

3/14/2025

Internal Revenue Service
Ogden, UT 84201

EIN: 23-4124

Taxpayer Name: West Coast

RE: Formal Protest to IRS Disallowance of ERC for Q2 2020

Tax Period: Q2 2020

Claim Amount: (Information Not Provided)

Dear Appeals Officer,

We write in response to the IRS's notice disallowing West Coast's Employee Retention Credit (ERC) claim for Q2 2020. The disallowance was predicated on the assertion that no government orders were in effect during the period to cause a suspension of our operations. We respectfully disagree. Multiple federal, state, county, and city government orders were active during Q2 2020 and imposed COVID-19-related restrictions that either fully or partially suspended our normal business operations. In addition, our audited revenue data for Q2 2020 demonstrates an EXACT revenue decline that qualifies West Coast for the ERC under the applicable IRS guidelines. In this protest letter, we include both a detailed timeline of relevant government orders and a dedicated "REVENUE DECLINE DATA" section containing the EXACT revenue figures required for IRS audit purposes.

Below, we provide a chronological timeline of key government orders effective during Q2 2020. Each order is presented using the required format with all six fields included:

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- **Order Name:** Proclamation 9994 – "National Emergency Concerning COVID-19"
 - **Order Number:** 9994
 - **Date Enacted:** 03/13/2020
 - **Date Rescinded:** Still in effect
 - **Order Summary:** This proclamation declared a nationwide emergency due to the COVID-19 outbreak. It activated federal emergency powers and funding that indirectly enabled—and justified—subsequent state and local lockdowns and restrictions.
 - **Impact on Quarter:** In Q2 2020, the national emergency provided the legal framework for federal support measures and underpinned the restrictions

that directly impacted West Coast's ability to operate at full capacity.

- **Order Name:** California COVID-19 State of Emergency – “California COVID-19 State of Emergency”
 - **Order Number:** N/A
 - **Date Enacted:** 03/04/2020
 - **Date Rescinded:** Still in effect
 - **Order Summary:** Governor Newsom declared a state of emergency in California to mobilize resources and authorize the implementation of public health orders. This proclamation empowered state agencies to enforce strict measures including capacity limits and mandated business closures.
 - **Impact on Quarter:** In Q2 2020, the state of emergency resulted in wide-scale restrictions that curtailed West Coast's business operations and ultimately contributed to a significant revenue decline.
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- **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
 - **Order Summary:** This order required all California residents to remain at home except for essential activities, effectively mandating the closure of non-essential businesses. It served as a comprehensive shutdown order affecting a vast array of business operations across the state.
 - **Impact on Quarter:** As West Coast is a non-essential business, this order directly led to a partial suspension of operations during Q2 2020, severely limiting our ability to generate revenue.
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- **Order Name:** State Public Health Officer Order (Stage 2 Reopening) – “Modifying Stay-at-Home (Early Stage 2)”
 - **Order Number:** N-60-20
 - **Date Enacted:** 05/07/2020
 - **Date Rescinded:** 06/15/2021
 - **Order Summary:** This order initiated the early phase of reopening by permitting certain low-risk business activities to resume under strict health protocols. It allowed limited operations such as curbside services while maintaining multiple restrictions on indoor activities.
 - **Impact on Quarter:** In Q2 2020, although it provided an opportunity for some limited reopening, operational restrictions under this order still significantly constrained West Coast's business activities and contributed to our revenue decline.

- **Order Name:** Ventura County Local Health Emergency – “County Declaration of Local Health Emergency”
 - **Order Number:** N/A
 - **Date Enacted:** 03/12/2020
 - **Date Rescinded:** Still in effect
 - **Order Summary:** Ventura County declared a local health emergency to enable the rapid deployment of public health measures. This declaration provided the county with the authority to quickly implement additional restrictions impacting local businesses.
 - **Impact on Quarter:** In Q2 2020, this emergency declaration bolstered county-level orders that mandated business closures and limited in-person operations, directly affecting West Coast’s revenue generation.
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- **Order Name:** Ventura County Public Health Order – “Initial County Closures/Gathering Restrictions”
 - **Order Number:** (Order issued on 03/17/2020)
 - **Date Enacted:** 03/17/2020
 - **Date Rescinded:** 03/20/2020
 - **Order Summary:** This order mandated the immediate closure of bars, nightclubs, gyms, and other venues, and it imposed restrictions on gatherings as an initial response to the COVID-19 threat. Its purpose was to rapidly decrease opportunities for virus transmission by limiting social interactions.
 - **Impact on Quarter:** Although the order was in force for a brief period, it set a precedent for subsequent restrictions that continued throughout Q2 2020, thereby contributing to a curtailed business environment for West Coast.
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- **Order Name:** “Stay Well at Home” Order – “Countywide Stay-at-Home Order”
 - **Order Number:** SWAHO
 - **Date Enacted:** 03/20/2020
 - **Date Rescinded:** 06/11/2021
 - **Order Summary:** This order required all residents of Ventura County to remain at home except for essential travel, effectively forcing non-essential businesses to close. It imposed strict limits on mobility and in-person commercial activities.
 - **Impact on Quarter:** The mandatory closures and restrictions under this order significantly disrupted West Coast’s operations during Q2 2020, leading to a dramatic decrease in revenue.
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- **Order Name:** “Safely Reopening Ventura County” Order – “Stage 2 County Reopening (May 2020)”
 - **Order Number:** N/A

- **Date Enacted:** 05/07/2020
- **Date Rescinded:** 08/31/2020
- **Order Summary:** This order allowed for a gradual reopening of select business activities under improved health and safety guidelines. It amended earlier shutdown mandates by permitting low-risk operations, such as curbside services, to resume.
- **Impact on Quarter:** Although intended to stimulate limited business activity, the restrictive nature of the order in Q2 2020 meant that West Coast continued to face significant operational limitations and revenue challenges.
- **Order Name:** City Declaration of Emergency – “City Declaration of Emergency”
- **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 to activate its Emergency Operations Center and coordinate a municipal response to COVID-19. This declaration led to the cancellation of public events and the closure of city facilities.
- **Impact on Quarter:** During Q2 2020, the municipal restrictions resulting from this declaration directly affected West Coast by limiting in-person activities and reducing overall business engagement.
- **Order Name:** Citywide Moratorium on Evictions – “Citywide Moratorium on Evictions”
- **Order Number:** EOC Director Order No. 20-2 (and Amendment on 04/23/2020)
- **Date Enacted:** 03/18/2020 (amended on 04/23/2020)
- **Date Rescinded:** Still in effect
- **Order Summary:** This order prohibited the eviction of tenants affected by the pandemic, including those in commercial leases. It provided temporary relief by preventing immediate eviction proceedings despite revenue shortfalls.
- **Impact on Quarter:** Although this measure did not directly suspend operations, it provided essential financial relief and stability for West Coast during Q2 2020, a period marked by severe revenue decline.
- **Order Name:** Camarillo Resolution No. 2020-63 – “Temporary Outdoor Dining Program”
- **Order Number:** 2020-63
- **Date Enacted:** 06/10/2020
- **Date Rescinded:** 06/15/2021

- **Order Summary:** This resolution permitted the establishment of outdoor dining facilities by waiving specific zoning and fee requirements. It was designed to help affected businesses operate in a modified format in light of indoor dining restrictions.
- **Impact on Quarter:** For West Coast, while primarily relevant to the restaurant sector, this order reflects the broader trend of limited and modified operations in Q2 2020, under which our business was also forced to operate under severe constraints.

In addition to these government orders, we are submitting detailed revenue data that unequivocally demonstrates the qualifying revenue reductions for West Coast. Please refer to the dedicated "REVENUE DECLINE DATA" section below, which contains the EXACT figures required for IRS audit purposes.

REVENUE DECLINE DATA

The table below provides a precise, dollar-for-dollar comparison of West Coast's quarterly revenue figures, highlighting the EXACT revenue amounts and percentage declines without rounding or generalization. Based on the applicable thresholds (50%+ decline for 2020 and 20%+ decline for 2021), the following quarters qualify for the ERC.

Quarter	2019 Revenue	2020/2021 Revenue	Decline \$	Decline %	Qualifies?
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Q1 2020	\$3234234	\$2314	\$3231920.00	99.93%	Yes
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Q2 2020	\$3234234	\$124	\$3234110.00	100.00%	Yes
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Q3 2020	\$3234234	\$543544	\$2690690.00	83.19%	Yes
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Q4 2020	\$3234234	\$234	\$3234000.00	99.99%	Yes
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Q1 2021	\$3234234	\$231213	\$3003021.00	92.85%	Yes
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Q2 2021	\$3234234	\$34	\$3234200.00	100.00%	Yes
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Q3 2021	\$3234234	\$4124	\$3230110.00	99.87%	Yes
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This data shows that for Q2 2020, West Coast recorded EXACTLY \$3234234 in 2019 compared to EXACTLY \$124 in 2020, representing a decline of EXACTLY \$3234110.00 or EXACTLY 100.00%. This substantial revenue reduction is a direct consequence of the COVID-19-related government orders and qualifies our business for the ERC.

CONCLUSION AND REQUEST

Based on the comprehensive evidence provided—from both the detailed timeline of government orders and the audited revenue decline data—we respectfully request that the IRS reconsider and reverse the disallowance of West Coast’s ERC claim for Q2 2020. The government orders in effect during this period imposed significant operational restrictions that directly correlate with the documented revenue losses. West Coast qualifies for the ERC under the applicable provisions due to both the governmental order–induced partial suspension of operations and the EXACT revenue decline thresholds established by law.

Thank you for your attention to this matter. Please do not hesitate to contact us if further information is needed or if there are any questions regarding the documentation provided. We appreciate your prompt and fair reconsideration of our ERC claim.

Attestation: “Under penalties of perjury, I declare that I have examined this protest and accompanying documentation, and to the best of my knowledge and belief, the information contained herein is true, correct, and complete.”

Sincerely,

[Authorized Representative Name]

AUTHORIZED REPRESENTATIVE FOR WEST COAST

Enclosures: Documentation of Government Orders; Detailed ERC Calculations; Revenue Decline Data