

# **Financially Disabled – Suspension of the Statute of Limitations**

# Instructions for Form FTB 1564

## Financially Disabled – Suspension of the Statute of Limitations

These instructions are based on California Revenue and Taxation Code Section 19316.

### General Information

You have a time limit for filing a claim for refund known as the statute of limitations. (See California Revenue and Taxation Code Sections 19306, 19308, 19311, 19312, and 19313.)

The law provides that the statute of limitations is suspended (extended) for the period you were financially disabled. If you are unable to file a refund claim within the normal statute of limitations, you get additional time to file your refund claim equal to the number of days that you can show you were financially disabled.

**Caution:** If the normal statute of limitations for filing a refund claim had already expired by September 23, 2002, the financially disabled suspension cannot apply.

### A Purpose

Use this form to show us the period you were financially disabled. Attach the form to each refund claim filed after the normal statute of limitations.

The form provides us with information we need to determine:

- If you qualify as financially disabled.
- The period of time the statute of limitations should be suspended (extended).
- If your refund claim was filed within the time limit.

### B Who is financially disabled?

You are financially disabled during the period if you meet all three requirements below:

1. You were unable to manage your financial affairs because of a medically determinable physical or mental impairment.
2. The impairment is either deemed to be terminal or is expected to last for a continuous period of not less than 12 months.
3. No one, including your spouse, was legally authorized to act on your behalf in financial matters.

You have the burden of proof to show that you were financially disabled. Your refund claim filed after the normal statute of limitations will not be allowed without the required proof.

**Important:** Financially disabled does not mean inability to pay your tax liability.

### C How do I show that I am financially disabled?

**Medical information.** You must provide a written statement from a qualified physician that includes:

1. The name and a description of your physical or mental impairment.
2. The physician's medical opinion that the impairment prevented you from managing your financial affairs.
3. The physician's medical opinion that the impairment was or can be expected to result in death or that its duration has lasted, or can be expected to last, for a continuous period of not less than 12 months.

4. The specific period (to the best of the physician's knowledge) during which you were prevented from managing your financial affairs.

Have your physician complete Side 2 "Physician Affidavit of Physical or Mental Impairment" to provide us with above information.

**Persons legally authorized to act on your behalf.** You must also provide the following information regarding anyone, including your spouse, who was legally authorized to act on your behalf during the claimed suspension period.

1. A written statement by you or the person filing the refund claim that no person, including your spouse, was authorized to act on your behalf in financial matters during the period of requested suspension; or,
2. If a person was authorized to act on your behalf at some time during the period, the dates the person was authorized to act on your behalf.

Complete Side 1, Part II "Persons Legally Authorized to Act on Your Behalf" to provide us with above information.

**Internal Revenue Service Determined You Are Financially Disabled.** If you apply for and receive a determination from the Internal Revenue Service that you were financially disabled for a specific period, we will follow the federal determination for that same period.

See Side 1, Part III, "Request Made with Internal Revenue Service."

### D How is the suspension period calculated?

The suspension period is calculated by determining the last date to file a refund claim under the applicable normal statute of limitations (California Revenue and Taxation Code Section 19306, 19308, 19311, 19312, or 19313). The period of disability is added to the last date to come up with the new date to file a refund claim.

**Example 1:** Michael Taxpayer filed his tax return for 2000 on April 15, 2001. On March 15, 2005, Michael was in a car accident. The doctor expected that because of his severe injuries, he would be physically impaired and unable to manage his financial affairs for fourteen (14) months. Michael filed his refund claim on May 15, 2006. The last date for Michael to file a refund claim under the normal statute of limitations for the 2000 taxable year was April 15, 2005. However, if Michael shows that he meets the qualifications to be considered financially disabled, the statute of limitations for filing a refund claim would be extended by the fourteen-month duration of his disability, to June 15, 2006.

**Example 2:** Samantha Taxpayer filed her tax return for 2000 on April 15, 2001. On March 15, 2005, Samantha was in a car accident. The doctor did not expect her to survive, and she was in a coma for nine months (until December 15, 2005). The last date for Samantha to file a refund claim under the normal statute of limitations for the 2000 taxable year would be April 15, 2005. However, if Samantha shows that she meets the qualifications to be considered financially disabled, the statute of limitations for filing a refund claim would be extended by the nine-month duration of her disability, to January 15, 2006.

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## E Joint Returns

**One spouse financially disabled.** On a joint return, if only one spouse qualifies as financially disabled, the statute of limitations is suspended only for the financially disabled spouse. Attach a statement to show how each item of the income, deductions, credits, payments, etc. was allocated between you and your spouse.

Income and deductions should be allocated in the same manner they would have been if you and your spouse had filed separate returns. Income from community property, including wages, is split equally between you and your spouse. Income from separate property is allocated to the spouse who owns the property. For more information, get FTB Publication 1051A, *Guidelines for Married Filing Separate Returns*. You can get the publication at our Website at [www.ftb.ca.gov](http://www.ftb.ca.gov) or you can call (800) 338-0505.

Both spouses financially disabled. If both you and your spouse qualify as financially disabled, then you must each complete a separate form FTB 1564.

## F Who may file?

You or your authorized representative may file form FTB 1564. If your authorized representative files for you, the original or a copy of a Power of Attorney form must be attached to form FTB1564.

## G Where to file

### Filing an original return

1. Attach this completed form and any accompanying forms or statements to the back of your return (Form 540EZ, 540A, 540, 540NR).
2. In red ink on the top of the return write "Financially Disabled."
3. Mail the return to:

Franchise Tax Board  
PO Box 942840  
Sacramento CA 94240-0002

### Filing an amended return

1. Attach this completed form and any accompanying forms or statements to the back of your amended return (Form 540X).
2. In red ink on the top of the amended return write "Financially Disabled."
3. On Form 540X (Side 2), Part II, Explanation of Changes, write that you are Financially Disabled and have attached form FTB 1564.
4. Mail the amended return to:

Franchise Tax Board  
PO Box 942840  
Sacramento CA 94240-0002

Responding to a notice or letter from us.

1. Attach the completed form and any accompanying forms or statements to the notice or letter
2. Mail your reply to the address given in the notice or letter.

## H If your claim for refund is denied

If we deny your claim for refund, you will receive a formal letter of denial explaining your right of appeal to the State Board of Equalization or your right to file an action in Superior Court.

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## Specific Line Instructions

### Name, Address, and Social Security Number

Enter the name, address, and social security number of the person who was financially disabled. If married filing jointly, see General Instruction E.

### Line 1

Enter each tax year for which you are requesting that the statute of limitations be suspended.

### Line 2

Enter the period of time you believe that you qualify as financially disabled. If you qualify for more than one period of time, use the blank spaces on line 2 to enter the beginning and ending dates of each period.

### Lines 3, 4, 5

Enter whether your spouse or any other person was legally authorized to act on your behalf during the time period that you are requesting the statute of limitations be suspended.

### Line 6

If you submitted a similar request to the Internal Revenue Service asking the statute of limitations for filing a refund claim be suspended, please provide us with a copy of your request to the Internal Revenue Service, the requested information regarding the status of the request, as well as a copy of the IRS determination, if any.

## TELEPHONE AND INTERNET ASSISTANCE

From within the United States, call . . . . . (800) 852-5711

From outside the United States,  
call (not toll-free) . . . . . (916) 845-6500

Website at: [www.ftb.ca.gov](http://www.ftb.ca.gov)

**Assistance for persons with disabilities:** We comply with the Americans with Disabilities Act. Persons with hearing or speech impairments please call TTY/TDD (800) 822-6268.

For Privacy Act Notice, get form FTB 1131.

# FINANCIALLY DISABLED – SUSPENSION OF THE STATUTE OF LIMITATIONS

Name	Social Security Number - -
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Address (number, street, and room, or suite number)

City, State, and ZIP code

## Part I – Period You Were Financially Disabled

Tax year(s)

1. \_\_\_\_\_

Period of time you were financially disabled:

2. From \_\_\_\_/\_\_\_\_/\_\_\_\_ to \_\_\_\_/\_\_\_\_/\_\_\_\_

## Part II – Persons Legally Authorized to Act On Your Behalf

3. For any time during the period you were physically or mentally impaired and unable to manage your financial affairs, was your spouse or any other person authorized to act on your behalf in financial matters?  Yes  No

4. If you answered "yes" in line 3, please provide the following information for each person who was authorized to act on your behalf in financial matters.

Name of Spouse or Other Authorized Person	Relationship (spouse, power of attorney, conservator, guardian, etc.)	Dates Person was Authorized to Act on Your Behalf in Financial Matters
		From ____/____/____ to ____/____/____
		From ____/____/____ to ____/____/____
		From ____/____/____ to ____/____/____

5. Attach copies of powers of attorney, conservatorships, or guardianships, etc. authorizing the persons listed in line 4 to act on your behalf.

## Part III – Request Made with Internal Revenue Service

6. Did you make a request with the Internal Revenue Service on the same basis?  Yes  No

If you answered "yes," please:

- a. Attach a copy of your request to the IRS, and
- b. State the status of your IRS request.

- Approved. Attach a copy of the IRS determination.
- Denied. Attach a copy of the IRS determination.
- Pending. Date you made your request with the IRS \_\_\_\_\_.

## Signature

**Important:** Have your physician complete Side 2, "Physician Affidavit of Physical or Mental Impairment."

*Under penalties of perjury, I declare that I have examined this form including any accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete.*

\_\_\_\_\_  
Taxpayer's or Authorized Representative's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name

(       )  
Daytime telephone number

# PHYSICIAN AFFIDAVIT OF PHYSICAL OR MENTAL IMPAIRMENT

**Patient/Taxpayer** – Have your physician complete this affidavit of your physical or mental impairment. Send in the original affidavit signed by your physician. Keep a copy of the affidavit for your records.

**Physician – Complete and sign the following:**

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## Patient/Taxpayer Information

Name	Social Security Number - -
Address (number, street, and room, or suite number)	
City, State, and ZIP code	

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## Physician Affidavit of Physical or Mental Impairment

Physician's Name	Medical License Number
Physician's Business Address (number, street, and room, or suite number)	Telephone Number ( )
City, State, and ZIP Code	

1. Please provide a description of the patient's physical or mental impairment. (If you need additional space, attach a separate piece of paper.)

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2. In your medical opinion, did the impairment prevent the patient from managing his or her financial affairs?  Yes  No

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3. In your medical opinion, was the impairment expected to result in death?  Yes  No

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4. In your medical opinion, did the impairment last or was it expected to last for a continuous period of not less than 12 months?  
 Yes  No

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5. To the best of your knowledge, what was the specific period during which the patient was prevented from managing his or her financial affairs?

From \_\_\_\_/\_\_\_\_/\_\_\_\_ to \_\_\_\_/\_\_\_\_/\_\_\_\_

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## Signature

*The patient named above was under my care. I completed the above information and declare this statement to be true and correct to the best of my knowledge and belief under penalty of perjury.*

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Physician's Signature

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Date