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OFFICE OF TAX APPEALS

STATE OF CALIFORNIA

In the Matter of the Consolidated Appeals of: **M. MOONEY**	)	OTA Case Nos. 250522043, 250522044

OPINION

Representing the Parties:

For Appellant: M. Mooney

For Respondent: Arathi Ramalingam, Attorney

S. KIM, Administrative Law Judge: Pursuant to Revenue and Taxation Code (R&TC) section 19324, M. Mooney (appellant) appeals actions by respondent Franchise Tax Board (FTB) denying appellant's claims for refund of $11,417.46 for the 2018 tax year and $12,046.36 for the 2019 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 the statute of limitations bars appellant's claims for refund for the 2018 and 2019 tax years.

FACTUAL FINDINGS

2018 Tax Year

1. Appellant did not timely file a 2018 California tax return.
2. Subsequently, FTB received information indicating appellant may have a filing requirement for the 2018 tax year. FTB issued appellant a Request for Tax Return (Request) for the 2018 tax year. Appellant did not respond to the Request.
3. FTB issued appellant a Notice of Proposed Assessment (NPA) for the 2018 tax year proposing tax of $7,582, a late filing penalty of $1,895.50, and applicable interest. Appellant did not respond to the NPA, and the liability became due and payable.

4. FTB initiated collection action. FTB received payments of $188.65 on May 31, 2022, and $11,544.81 on August 30, 2023.
5. On January 15, 2025, appellant filed a 2018 California Resident Income Tax Return (Form 540) reporting total tax of $0. FTB processed the return as filed and treated it as a claim for refund of $11,417.46 for the 2018 tax year.
6. FTB denied appellant's claim for refund for the 2018 tax year because the statute of limitations to timely file a claim had expired.
7. Appellant timely filed this appeal.

2019 Tax Year

8. Appellant did not timely file a 2019 California tax return.
9. Subsequently, FTB received information indicating appellant may have a filing requirement for the 2019 tax year. FTB issued appellant a Demand for Tax Return (Demand) for the 2019 tax year. Appellant did not respond to the Demand.
10. FTB issued appellant an NPA for the 2019 tax year proposing tax of $7,174, a late filing penalty of $1,793.50, a demand penalty of $1,793.50, applicable interest, and a filing enforcement fee of $97. Appellant did not respond to the NPA, and the liability became due and payable.
11. FTB initiated collection action. FTB received a payment of $11,976.18 on August 30, 2023.
12. On January 15, 2025, appellant filed a 2019 Form 540 reporting total tax of $26. FTB processed the return as filed and treated it as a claim for refund of $12,046.36 for the 2019 tax year.
13. FTB denied appellant's claim for refund for the 2019 tax year because the statute of limitations to timely file a claim had expired.
14. Appellant timely filed this appeal.

DISCUSSION

R&TC section 19306(a) sets forth the statute of limitations to file a claim for refund, and 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 overpayment. California personal income tax returns filed on a calendar year basis are originally 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.) 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, appellant filed the tax returns and claims for refund for the 2018 and 2019 tax years on January 15, 2025. Appellant failed to timely file the 2018 tax return. Therefore, the four-year statute of limitations to file a claim for refund for the 2018 tax year began to run on the original due date, April 15, 2019, and expired four years later, on April 15, 2023. Likewise, appellant failed to timely file the 2019 return, and the four-year statute of limitations to file a claim for refund for the 2019 tax year expired on April 15, 2024.

The one-year statute of limitations expired one year after the date of the payments, which were made on May 31, 2022, and August 30, 2023. Appellant filed the claims for refund on January 15, 2025. Therefore, the one-year statute of limitations to file a claim for refund of the overpayments had already expired, on May 31, 2023, and August 30, 2024.

Appellant does not dispute that the claims for refund were filed after the statute of limitations periods had already expired. Instead, appellant asserts that he suffered significant hardships that prevented him from handling his tax matters, including the onset of the COVID-19 pandemic and family medical crises. Thus, appellant contends there is reasonable cause to justify equitable relief.

However, 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 for any reason bars a refund,[1] 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*.)

While OTA acknowledges that appellant suffered personal hardships, OTA does not have any legal authority to allow the claims for refund.

[1] In very limited situations, which are not present here, the statute of limitations may be suspended while an individual taxpayer is "financially disabled." An individual taxpayer is financially disabled if: (1) the taxpayer is unable to manage their financial affairs due to 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 or other legally authorized person to act on the taxpayer's behalf in financial matters. (R&TC, § 19316(b).)

HOLDING

The statute of limitations bars appellant's claims for refund for the 2018 and 2019 tax years.

DISPOSITION

FTB's actions denying the claims for refund are sustained.

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Steven Kim
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Steven Kim
Administrative Law Judge

We concur:

DocuSigned by:
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Andrew Wong
Administrative Law Judge

Signed by:
Suzanne B. Brown
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Suzanne B. Brown
Administrative Law Judge

Date Issued: 9/8/2026