

OFFICE OF TAX APPEALS
STATE OF CALIFORNIA

In the Matter of the Appeal of:	)	OTA Case No. 241118053
J. SERRANO AND	)	
M. SERRANO	)	
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	)	
	)	

OPINION

Representing the Parties:

For Appellants:	J. Serrano M. Serrano
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For Respondent:	Ariana Macedo, Attorney
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A. KLETTER, Administrative Law Judge: Pursuant to Revenue and Taxation Code (R&TC) section 19324, J. Serrano and M. Serrano (appellants) appeal an action by respondent Franchise Tax Board (FTB) denying appellants' claim for refund of \$17,500 for the 2019 tax year.

Appellants waived the right to an oral hearing; therefore, the matter was submitted to the Office of Tax Appeals on the written record pursuant to California Code of Regulations, title 18, section 30209(a).

ISSUE

Whether the statute of limitations bars appellants' claim for refund for the 2019 tax year.

FACTUAL FINDINGS

1. On May 14, 2020, appellants filed a joint 2019 California Resident Income Tax Return which reported zero nonwage withholding credits.
2. On February 21, 2024, FTB issued appellant J. Serrano an Unclaimed Nonwage Withholding Credits notice which informed appellant J. Serrano that he may be entitled to nonwage withholding credits of \$8,750 for the 2019 tax year, which were not claimed on the 2019 return. The withholding credit notice stated that if appellant J. Serrano failed to respond in a timely manner, FTB would be unable to issue a refund or credit because of the statute of limitations for claiming a refund or credit.

3. On August 30, 2024, appellants filed an amended joint 2019 California Resident Income Tax Return (Amended Return), which included \$17,500 of nonwage withholding credits and requested a refund of the credits.¹
4. FTB treated the Amended Return as a claim for refund of \$17,500, and on September 30, 2024, FTB issued appellants a Statute of Limitations notice denying appellants' claim for refund because the statute of limitations for claiming a refund expired.
5. This timely appeal followed.

DISCUSSION

The R&TC allows taxpayers to file 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 time to file; (2) four years from the original due date of the return without regard to any extensions; or (3) one year from the date of overpayment. (R&TC, § 19306(a).) For purposes of R&TC section 19306, amounts withheld are deemed paid on the original due date of the return, here, April 15, 2020. (R&TC, §§ 19002(c)(1), 18566.) The taxpayer has the burden of proof in showing entitlement to a refund and that the claim is timely. (*Appeal of Nguyen*, 2025-OTA-333P.)

Appellants do not dispute that their claim for refund was untimely.² Instead, appellants assert that they never received a copy of a California Form 593, Real Estate Withholding Statement, and were unaware of the ability to claim a refund of taxes paid on the sale of their home. However, there is generally no reasonable cause or equitable basis for suspending the statute of limitations for making a refund claim. (*Appeal of Benemi Partners, L.P.*, 2020-OTA-144P.) The language of the statute of limitations is explicit and must be strictly construed. (*Ibid.*) This means that absent an exception, a taxpayer's untimely filing of a refund claim bars a refund. (*Ibid.*) Unfortunately, even if a taxpayer is unaware of the statute of limitations, ignorance of the law does not excuse the late filing of claims for refund. (*Appeal of Spradlin* (75-SBE-010) 1975 WL 3271.)

¹ FTB does not dispute the increased amount of withholdings.

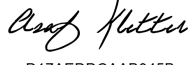
² The law generally requires that a taxpayer file his or her refund claim by the later of: (1) four years from the date the return is filed, if filed on or before the extended due date; (2) four years from the due date of the return without regard to any extensions; or (3) one year from the date of overpayment. (R&TC, § 19306(a).) Because of COVID-19, FTB postponed the filing and payment deadlines for the 2019 tax year until July 15, 2020; however, the postponement did not change the original due date of April 15, 2020, on which the statute of limitations for refund claims is based. (*Appeal of Nguyen, supra.*)

HOLDING

The statute of limitations bars appellants' claim for refund for the 2019 tax year.

DISPOSITION

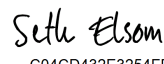
FTB's action denying appellants' claim for refund is sustained.

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Asaf Kletter
Administrative Law Judge

We concur:

Signed by:

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Suzanne B. Brown
Hearing Officer

Signed by:

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Seth Elsom
Hearing Officer

Date Issued: 7/21/2026