

OFFICE OF TAX APPEALS
STATE OF CALIFORNIA

In the Matter of the Appeal of:	)	OTA Case No. 250822971
R. SANDS	)	
	)	
	)	
	)	
	)	

OPINION

Representing the Parties:

For Appellant:	R. Sands
For Respondent:	Rosemary Villasenor, Associate Governmental Program Analyst
For Office of Tax Appeals:	Westley Marcelo, Attorney

S. ELSOM, Hearing Officer: Pursuant to Revenue and Taxation Code (R&TC) section 19324, R. Sands (appellant) appeals an action by respondent Franchise Tax Board (FTB) denying appellant's claim for refund of \$5,058 for the 2020 tax year.

Appellant 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

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

FACTUAL FINDINGS

1. Appellant filed a 2020 California Resident Income Tax Return (return) on July 15, 2025, claiming total tax of \$4,998, California income tax withholdings of \$10,056, an excess State Disability Insurance (SDI) withholding of \$14, and an overpayment and refund of \$5,072.

2. FTB disallowed the excess SDI claim and treated appellant's return as a claim for refund of \$5,058.¹ In this appeal, appellant does not dispute the denial of the SDI claim disallowed by FTB.
3. FTB later sent appellant a notice explaining that the overpayment could not be refunded or credited due to the expiration of the statute of limitations.
4. This timely appeal followed.

DISCUSSION

R&TC section 19306(a) provides that 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; (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. For individual taxpayers, an automatic extension to file is granted if a return is filed within six months of the original return due date. (R&TC, § 18567(a)(1); Cal. Code Regs., tit. 18, § 18567(a).) The taxpayer has the burden of proving entitlement to a refund and that the claim is timely. (Cal. Code Regs., tit. 18, § 30219(a)-(b); *Appeal of Estate of Gillespie*, 2018-OTA-052P.)

Here, appellant's 2020 return, treated by FTB as a claim for refund, was not filed within an extension of time to file; therefore, the first four-year statute of limitations is inapplicable. The second four-year statute of limitations expires four years from the due date of the return. Here, appellant's return was due April 15, 2021. (R&TC, § 18566.) The second four-year statute of limitations period expired four years later, on April 15, 2025.² Appellant filed the claim for refund on July 15, 2025, after the expiration of the second four-year statute of limitations. Therefore, the claim is barred under the four-year statute of limitations.

The one-year statute of limitations period expired one year from the date of appellant's overpayment. Appellant's only payments were income tax withholdings of \$10,056, which are deemed paid on the original due date of the return, April 15, 2021. (See R&TC, §§ 19002(c)(1); 18566.) The deadline to file a claim for refund expired one year later, on April 15, 2022. Appellant filed the claim for refund on July 15, 2025, after the expiration of the one-year statutory period. Therefore, the claim is barred under the one-year statute of limitations.

¹ Income tax withholdings of \$10,056 minus total tax of \$4,998 equals \$5,058.

² For the 2020 tax year, FTB postponed the filing deadline to May 17, 2021. However, FTB's postponement for a tax-related act did not extend the original due date of April 15, 2021, upon which the four-year statute of limitations for refund claims is based. (Treas. Reg. § 301.7508A-1(b); *Appeal of Bannon*, 2023-OTA-096P; *Appeal of Nguyen*, 2025-OTA-333P.)

Appellant asserts that the deadline to file a claim for refund is October 15, 2025, which is four years from the extended due date to file a return. While appellant is correct that California law grants an automatic extension to file a return to October 15th of the applicable tax year, the filing date within the automatic extension period may only be used to calculate the *first* four-year statutory period under R&TC section 19306 *if a return was filed during that period*. (R&TC, §§ 18567(a)(1); 19306.) As stated above, because appellant did not file his return within the extension of time to file, the first four year statute of limitations period is not applicable.

Appellant further asserts that he and his family experienced personal hardships during the COVID-19 pandemic which created significant financial and logistical instability, and states that he only later learned that a refund was due. Although OTA is sympathetic to the circumstances appellant describes, there is no reasonable cause or equitable basis for suspending the statute of limitations. (*Appeal of Benemi Partners, L.P.*, 2020-OTA-144P.) 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*, *supra*.) Based on the foregoing, appellant's claim for refund is barred by the statute of limitations.

HOLDING

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

DISPOSITION

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

Signed by:

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Seth Elsom
Hearing Officer

I concur:

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Sheriene Anne Ridenour
Administrative Law Judge

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Tommy Leung
Administrative Law Judge

T. Leung, concurring.

I agree with only the outcome of this appeal. (See R&TC, §§ 19306, 18567(a); *Appeal of Benemi Partners, L.P.*, 2020-OTA-144P)

Tommy Leung
Administrative Law Judge

Date Issued: 7/1/2026