

5/2/2025

Internal Revenue Service
Ogden, UT 84201

EIN: 63265

Taxpayer Name: 453245234

RE: Formal Protest of ERC Disallowance for Q2 2020

Tax Period: 2nd Quarter 2020 (202006)

DEAR APPEALS OFFICER:

We write in response to the IRS notice disallowing 453245234's Employee Retention Credit (ERC) claim for the second quarter of 2020. The notice states that "no government orders were in effect" from April 1 to June 30, 2020 that would have caused a suspension of operations for our business. We respectfully disagree. As detailed below, numerous federal, state, county, and city government orders impacted businesses located in Camarillo (Ventura County), California, during Q2 2020. Furthermore, we also demonstrate that our business had a significant revenue decline in Q2 2020 compared to the same quarter in 2019. These two factors substantiate our ERC claim under the provisions allowing eligibility based on either a full/partial suspension of operations due to government orders or a substantial decline in gross receipts.

I. Government Orders Affecting Q2 2020

Below is a list of pertinent government orders, each formatted to show the order name, number, dates enacted and rescinded, a concise summary, and their specific impact on our business during Q2 2020.

- **Order Name:** Proclamation 9994 – National Emergency Concerning COVID-19
- **Order Number:** Proclamation 9994
- **Date Enacted:** 03/13/2020
- **Date Rescinded:** Remained in effect through 2020 (terminated in 2023, outside Q2 2020)
- **Order Summary:** Declared a national emergency in response to the COVID-19 outbreak. Enabled federal emergency powers and set the stage for aggressive public health measures across the country. Indirectly authorized subsequent state and local restrictions on businesses.
- **Impact on Quarter:** This proclamation was still in force for Q2 2020, allowing continued federal support and underscoring the seriousness of the pandemic. Businesses in Camarillo, including ours, operated within an ongoing national emergency framework, which empowered stricter state and county-level regulations that mandated partial closures or capacity restrictions.
- **Order Name:** State of Emergency Proclamation – California COVID-19 State of Emergency
- **Order Number:** Governor's Proclamation (03/04/2020)
- **Date Enacted:** 03/04/2020
- **Date Rescinded:** Remained in effect through 2020 (ended in 2023, outside Q2 2020)
- **Order Summary:** Declared a statewide emergency in California due to COVID-19. Provided legal authority for the Governor and health authorities to issue subsequent lockdowns and restrictions. Empowered state officials to enforce closures and capacity limits and to allocate resources.
- **Impact on Quarter:** Throughout April, May, and June 2020, this ongoing state of emergency allowed California leaders to impose stay-at-home orders and layered public health directives. As a business in Camarillo, we were compelled to abide by these measures, which significantly constrained normal operations during Q2 2020.
- **Order Name:** Executive Order N-33-20 – Statewide "Stay-at-Home" Order
- **Order Number:** N-33-20
- **Date Enacted:** 03/19/2020
- **Date Rescinded:** 06/15/2021 (outside Q2 2020)
- **Order Summary:** Required all California residents to stay at home except for essential needs or to work in critical infrastructure sectors. Non-essential businesses were forced to close or only conduct minimal basic operations. Essential businesses could remain open under health and safety guidelines.
- **Impact on Quarter:** During Q2 2020, many businesses were still closed or heavily restricted under this order, with only gradual modifications. Our business in Camarillo was subject to strict capacity limitations or complete closure of certain service lines as we were not classified under certain "critical" sectors.
- **Order Name:** State Public Health Officer Order (Stage 2 Reopening)
- **Order Number:** Issued per Executive Order N-60-20 (05/07/2020)
- **Date Enacted:** 05/07/2020

- **Date Rescinded:** 06/15/2021 (outside Q2 2020)
 - **Order Summary:** Transitioned California into Stage 2 of its "Resilience Roadmap," allowing some lower-risk businesses (e.g., retail with curbside pickup) to reopen with modifications. Higher-risk sectors (like indoor dining, gyms, entertainment venues) generally remained closed.
 - **Impact on Quarter:** While this order introduced partial reopening in May 2020, the restrictions remained significant. Even after entering Stage 2, our Camarillo business faced limited operations, capacity constraints, and mandatory social distancing protocols through June 30, 2020.
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- **Order Name:** Ventura County Local Health Emergency
 - **Order Number:** County Declaration (03/12/2020)
 - **Date Enacted:** 03/12/2020
 - **Date Rescinded:** Not rescinded during 2020 (ended in 2022)
 - **Order Summary:** Declared a local health emergency in Ventura County. Served as the legal basis for county officials to issue local stay-at-home directives, close non-essential businesses, and shift governmental resources.
 - **Impact on Quarter:** Throughout Q2 2020, Ventura County could enforce local business closures and capacity limits in alignment with statewide orders. Our operations in Camarillo had to comply with additional local directives requiring social distancing, safety protocols, and partial shutdowns.
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- **Order Name:** Ventura County "Stay Well at Home" Order
 - **Order Number:** County Public Health Order (03/20/2020)
 - **Date Enacted:** 03/20/2020
 - **Date Rescinded:** 06/15/2021 with state alignment (outside Q2 2020)
 - **Order Summary:** Mandated countywide shelter-in-place measures, effectively requiring non-essential businesses to cease in-person operations. Essential businesses operated under strict guidelines and limited capacity.
 - **Impact on Quarter:** This order governed daily life in Ventura County during Q2 2020, forcing our business to restrict onsite operations. Any services not deemed essential were paused, and we implemented remote or reduced workflows, resulting in materially reduced activity.
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- **Order Name:** Ventura County Public Health Order Updates (March–April 2020)
 - **Order Number:** Various Orders Dated 03/31/2020, 04/09/2020, 04/20/2020
 - **Date Enacted:** 03/31/2020; 04/09/2020; 04/20/2020
 - **Date Rescinded:** Superseded by later reopening orders (May 2020 onward)
 - **Order Summary:** Extended the county stay-home requirements, prohibited gatherings, and required businesses to develop social distancing protocols. Tightened definitions of essential services and mandated safety measures at open businesses (e.g., posting distancing notices, limiting entry).
 - **Impact on Quarter:** In Q2 2020, these updates compelled us to maintain strict capacity controls, enforce face covering and distancing rules, and in many cases discontinue sections of our normal work that could not meet these guidelines.
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- **Order Name:** Ventura County "Safely Reopening Ventura County" Order
 - **Order Number:** County Health Officer Order (05/07/2020 and 05/20/2020 amendments)
 - **Date Enacted:** 05/07/2020
 - **Date Rescinded:** 08/31/2020 with state Blueprint, then fully by 06/15/2021
 - **Order Summary:** Implemented Stage 2 reopening at the county level, allowing limited operations for certain sectors with safety protocols. Dine-in restaurants and in-store retail were permitted only under modified capacity rules.
 - **Impact on Quarter:** After May 7, 2020, our Camarillo location navigated partial reopening. However, capacity constraints and social distancing requirements meant we could not return to normal staffing and operational levels in Q2 2020.
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- **Order Name:** Local Emergency Proclamation (Camarillo)
 - **Order Number:** EOC Director Order No. 20-1
 - **Date Enacted:** 03/13/2020
 - **Date Rescinded:** Not rescinded in 2020–2021 (lifted in 2022)
 - **Order Summary:** Declared a local emergency in the City of Camarillo. Allowed city management to allocate emergency resources and endorse or enforce county/state public health rules.
 - **Impact on Quarter:** Our business in Camarillo was subject to city-level emergency measures, including municipal facility closures and event cancellations well into Q2 2020. This further limited foot traffic, in-person services, and the normal flow of operations.
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- **Order Name:** Camarillo Eviction Moratorium Orders
 - **Order Number:** EOC Director Order No. 20-2 (03/18/2020); amended 04/23/2020
 - **Date Enacted:** 03/18/2020 (initial); 04/23/2020 (amendment)
 - **Date Rescinded:** Superseded by state law for residential in August/September 2020; local commercial provisions expired or ended with local emergency in 2022

- **Order Summary:** Temporarily prohibited evictions of businesses and residents within Camarillo for COVID-19-related inability to pay rent. Intended to prevent a wave of evictions during the pandemic's peak.
- **Impact on Quarter:** While this did not directly close our operations, it underscores the city's recognition that local businesses were under severe financial strain in Q2 2020. It helped us avoid immediate eviction if we experienced income disruptions, highlighting the economic hardships caused by widespread closures.
- **Order Name:** Camarillo Resolution No. 2020-63 – Temporary Outdoor Dining Program
- **Order Number:** Resolution No. 2020-63
- **Date Enacted:** 06/10/2020
- **Date Rescinded:** Phased out with state/local reopening (June 15, 2021)
- **Order Summary:** Waived certain city zoning regulations and fees to allow restaurants and other food establishments to expand outdoor seating spaces. Encouraged socially distanced dining with city-approved safety protocols.
- **Impact on Quarter:** This measure attempted to mitigate some of the revenue losses for food-service businesses and those dependent on in-person customer interactions. Nevertheless, it reflected the reality that indoor dining remained limited, and broader restrictions stayed in place, constraining our normal levels of operation into Q2 2020's end.

II. Revenue Decline Data

In addition to the government orders discussed above, we are submitting quarterly revenue data that demonstrates the revenue reductions for 453245234. The following table presents the quarterly revenue amounts and percentage changes for comparison purposes:

QUARTER	2019 REVENUE	COMPARISON REVENUE	DOLLAR DECLINE	% DECLINE	QUALIFIES?
Q1 2019-2020	\$6,235.00	\$3,254,324.00	\$3,248,089.00	-52094.45%	NO
Q2 2019-2020	\$234,535.00	\$52,345.00	\$182,190.00	77.68%	YES
Q3 2019-2020	\$23,521,346.00	\$234,523.00	\$23,286,823.00	99.00%	YES
Q4 2019-2020	\$4,352,262,314.00	\$45,234.00	\$4,352,217,080.00	100.00%	YES
Q1 2019-2021	\$6,235.00	\$2,345.00	\$3,890.00	62.39%	YES
Q2 2019-2021	\$234,535.00	\$4,325,234.00	\$4,090,699.00	-1744.17%	NO
Q3 2019-2021	\$23,521,346.00	\$5,345.00	\$23,516,001.00	99.98%	YES

As shown in the revenue table above, Q2 2019-2020 indicates a 77.68% reduction compared to the same quarter in 2019, which meets the applicable threshold for ERC in 2020 (50% decline). The table demonstrates that our business experienced a significant revenue downturn in several quarters. For Q2 2020 specifically, the decline is clearly above 50%, and combined with the government orders detailed previously, our qualification for the ERC is well supported.

III. Conclusion

Contrary to the assertion that "no government orders were in effect," 453245234 experienced robust mandatory restrictions through Q2 2020. Federal, state, county, and city regulations forced us to suspend or severely limit crucial components of our business. Furthermore, our gross receipts data confirms a more than 50% decline in Q2 2020 as compared to Q2 2019, which independently satisfies the ERC eligibility criteria.

We respectfully request that you reverse the disallowance and allow our ERC claim for Q2 2020. We have provided thorough documentation of the government orders and revenue data that substantiate our position under the CARES Act and related guidance.

Attestation: "Under penalties of perjury, I declare that I have examined the facts presented in this protest and accompanying documents, and to the best of my knowledge and belief, they are true, correct, and complete."

Thank you for your time and thoughtful reconsideration. Please contact us if additional information is required.

Sincerely,

[Signature]

[Name of Authorized Individual]

Authorized Representative of 453245234

ATTACHMENTS:

1. [source_1_govinfo.gov.pdf](#) - Proclamation 9994 - National Emergency
2. [source_2_gov.ca.gov.pdf](#) - California COVID-19 State of Emergency
3. [source_3_gov.ca.gov.pdf](#) - Executive Order N-33-20 - Stay-at-Home
4. [source_4_cdph.ca.gov.pdf](#) - State Public Health Officer Order (Stage 2)
5. [source_5_vcportal.ventura.org.pdf](#) - Ventura County Local Health Emergency
6. [source_6_vcportal.ventura.org.pdf](#) - Ventura County "Stay Well at Home" Order
7. [source_7_vcportal.ventura.org.pdf](#) - Ventura County "Safely Reopening" Order
8. [source_8_cityofcamarillo.org.pdf](#) - Camarillo Local Emergency Proclamation
9. [source_9_cityofcamarillo.org.pdf](#) - Camarillo Eviction Moratorium and Outdoor Dining Resolutions