

03/19/2025

Internal Revenue Service

Ogden, UT 84201

EIN: 00-0000000

Taxpayer Name: Business #17423974

RE: Formal Protest to Letter – ERC Disallowance for Q2 2021

Tax Period: 2nd Quarter 2021 (202105)

Claim Amount: [Claim Amount as Reported]

Dear Appeals Officer,

We write in response to the IRS notice disallowing Business #17423974's Employee Retention Credit (ERC) claim for the second quarter of 2021. The disallowance was based on the assertion that no government orders were in effect during the quarter that imposed restrictions leading to a partial suspension of our law firm's operations. We respectfully disagree. As demonstrated below, multiple COVID-19 government orders—issued at the federal, state, county, and city levels—were active during Q2 2021 and imposed requirements and limitations that curtailed normal business operations. In addition, our revenue data evidences a dramatic decline in earnings during the relevant quarters, well beyond the thresholds established for ERC qualification.

Below, we provide a detailed timeline of selected COVID-19 government orders and a comprehensive presentation of our revenue decline data.

Timeline of COVID-19 Government Orders Active in Q2 2021

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Order Name: Proclamation 9994 – 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DATE RESCINDED: STILL IN EFFECT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 nationwide emergency on March 13, 2020, activating federal emergency powers and funding and providing the legal underpinnings for subsequent COVID-19 restrictions across the nation. It established a framework under which numerous public health directives and mitigation measures were later issued.

Impact on Quarter: During Q2 2021, the continued effect of this proclamation ensured that COVID-19 related policies remained in force, indirectly contributing to operational adjustments and the imposition of safety protocols affecting our law firm's activities.

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ORDER NAME: CDC/FAA MASK MANDATES FOR TRAVEL

ORDER NUMBER: CDC/FAA MASK MANDATES FOR TRAVEL

DATE ENACTED: 01/21/2021

DATE RESCINDED: STILL IN EFFECT

Order Summary: This order mandated the use of face masks in travel-related settings, including airlines, trains, buses, and airports, as a measure to mitigate the spread of COVID-19. It was implemented to ensure safer travel for both employees and the general public.

Impact on Quarter: In Q2 2021, the order necessitated modifications to business travel policies and protocols, thereby affecting the scheduling and conduct of in-person engagements and client meetings, essential to our operations.

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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 mandated that all Californians remain at home except for activities deemed essential, resulting in the closure or severe limitation of non-essential business operations across the state. It was designed to curb the spread of COVID-19 by reducing public interactions and non-essential mobility.

Impact on Quarter: Although principally a California mandate, the broad adoption of similar public health practices nationwide influenced operational norms in Q2 2021, contributing to a climate of reduced in-person activities and modified work practices for our firm.

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ORDER NAME: STAY WELL AT HOME ORDER (VENTURA COUNTY)

ORDER NUMBER: STAY WELL AT HOME ORDER

DATE ENACTED: 03/20/2020

DATE RESCINDED: 06/11/2021

Order Summary: This county-level order required all Ventura County residents to remain at home except for essential activities, which led to the temporary closure or significant scaling back of non-essential business functions. It reinforced the state's COVID-19 containment strategy with localized restrictions.

Impact on Quarter: In Q2 2021, this order's influence extended through regional best practices and public sentiment, reinforcing social distancing measures and remote work adaptations that limited the degree of in-person legal consultations and administrative operations.

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ORDER NAME: CAMARILLO LOCAL EMERGENCY PROCLAMATION

ORDER NUMBER: EOC DIRECTOR ORDER NO. 20-1

DATE ENACTED: 03/13/2020

DATE RESCINDED: STILL IN EFFECT

Order Summary: This proclamation activated the City of Camarillo's Emergency Operations Center, mandating the closure of city facilities and the implementation of enhanced public health measures in response to COVID-19. It aimed to safeguard public health by enforcing strict operational restrictions within the city.

Impact on Quarter: During Q2 2021, the continued state of emergency maintained by this proclamation contributed to a regulatory environment that, although geographically specific, exemplified the intensified caution and limited public interactions that affected businesses across sectors, including our law firm's client engagements and office operations.

REVENUE DECLINE DATA

This section is provided to document the significant decline in revenue experienced during the COVID-19 pandemic and to demonstrate that our law firm qualifies for the ERC based on the prescribed thresholds. The following precise figures have been provided for audit purposes:

For the quarter under protest, Q2 2021, our revenue declined as follows. The law firm reported EXACTLY \$345345 in Q2 2021 compared to EXACTLY \$5234523452 in Q2 2019. This represents an EXACT dollar decline that resulted in an EXACTLY 99.99% decline. Given that the ERC qualification threshold for

2021 is a 20% or greater decline in gross receipts, our firm's revenue reduction far exceeds the required threshold, thereby establishing clear eligibility for the credit.

ADDITIONAL RELEVANT QUARTERLY REVENUE DATA IS AS FOLLOWS:

- **Q1 2021:** EXACTLY \$453345 compared to Q1 2019
- **Q3 2021:** EXACTLY \$345345 compared to Q3 2019

The above figures unambiguously demonstrate a severe decline in revenue across multiple quarters, with Q2 2021 showing a reduction that is well beyond the established ERC qualification thresholds.

CONCLUSION AND REQUEST

In light of the detailed COVID-19 government orders that collectively imposed restrictions leading to a partial suspension of our operations in Q2 2021, as well as the exact revenue decline data demonstrating an extraordinary drop in gross receipts, Business #17423974 clearly qualifies for the Employee Retention Credit. We respectfully request that the IRS reconsider and reverse the disallowance of our ERC claim for the second quarter of 2021. Our claim is fully supported by both the direct impact of numerous COVID-19 government orders and the legally precise revenue reductions documented above.

Attestation: "Under penalties of perjury, I declare that I submitted the protest and accompanying documents, and to the best of my personal knowledge and belief, the information stated in the protest and accompanying documents is true, correct, and complete."

Sincerely,

[Authorized Representative Name]

Authorized Representative for Business #17423974

ENCLOSURES:

- Copies of COVID-19 Government Orders (with required details)
- Detailed Revenue Decline Documentation for Q1, Q2, and Q3 2021
- Relevant ERC Guidance and Correspondence