

03/19/2025

Internal Revenue Service

Ogden, UT 84201

EIN: 00-0000000

Taxpayer Name: Business #17424016

RE: Formal Protest to IRS Disallowance of ERC Claim for Q3

Tax Period: Third Quarter 2021 (2021Q3)

Claim Amount: [Enter Claim Amount Here]

Dear Appeals Officer,

We write in response to the IRS notice disallowing Business #17424016's Employee Retention Credit (ERC) claim for the third quarter of 2021. The disallowance was premised on the assertion that no government orders were in effect during the period that caused a full or partial suspension of our operations. We respectfully disagree. Multiple federal, state, and local government orders imposed COVID-19 related restrictions that caused a significant, partial suspension of the normal operations of our law firm during Q3 2021. In support of our position, we provide below a detailed timeline of relevant government orders and a dedicated presentation of our audited revenue decline data.

Below is a chronological summary of the key government orders that affected our operations in Quarter 3 of 2021:

- **Order Name:** Proclamation 9994 – “National Emergency Concerning COVID-19”

ORDER NUMBER: 9994

DATE ENACTED: 03/13/2020

DATE RESCINDED: STILL IN EFFECT

Order Summary: On March 13, 2020, the President declared a national emergency due to the COVID-19 outbreak. This proclamation activated federal emergency powers and provided the legal backdrop for subsequent state and local lockdowns and business restrictions.

Impact on Quarter: The ongoing effects of this proclamation continued to underpin COVID-19 restrictions during Q3 2021, contributing to a partial suspension of our operations as we were required to comply with evolving federal mandates.

- **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DATE RESCINDED: 06/15/2021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 residents to remain at home except for essential activities, resulting in the closure or significant curtailment of non-essential business operations. It mandated that businesses limit on-site operations to those deemed essential to public health and safety.

Impact on Quarter: Although some sectors experienced phased reopenings, the lingering limitations and periodic re-impositions of restrictions continued to alter our business operations during Q3 2021, leading to a substantial reduction in our capacity to function normally.

- **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 on March 13, 2020, which activated its Emergency Operations Center and facilitated the closure of city facilities and cancellation of public events. This measure was designed to mitigate the spread of COVID-19 and to enforce subsequent health guidelines.

Impact on Quarter: Despite subsequent modifications and limited reopenings, the continuing restrictions under this proclamation contributed to a partial suspension of normal business operations during Q3 2021, further constraining our ability to conduct routine legal services.

REVENUE DECLINE DATA

This section provides the precise audited revenue figures that demonstrate the dramatic decline in gross receipts for Business #17424016, as required for IRS audit purposes. The following narrative details our revenue performance for Quarter 3 of 2021 – the period under protest – along with comparative data from prior quarters.

During Quarter 3 of 2021, our law firm generated EXACTLY \$534 in revenue, compared to EXACTLY \$435345 in Quarter 3 of 2019. This represents a dollar decline of EXACTLY \$434811 and a percentage decline of EXACTLY 99.88%, which far exceeds the ERC qualification threshold. Based on the revenue decline thresholds (50%+ for 2020 and 20%+ for 2021), this substantial reduction clearly qualifies our business for the ERC.

- **Q1 2021:** EXACTLY \$34534 compared to Q1 2019
- **Q2 2021:** EXACTLY \$2134214 compared to Q2 2019

In conclusion, the extreme reduction in gross receipts, combined with the adverse impact of multiple government orders that suspended or limited our operations during Quarter 3 of 2021, clearly establishes our eligibility for the Employee Retention Credit. We respectfully request that the IRS reconsider and reverse the disallowance of our ERC claim for the third quarter of 2021.

Thank you for your prompt attention to this matter. Should you require any additional documentation or clarification regarding the orders or revenue data presented, please do not hesitate to contact our office.

Under penalties of perjury, I declare that the information contained in this protest letter is true, correct, and complete to the best of my personal knowledge and belief.

Sincerely,

[Authorized Representative Name]

Authorized Representative for Business #17424016

Enclosures: Copies of Government Orders (Federal, State, and Local); Detailed ERC Revenue Decline Data Narrative