

03/17/2025

Internal Revenue Service

Ogden, UT 84201

EIN: 00-0000000

Taxpayer Name: 45's Business

RE: Formal Protest to ERC Disallowance for Q1 2021

Tax Period: Quarter 1 2021

Dear Appeals Officer,

We write in response to the IRS notice disallowing 45's Business's Employee Retention Credit (ERC) claim for Quarter 1 2021. The disallowance was based on an assertion that no government orders were in effect during the quarter that imposed restrictions leading to a partial suspension of our operations. We respectfully disagree. As a law firm significantly impacted by COVID-19, 45's Business faced both a dramatic revenue decline and the imposition of multiple government orders that disrupted our normal operations during Q1 2021. In this letter, we provide a detailed timeline of relevant government orders and a dedicated presentation of the revenue decline data—both of which clearly establish that 45's Business qualifies for the ERC under the partial suspension and revenue reduction provisions.

Below is a detailed timeline of COVID-19 Government Orders active in Quarter 1 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DATE RESCINDED: STILL IN EFFECT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: This proclamation declared a national emergency in response to COVID-19 and activated federal emergency powers and funding mechanisms. It imposed nationwide public health measures and laid the framework for subsequent COVID-19 regulatory directives.

Impact on Quarter: During Q1 2021, the continued existence of this national emergency provided the legal basis for significant COVID-19–related restrictions that disrupted regular business operations.

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

ORDER NUMBER: NOT ASSIGNED

DATE ENACTED: 01/21/2021

DATE RESCINDED: STILL IN EFFECT

Order Summary: This mandate required the use of face masks on airplanes, trains, buses, airports, and federal properties to mitigate the spread of COVID-19. Although it primarily targeted travel and public transportation, the requirement underscored a heightened federal focus on public health and influenced operational practices across all sectors.

Impact on Quarter: In Q1 2021, the mandate forced businesses, including our law firm, to adopt strict safety protocols and adjust in-person interactions, thereby limiting normal operational capacity.

- **Order Name:** State of Emergency Proclamation – California COVID-19 State of Emergency

ORDER NUMBER: NOT ASSIGNED

DATE ENACTED: 03/04/2020

DATE RESCINDED: STILL IN EFFECT

Order Summary: This proclamation, issued by the Governor, declared a statewide emergency to marshal resources and impose health directives in response to the COVID-19 pandemic. It empowered state agencies to implement restrictions affecting nonessential operations and provided the framework for modifying business practices.

Impact on Quarter: Although our law firm is located in New York, the existence of similar state-level emergencies nationally reinforced the environment of imposed restrictions during Q1 2021, further limiting in-person legal proceedings and client meetings.

- **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 statewide order mandated that all residents remain at home except for essential activities, leading to the closure of nonessential businesses and a significant curtailment of normal operations. It required

businesses to either suspend operations or adopt modified procedures to protect public health.

Impact on Quarter: In Q1 2021, this order continued to restrict nonessential activities, significantly impacting our ability to hold in-person consultations and routine operations, thereby contributing to a partial suspension of services.

REVENUE DECLINE DATA

This section is provided to set forth the exact revenue figures that form the basis of our ERC qualification claim. The purpose is to present an accurate, audit-critical narrative of the revenue decline experienced by 45's Business.

For Quarter 1 2021, our reported revenue was EXACTLY \$345 compared to Quarter 1 2019, when revenue was EXACTLY \$54325234. This represents an EXACT decline of revenue that amounts to an EXACT 100.00% decrease from the pre-pandemic level. Based on the applicable ERC thresholds (a decline of 20% or more for 2021), this dramatic drop qualifies 45's Business for the ERC.

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

In conclusion, 45's Business experienced both a concrete revenue decline and was subject to multiple government orders that imposed restrictions on normal business operations during Quarter 1 2021. These factors unequivocally support our claim for the Employee Retention Credit under the partial suspension and revenue reduction provisions. We respectfully request that the IRS reconsider and overturn the disallowance of our ERC claim for this period.

Thank you for your attention to this matter. Should you require any further information or documentation, please do not hesitate to contact us.

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,

[Signature]

AUTHORIZED REPRESENTATIVE

45's Business

Enclosures: Copies of Government Orders (formatted as above) and Detailed Revenue Decline Narrative