

OFFICE OF TAX APPEALS
STATE OF CALIFORNIA

In the Matter of the Appeal of:	)	OTA Case No. 241017808
R. KHATRI AND	)	
R. WADERA	)	
	)	
	)	
	)	

OPINION

Representing the Parties:

For Appellants:	R. Khatri
For Respondent:	John Ly, Attorney Jackie Zumaeta, Deputy Chief Counsel

S. KIM, Administrative Law Judge: Pursuant to Revenue and Taxation Code (R&TC) section 19324, R. Khatri and R. Wadera (appellants) appeal an action by respondent Franchise Tax Board (FTB) denying appellants' claim for refund of \$8,148 for the 2019 tax year.

Office of Tax Appeals (OTA) Panel Members Steven Kim, Asaf Kletter, and Hans Famularo held an oral hearing for this matter in Cerritos, California on March 11, 2026. At the conclusion of the hearing, the record was closed, and this matter was submitted for an opinion pursuant to California Code of Regulations, title 18, section 30209(b).

ISSUE

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

FACTUAL FINDINGS

1. Effective April 15, 2019, appellants elected to apply their 2018 overpayment of \$4,695 as an estimated tax payment to their 2019 taxable year account. On September 3, 2019, and November 18, 2019, appellants made estimated tax payments of \$1,000 and \$800, respectively.
2. On September 1, 2021, FTB issued appellant Khatri a letter stating that it received an estimated tax payment of \$1,800 for 2019, but it had no record of a return filed for 2019.

3. On December 6, 2023, FTB issued appellant Khatri another letter stating it received an estimated tax payment of \$6,495 for 2019, but that it had no record of a return filed for 2019.
4. According to FTB's records, appellant Khatri called FTB on March 21, 2024, to discuss the 2020 tax year, specifically regarding an Earnings Withholding Order for Taxes (EWOT) and filing a return. FTB's records also indicate that it advised appellant Khatri to file tax returns for the 2019 through 2022 tax years.
5. On June 15, 2024, appellants jointly filed a 2019 California Resident Income Tax Return reporting total tax of \$14,860, withholdings of \$16,513, and estimated tax payments of \$6,495, resulting in an overpayment of \$8,148.
6. FTB processed the return and treated it as a claim for refund of \$8,148.
7. FTB denied appellants' claim for refund.
8. Appellants timely file this appeal.

DISCUSSION

R&TC section 19306(a) provides that no credit or refund shall be allowed unless the claim is filed within the later of the following dates: (1) four years from the date the return is filed, if the return was timely filed pursuant to an extension of time to file; (2) four years from the due date of the return, determined without regard to any extension of time to file; or (3) one year from the date of the overpayment. California personal income tax returns filed on a calendar year basis are due (without regard to any extension of time to file) on or before April 15th following the close of the calendar year. (R&TC, § 18566.) A withholding credit made before the due date of the return is generally deemed paid on the original due date of the return. (R&TC, §§ 19002(c)(1) & (d)(2).) For purposes of R&TC section 19306, estimated tax payments are deemed to be paid on the original return due date. (R&TC, § 19002(c)(2).) The taxpayer has the burden of proof in showing entitlement to a refund and that the claim is timely. (*Appeal of Benemi Partners, L.P.*, 2020-OTA-144P.)

Here, appellants failed to file a timely return. Thus, the four-year statute of limitations to file a claim for refund began to run on the return's original due date, April 15, 2020, and expired four years later, on April 15, 2024. Accordingly, appellants' June 15, 2024 claim for refund is barred by the four-year statute of limitations.

Because appellants' withholding credit and estimated tax payments are deemed paid on April 15, 2020, the one-year statute of limitations expired on April 15, 2021. Accordingly, appellants' June 15, 2024 claim for refund is barred by the one-year statute of limitations.

Appellants contend that the due date to timely file a claim for refund for the 2019 tax year should be extended to July 15, 2024, because FTB changed the due date to file a 2019 return to July 15, 2020. Appellants argue that the IRS extended the date to timely file a federal claim for refund for the 2019 tax year, from April 15, 2023, to July 15, 2023, setting a precedent to change the statute of limitations. Appellants assert that, during the March 21, 2024 telephone call, in response to appellant Khatri's question, FTB confirmed that California was "doing the same thing" and that appellants could file a claim for refund by July 15, 2024.¹ Alternatively, appellants argue that FTB provided erroneous advice regarding the statute of limitations for the 2019 tax year, and that they relied on that erroneous advice when determining the filing deadline. Appellants contend they acted in good faith and made every effort to comply with the law. Therefore, appellants ask that their claim for refund be allowed.

Due to COVID-19, FTB postponed the due date to file and pay taxes for individuals for the 2019 tax year to July 15, 2020. (*Appeal of Nguyen*, 2025-OTA-333P.) However, a postponement period does not change the due date of the return for the purpose of timely filing a claim for refund. (*Ibid.*) Therefore, FTB's postponement of the due date did not change the original due date of April 15, 2020, upon which the statute of limitations is based. (*Ibid.*)

Regarding appellants' argument that the IRS extended the statute of limitations to file a federal claim for refund for the 2019 tax year, OTA notes that Internal Revenue Code (IRC) section 7508A was recently amended on December 26, 2025, to treat disaster-related postponements as official extensions, which effectively extended the deadline to file a federal claim for refund to align with the extended return deadline. FTB's authority to grant state of emergency postponements for tax-related acts is pursuant to R&TC section 18572(b), which adopts IRC section 7508A. (*Appeal of Bannon*, 2023-OTA-096P.) However, California does not automatically conform to changes in IRC section 7508A. Rather, California only conforms to the IRC as it existed on a specific date. For the 2019 tax year, California's specified date of conformity to the IRC is January 1, 2015. (R&TC, § 17024.5; S.B. 711, ch. 231, 2025 Cal. Stat. 231.) Accordingly, any changes to IRC section 7508A made after January 1, 2015, do not apply to this appeal. Moreover, the amendment to IRC section 7508A is only applicable to refund claims filed after the date of enactment of the amendment, or December 26, 2025.

Finally, there is no reasonable cause or equitable basis for suspending the statute of limitations. (*Appeal of Benemi Partners, L.P.*, *supra*.) The statute of limitations for filing a claim for refund must be strictly construed; a taxpayer's untimely filing of a claim bars a refund, even if

¹ OTA notes that FTB's record of the March 21, 2024 telephone call does not mention any discussion of the statute of limitations to file a claim for refund for the 2019 tax year.

the tax is alleged to have been erroneously, illegally, or wrongfully collected.² (*Ibid.*) As a result, even if appellants received erroneous advice from FTB, appellants' claim for refund cannot be allowed. Although the result of fixed deadlines may appear harsh, the occasional harshness is redeemed by the clarity imparted. (*Ibid.*)

HOLDING

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

DISPOSITION

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

DocuSigned by:

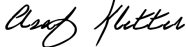


5DD7EF044397430...

Steven Kim
Administrative Law Judge

We concur:

DocuSigned by:



D17AEDDCAAB045B...

Asaf Kletter
Administrative Law Judge

Signed by:



E407D7E70D3E41C...

Hans Famularo
Administrative Law Judge

Date Issued: 6/17/2026

² Though not applicable here, there is a narrow exception that extends the time for filing a claim a claim for refund where a taxpayer is financially disabled due to a medically determinable physical or mental impairment. (See R&TC, § 19136.)