

03/19/2025

Internal Revenue Service

Ogden, UT 84201

EIN: 00-0000000

Taxpayer Name: 45's Business

RE: Formal Protest to Letter 105 – ERC Disallowance for Q1

Tax Period: 1st Quarter 2021 (202101)

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 an assertion that no COVID-19-related government orders were in effect that impacted our operations during the specified period. We respectfully disagree. The combination of federal emergency declarations and public health mandates created a regulatory environment that forced significant modifications in business operations. In this protest, we provide a detailed account of the relevant government orders and present a comprehensive review of our quarterly revenue data demonstrating an extraordinary decline that qualifies us for the ERC.

Below is a timeline of COVID-19 government orders that were active during Quarter 1 2021 and that imposed restrictions contributing to a partial suspension of our normal business activities:

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

**ORDER NUMBER: N/A**

**DATE ENACTED: 03/13/2020**

**DATE RESCINDED: STILL IN EFFECT**

**Order Summary:** This proclamation declared a national emergency due to the COVID-19 outbreak, activating federal emergency powers and funding programs. Although it did not directly mandate business closures, it established the legal framework that enabled state and local authorities to enforce lockdowns and other public health directives.

**Impact on Quarter:** During Quarter 1 2021, this proclamation maintained a heightened regulatory environment nationwide, influencing subsequent guidelines and modifications in operating procedures that affected our law firm's ability to conduct normal business activities.

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

**ORDER NUMBER: N/A**

**DATE ENACTED: 01/21/2021**

**DATE RESCINDED: STILL IN EFFECT**

**Order Summary:** This order mandated mask wearing on planes, trains, buses, airports, and federal facilities as part of the nation's ongoing response to the COVID-19 pandemic. It reinforced the federal commitment to safety protocols and established uniform health measures across various industries.

**Impact on Quarter:** In Quarter 1 2021, although our primary operations as a law firm were not directly related to transportation, the federal mask mandate contributed to an overall environment of heightened caution and regulatory scrutiny that indirectly affected business travel and client interactions.

## **REVENUE DECLINE DATA**

This dedicated section sets forth the exact revenue figures recorded in the relevant quarters to demonstrate the profound decline in gross receipts experienced by our business due to adverse pandemic-related conditions. The revenue decline, provided here in precise terms, is critical for substantiating our qualification for the ERC.

For Quarter 1 2021, the business recorded EXACTLY \$345 in revenue compared to Quarter 1 2019, which reported EXACTLY \$54325234 in revenue. This represents an EXACT decline of \$54324889, which is an EXACT percentage decline of 100.00%. Based on ERC criteria requiring a reduction in gross receipts of 20% or more for 2021, this substantial revenue drop clearly qualifies 45's Business for the Employee Retention Credit.

Additional quarterly revenue comparisons are provided below:

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

These figures demonstrate that the adverse impact of the COVID-19 environment, underpinned by the government orders detailed above, directly resulted in a dramatic and qualifying decline in our revenue.

## **CONCLUSION AND REQUEST**

In light of the evidence provided—a detailed account of active federal government orders during Quarter 1 2021 and a comprehensive presentation of exact revenue decline figures—we respectfully request that the IRS reconsider and reverse the disallowance of our ERC claim. The substantial reduction in gross receipts, in combination with the modifications imposed by COVID-19 related government directives, clearly satisfies the ERC requirements.

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

Thank you for your prompt attention to this matter. Should you require additional documentation or clarification, please do not hesitate to contact our office.

Sincerely,

[Signature]

Alejandra Astudillo, EA

Authorized Representative for 45's Business

Enclosures: Copies of Government Orders as Detailed Above; Detailed ERC Revenue Decline Documentation