

In the Matter of the Appeal of:) OTA Case No. 251023578
M. ARCENEUX AND)
J. ARCENEUX (DEC'D))
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1. Appellants did not timely file a tax return for the 2020 taxable year.
2. FTB requested that appellant M. Arceneaux file a tax return for the 2020 taxable year because FTB received information showing that she had sufficient income to prompt a filing requirement.
3. FTB estimated appellant M. Arceneaux's income and issued a Notice of Proposed Assessment (NPA) proposing to assess tax and a late-filing penalty, plus interest, because appellant M. Arceneaux did not respond to FTB's request.

4. The proposed assessment became due and payable because appellant M. Arceneaux did not respond to the NPA.
5. FTB began collection action and received a payment of \$2,702.23 on March 20, 2023, and a payment of \$2,716.12 on April 21, 2023.
6. On July 7, 2025, appellants untimely filed their tax return for the 2020 taxable year reporting an overpayment of \$3,202.
7. FTB treated appellants' tax return as a claim for refund and determined that appellants had an overpayment of \$5,336.52.¹
8. FTB denied the claim for refund because appellants filed it after the statute of limitations expired.
9. Thereafter, appellants timely filed this appeal.

DISCUSSION

No credit or refund may 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 under R&TC section 18567 or 18604; (2) four years from the due date for filing a return (determined without regard to any extension of time to file); or (3) one year from the date of overpayment. (R&TC, § 19306(a).) Tax returns for calendar year taxpayers are due on or before April 15 following the close of the taxable year. (R&TC, § 18566.) FTB automatically grants a six-month extension following the close of the taxable year if the taxpayer files a tax return within six months of the original due date. (R&TC, § 18567(a)(1); Cal. Code Regs., tit. 18, § 18567.) The taxpayer has the burden of proving entitlement to a refund and that the claim is timely. (*Appeal of Estate of Gillespie*, 2018-OTA-052P.)

Here, the four-year statute of limitations expired on April 15, 2025, four years after appellants' original 2020 taxable year return was due on April 15, 2021, because they did not file a tax return within the extension period. The one-year statute of limitations for appellants' latest payment expired on April 21, 2024, because FTB received appellants' last payment on April 21, 2023. Appellants filed their claim for refund on July 7, 2025, which was after both the four-year and one-year statute of limitations periods had already expired.

Appellants argue that they believed they had an automatic extension to file their tax return because of the COVID-19 pandemic, but do not explain why an extended deadline in 2021 caused them to file their return more than four years later. While FTB postponed the filing

¹ FTB reduced appellants' payments of \$5,418.35 by reported tax of \$41, a late-filing penalty of \$41, interest of \$5.04, and reversed a previous write-off of \$5.21 for a total of \$5,336.52.

date for the 2020 taxable year to May 17, 2021, this postponement does not change the original statutory due date for a tax return for purposes of the statute of limitations for claims for refunds. (*Appeal of Bannon*, 2023-OTA-096P.) As explained above, appellants did not timely file their claim for refund within the statute of limitations.

The running of the statute of limitations, however, may be suspended during any period where a taxpayer is “financially disabled.” (R&TC, § 19316(a).) A taxpayer is “financially disabled” if the taxpayer cannot 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 expected to last for a continuous period of not less than 12 months. (R&TC, § 19316(b)(1).) A taxpayer shall not be considered financially disabled for any period during which that taxpayer’s spouse or any other person is legally authorized to act on that individual’s behalf in financial matters. (R&TC, § 19316(b)(2).) To prove financial disability, a taxpayer must provide a physician’s affidavit that contains a description of the taxpayer’s physical or mental impairment and the period of disability. (*Appeal of Estate of Gillespie*, *supra*.)

Appellants argue that appellant J. Arceneaux suffered from a medically determinable physical impairment that prevented appellants from timely filing their claim for refund. However, appellants must provide a physician’s affidavit describing appellant J. Arceneaux’s physical impairments and the period of disability to establish financial disability. While OTA is sympathetic to appellants’ experience with a very serious illness requiring continual caregiving, appellants have not provided the required evidence necessary to establish financial disability to toll the statute of limitations.

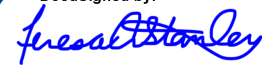
In addition, there is no reasonable cause or equitable basis for suspending the statute of limitations. (*Appeal of Benemi Partners, L.P.*, 2020-OTA-144P.) The language of the statute of limitations is explicit and must be strictly construed. (*Ibid.*) A taxpayer’s untimely filing of a claim for any reason bars a refund even if the tax is alleged to have been erroneously, illegally, or wrongfully collected. (*Ibid.*) This is true even when it is later shown that the tax was not owed in the first place. (*Ibid.*) Without any evidence of financial disability, OTA lacks the authority to grant appellants’ untimely claim for refund.

HOLDING

Appellants' claim for refund for the 2020 taxable year is not timely.

DISPOSITION

FTB's action is sustained.

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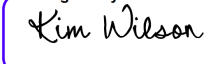
Teresa A. Stanley
Administrative Law Judge

We concur:

Signed by:

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Josh Lambert
Administrative Law Judge

Signed by:

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Kim Wilson
Hearing Officer

Date Issued: 6/23/2026