

OFFICE OF TAX APPEALS
STATE OF CALIFORNIA

In the Matter of the Appeal of:	)	OTA Case No. 250319026
	)	
M. ALAM AND	)	
Z. ALAM	)	
	)	
	)	

OPINION

Representing the Parties:

For Appellants: M. Alam

For Respondent: Ganeet Atwaal, Legal Analyst

For Office of Tax Appeals: William J. Stafford, Attorney

T. STANLEY, Administrative Law Judge: Pursuant to Revenue and Taxation Code (R&TC) section 19324, M. Alam and Z. Alam (appellants) appeal an action by respondent Franchise Tax Board (FTB) denying appellants' claim for refund of \$6,587.95¹ for the 2019 taxable year.²

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 barred by the statute of limitations?

FACTUAL FINDINGS

1. Appellants did not file a timely California income tax return for the 2019 taxable year.

¹ FTB calculated this amount as the sum of the California withholdings of \$9,089, plus payments of \$4,015.85, minus the total tax of \$6,482, an installment agreement fee of \$34, and a direct write-off of \$0.90, resulting in an overpayment of \$6,587.95.

² Appellants also attempted to appeal taxable years 2021 and 2023; however, FTB did not take any adverse action that would grant the Office of Tax Appeals jurisdiction over those two taxable years.

2. FTB received information that appellant M. Alam had sufficient income to trigger a filing requirement for the 2019 taxable year. FTB issued a 2019 Request for Tax Return, requesting that appellant M. Alam file a return or explain why no return was required.
3. When appellant M. Alam did not respond, FTB issued him a Notice of Proposed Assessment (NPA) proposing tax, a late-filing penalty and related interest.
4. Appellant M. Alam did not timely protest the NPA, and it became final.
5. FTB began collection action and collected payments from July 22, 2022, through March 20, 2023, totaling \$4,015.85.
6. Appellants filed their 2019 return on February 5, 2025, reporting total tax of \$6,482, withholdings of \$9,089, and an overpayment of \$2,607, which appellants asked to be refunded.
7. FTB accepted the return as filed and treated the return as a claim for refund, which FTB denied, citing the expiration of the statute of limitations.
8. This timely appeal followed.

DISCUSSION

The statute of limitations to file a claim for refund is set forth in R&TC section 19306, which provides that no credit or refund shall be allowed unless a claim for refund is filed within the later of: (1) four years from when the return was filed, if the return was timely filed within 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.

The language of the statute of limitations is explicit and must be strictly construed. (*Appeal of Cornbleth*, 2019-OTA-408P.) Absent an exception, a taxpayer's untimely filing of a refund claim bars a refund. (*Appeal of Benemi Partners, L.P.*, 2020-OTA-144P.) Although fixed deadlines may appear harsh, the occasional harshness is redeemed by the clarity imparted. (*Ibid.*)

Appellants did not timely file their 2019 California return until February 5, 2025. As appellants did not file their return by October 15, 2020, the extended due date for the 2019 return, the first four-year limitations period does not apply. (R&TC, §§ 18566, 18567(a)(1); Cal. Code Regs., tit. 18, §18567(a).) Appellants did not file their 2019 return on or before April 15, 2024, the four-year period starting from the original due date of the return on April 15, 2020, and therefore, the claim is also barred by the second four-year limitations period. (R&TC, §§ 19306(a), 18566.) Appellants' last payment on their tax account was

March 20, 2023, and withholdings are credited to their account on the original due date for the return of April 15, 2020. (R&TC, §§ 19002(c)(1), 18566.) Appellants did not file their 2019 return until more than one year after either of those dates, and therefore, the claim is also barred by the one-year limitations period.

On appeal, appellants assert that the statute of limitations should be suspended because a combination of circumstances (e.g., newborn children, medical expenses, living costs) made it nearly impossible to keep up with their tax obligations.

The statute of limitations period may be suspended if the taxpayer is financially disabled as defined in R&TC section 19316(b). For purposes of R&TC section 19316, financial disability exists 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/registered domestic partner or other legally authorized person who can act on the taxpayer's behalf in financial matters. (R&TC, § 19316(b)(1)-(2).) When a taxpayer alleges financial disability to suspend and thus extend the period to file a timely claim for refund, a physician's affidavit must be provided that identifies the disability period when the taxpayer was unable to manage his or her financial affairs. (*Appeal of Estate of Gillespie*, 2018-OTA-052P.) To suspend the statute of limitations, the period of financial disability must occur during the limitations period. (*Ibid.*)

Appellants' assertions are insufficient for OTA to find appellants were "financially disabled" as there is no affidavit from a physician that details appellants' physical or mental impairment(s) that prevented appellants from managing their financial affairs for a specific time period. In addition, appellants have not shown how their circumstances constitute a financial disability during the running of the limitation period. Finally, appellants also failed to demonstrate that there was no individual authorized to act on their behalf in financial matters during the relevant time period. Accordingly, appellants have not established financial disability in order to toll the statute of limitations under R&TC section 19316. (*Estate of Gillespie, supra.*)

Moreover, appellants' request for compassion in relieving them of tax, and the assertions noted above, are in the nature of reasonable cause arguments. But there is no reasonable cause or equitable basis for suspending the statute of limitations. (See *Appeal of Benemi Partners, L.P., supra.*)

HOLDING

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

DISPOSITION

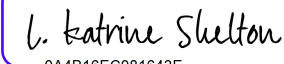
OTA sustains FTB's action denying appellants' claim for refund.

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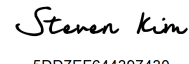
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Teresa A. Stanley
Administrative Law Judge

We concur:

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Administrative Law Judge

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Steven Kim
Administrative Law Judge

Date Issued: 7/2/2026