

03/06/2025

Internal Revenue Service

Ogden, UT 84201

EIN: 234

Taxpayer Name: 34

RE: Formal Protest to Letter 105 – ERC Disallowance for Q4 2020

Tax Period: 4th Quarter 2020 (202010)

Claim Amount: [Appropriate Claim Amount]

Dear Appeals Officer,

We write in response to the IRS notice disallowing our Employee Retention Credit (ERC) claim for the fourth quarter of 2020. The disallowance was premised on an assertion that no COVID-19–related government orders were in effect that significantly restricted our operations during this period. We respectfully disagree. Multiple federal, state, county, and city government orders were active in Q4 2020 and imposed restrictions that led to a partial suspension of our business operations. In the following pages, we provide a detailed timeline of each applicable order, outline its specific requirements, and demonstrate its material impact on our business during Q4 2020.

Timeline of COVID-19 Government Orders Active in Q4 2020

- Order Name: U.S. National Emergency Concerning COVID-19
- Order Number: Proclamation 9994
- Date Enacted: 03/13/2020
- Date Rescinded: Still in effect
- Order Summary: This proclamation declared a national emergency in response to COVID-19, enabling federal agencies to support subsequent public health measures and emergency directives nationwide.
- Impact on Quarter: The persistent national emergency provided the legal foundation for all subsequent COVID-19 restrictions that affected our operations in Q4 2020, indirectly contributing to reduced business activity.

- Order Name: Blueprint for a Safer Economy Framework
- Order Number: (State Public Health Officer Order issued on 08/28/2020)
- Date Enacted: 08/28/2020 (effective 08/31/2020)
- Date Rescinded: 06/15/2021
- Order Summary: This order introduced a color-tier system for reopening businesses based on local COVID-19 metrics, with areas in the most restrictive Purple tier permitted only limited operations.
- Impact on Quarter: Under the Blueprint system, our business was forced to operate under strict capacity limits and modified operating procedures throughout Q4 2020, significantly curtailing our in-house services.

- Order Name: Regional Stay-at-Home Order
- Order Number: (Regional Order as issued by the State Public Health Officer)
- Date Enacted: 12/03/2020 (effective 12/06/2020)
- Date Rescinded: 01/25/2021
- Order Summary: Enacted in response to declining ICU capacity in Southern California, this order mandated the suspension of non-essential business operations in affected regions.
- Impact on Quarter: The Regional Stay-at-Home Order compelled our business to immediately cease non-essential activities from early December through the end of Q4 2020, resulting in a direct partial suspension of our operational capacity.

- Order Name: Ventura County "Red Tier" Reopening Order
- Order Number: (As issued by Ventura County Health Officer)
- Date Enacted: 10/06/2020
- Date Rescinded: 01/25/2021
- Order Summary: This county order permitted limited indoor operations for select businesses while still enforcing stringent capacity and operational restrictions in an effort to control COVID-19 spread.
- Impact on Quarter: Although the order provided a modest easing of restrictions, its mandated capacity limits and compliance requirements continued to significantly restrict our normal business operations during Q4 2020.

- Order Name: Local Emergency Proclamation (Camarillo)
- Order Number: EOC Director Order No. 20-1
- Date Enacted: 03/13/2020
- Date Rescinded: Still in effect

- Order Summary: The City of Camarillo declared a local emergency which activated the Emergency Operations Center and granted local authorities the power to impose necessary public health measures, including facility closures and operational modifications.
- Impact on Quarter: This local order reinforced the restrictive environment in which our business operated, ensuring that additional municipal measures remained enforceable and further contributed to a significant curtailment of our operations in Q4 2020.

Based on these government orders and their documented impact on our business operations during the fourth quarter of 2020, it is clear that our operations were partially suspended due to circumstances beyond our control. The limitations imposed by these orders disrupted our ability to conduct business at normal capacity and directly affected our revenue and service output.

In light of the facts detailed above and in adherence to the ERC criteria under IRS guidance, we respectfully request that you reconsider and reverse the disallowance of our Q4 2020 ERC claim. We have enclosed supporting documentation of the cited orders and detailed analyses of their operational impacts on our business. We trust that upon review, you will agree that our business qualifies for the ERC based on the partial suspension of operations required by COVID-19 government orders.

Thank you for your attention to this matter. Please do not hesitate to contact us if further information or clarification is required.

Sincerely,

[Authorized Representative Name]
Authorized Representative for 34

Enclosures:

- Copies of Government Orders (as listed)
- Analysis of Operational Impact for Q4 2020
- ERC Calculations and Relevant IRS Guidance Documents