date for 2019 returns to July 15, 2020, due to the COVID-19 pandemic. (R&TC, § 18572(b).) However, FTB's postponement does not change the original due date of the return upon which the four-year statute of limitations for refund claims is based. (*Appeal of Nguyen*, 2025-OTA-333P.)

19002(c)(1).) In order to be timely, a claim for refund of withholdings must have been filed by April 15, 2021, one year later. FTB received appellants' last payment for the 2019 taxable year on May 15, 2023. Because appellants filed the Return on January 10, 2025, appellants' 2019 claim for refund is also barred by the one-year statute of limitations set forth in R&TC section 19306(a).

Appellants argue that several serious personal difficulties caused them to fall behind on filing tax returns. However, they state they were sure they would receive a refund, so they were not alarmed. They explain that they were not hiding anything and that they "recently filed tax returns and will continue to submit the outstanding years as soon as possible."

OTA sympathizes with the difficulties described by appellants and appreciates their efforts to file needed tax returns. However, the language of the statute of limitations must be strictly construed and there is no reasonable cause or equitable basis for suspending the statute of limitations. (*Appeal of Benemi Partners, L.P.*, *supra*.) Nor is there an exception that suspends the statute of limitations for claims for refund due to the ill health of the taxpayer or any other unfortunate circumstances. (*Appeal of Estate of Gillespie*, 2018-OTA-052P.) Absent a statutory exception, a taxpayer's untimely filing of a claim for refund 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*.) Without a legislatively enacted exception to the statute of limitations, such as that found in R&TC section 19316, OTA does not have the legal authority to alter the outcome of this matter.[3] (See *Appeal of Estate of Gillespie*, *supra*.)

[3] R&TC section 19316 provides a narrow exception for suspending the statute of limitations when an individual taxpayer is "financially disabled." A financially disabled taxpayer is unable to manage their personal financial affairs by reason of a medically determinable physical or mental impairment that is either deemed to be a terminal impairment or expected to last for a continuous period of not less than 12 months. (R&TC, § 19316(b)(1).)

HOLDING

Appellants did not file a timely claim for refund for the 2019 taxable year.

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:
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Seth Elsom
Hearing Officer

DocuSigned by:
48745BB806914B4...
Josh Aldrich
Administrative Law Judge

Date Issued: 4/28/2026