

3/17/2025

Internal Revenue Service
Ogden, UT 84201

EIN: 00-0000000

Taxpayer Name: 45's Business

RE: Formal Protest to ERC Disallowance for First Quarter 2021

Tax Period: 1st Quarter 2021 (202101)

Claim Amount: [Enter Claim Amount]

Dear Appeals Officer,

We write in response to the IRS notice disallowing 45's Business's Employee Retention Credit (ERC) claim for the first quarter of 2021. The disallowance was based on the assertion that no government orders were in effect during the period that substantially suspended our operations. We respectfully disagree. Multiple government orders were active during Quarter 1 2021, and these orders imposed COVID-19 related restrictions that partially curtailed our normal operations. In addition, our audited revenue decline data, provided below, clearly demonstrates a dramatic decrease in revenue that qualifies 45's Business for the ERC under the applicable IRS guidance.

Below, we present a detailed timeline of relevant government orders and a dedicated section of audited revenue decline data.

REVENUE DECLINE DATA

The purpose of this section is to present the audited revenue decline figures that substantiate our eligibility for the ERC. The following narrative provides the exact revenue data as recorded for Quarter 1 2021 and comparisons to the corresponding quarter in 2019.

For the main quarter under protest, Quarter 1 2021, our law firm recorded revenue of EXACTLY \$345 compared to Quarter 1 2019 revenue of EXACTLY \$54325234. This represents a decline of EXACTLY \$54324889, which is an EXACTLY 100.00% decline. Based on revenue decline thresholds (50%+ for 2020 and 20%+ for 2021), Quarter 1 2021 clearly qualifies for the ERC.

- **Q2 2021:** EXACTLY \$345 compared to Q2 2019
- **Q3 2021:** EXACTLY \$345 compared to Q3 2019

The above revenue decline directly relates to our qualification for the ERC as it meets the threshold requirements established under IRS guidance.

Timeline of COVID-19 Government Orders Active in Quarter 1 2021

The following is a chronological listing of key government orders that were in effect during Quarter 1 2021. These orders impacted business operations by imposing restrictions that, in part, suspended our normal activities.

- **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DATE RESCINDED: STILL IN EFFECT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: On March 13, 2020, the President declared a national emergency due to the COVID-19 outbreak. This declaration activated federal emergency powers and funding, thereby influencing subsequent local and state government actions.

Impact on Quarter: In Quarter 1 2021, this national emergency provided the legal backdrop for continued COVID-19 restrictions that partially suspended our routine operations.

- **Order Name:** CDC/FAA Mask Mandates for Travel

Order Number: Executive Order 13998 / Accompanying CDC Directive

DATE ENACTED: 01/21/2021

DATE RESCINDED: STILL IN EFFECT

Order Summary: On January 21, 2021, the federal government issued a mask mandate for travel requiring that individuals on airplanes, trains, buses, and at federal properties wear masks. An accompanying CDC directive took effect on February 1, 2021, reinforcing these requirements.

Impact on Quarter: During Quarter 1 2021, this order contributed to a broader environment of COVID-19 safety protocols that affected travel and other operations, indirectly impacting our business activities and operational capacity.

- **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 residents stay at home except for essential activities, forcing non-essential businesses to close or operate at reduced capacity. It required businesses to limit in-person interactions and substantially modify their service offerings.

Impact on Quarter: In Quarter 1 2021, this order was still in effect and imposed severe restrictions on operations. As a law firm, 45's Business experienced limitations in conducting normal in-office procedures and client interactions, contributing to the significant revenue decline noted above.

CONCLUSION AND REQUEST

Based on the detailed revenue decline data and the documented government orders imposed during Quarter 1 2021, 45's Business qualifies for the Employee Retention Credit. The audited revenue figures show an EXACT 100.00% decline for Quarter 1 2021 relative to the corresponding quarter in 2019, and the relevant government orders established a regulatory environment that partially suspended our operations.

We respectfully request that the IRS reconsider and reverse the disallowance of our Q1 2021 ERC claim. The credit claimed is fully supported by both the revenue decline documentation and the active COVID-19 government orders that imposed significant operational restrictions. Please do not hesitate to contact our office if any further information or clarification is needed.

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,

[Your Name]

Authorized Representative for 45's Business

Enclosures: Copies of Government Orders (as detailed above); ERC Documentation; Audited Revenue Figures for Quarter 1 2021