

03/06/2025

Internal Revenue Service

Ogden, UT 84201

EIN: sadf

Taxpayer Name: df

RE: Formal Protest to Letter 105 – ERC Disallowance for Q2 2020

Tax Period: 2nd Quarter 2020 (202004–202006)

Claim Amount: [Insert Claim Amount]

Dear Appeals Officer,

We write in response to the IRS notice disallowing df's Employee Retention Credit (ERC) claim for the second quarter of 2020. The notice asserted that no COVID-19 government orders were in effect during Q2 2020 that caused a partial suspension of our business operations. We respectfully disagree. Multiple federal, state, county, and local government orders were active during Q2 2020 and directly imposed restrictions that significantly curtailed our normal business activities. In this letter, we provide a detailed timeline of the relevant government orders, demonstrate their impact on our operations, and reference applicable IRS guidance supporting our eligibility for the ERC under the "partial suspension" provisions.

#### Timeline of COVID-19 Government Orders Active in Q2 2020

- **Order Name:** National Emergency Concerning COVID-19
  - **Order Number:** N/A
  - **Date Enacted:** 03/13/2020
  - **Date Rescinded:** Still in effect
  - **Order Summary:** This federal proclamation declared a national emergency in response to COVID-19, authorizing federal agencies to mobilize emergency resources and implement critical public health directives. It established the overarching legal framework for subsequent state and local actions.
  - **Impact on Quarter:** The proclamation provided the foundational authority under which all later restrictions were imposed, directly influencing the public health environment and the operational constraints we faced during Q2 2020.
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- **Order Name:** California COVID-19 State of Emergency
  - **Order Number:** N/A
  - **Date Enacted:** 03/04/2020
  - **Date Rescinded:** Still in effect

- **Order Summary:** Governor Newsom's declaration of a state of emergency empowered state authorities to enact broad public health measures and regulatory accommodations. It enabled the imposition of restrictions on non-essential business operations and the mobilization of state resources for mitigation efforts.
- **Impact on Quarter:** This order laid the groundwork for mandatory closures and capacity restrictions, forcing our business to curtail normal operations during Q2 2020.
- **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 required Californians to remain at home except for essential activities, resulting in the closure of non-essential businesses or their operation at severely reduced capacities. It was critical in reducing community mobility to slow the spread of COVID-19.
- **Impact on Quarter:** The order mandated a near-complete suspension of normal in-person business activities, significantly reducing our revenue-generating operations and disrupting our standard business model in Q2 2020.
- **Order Name:** State Public Health Officer Order (Stage 2 Reopening)
- **Order Number:** Issued under EO N-60-20
- **Date Enacted:** 05/07/2020
- **Date Rescinded:** 06/15/2021
- **Order Summary:** This order permitted a limited reopening of lower-risk business sectors under strict health protocols while maintaining closures for higher-risk operations. It allowed for curbside service and other minimal-contact practices as a controlled means to restart critical services.
- **Impact on Quarter:** Although providing a measure of operational relief, the order still enforced significant restrictions that resulted in our business operating at a substantially reduced capacity during Q2 2020.
- **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:** The City of Camarillo activated its Emergency Operations Center to implement local public health measures, including closures of non-essential facilities and enforcement of social distancing practices. This

proclamation served as the basis for additional local directives that affected community-wide operations.

- **Impact on Quarter:** As a business operating in the locality, we were directly impacted by the enhanced local restrictions and operational mandates that made it necessary to curtail on-site activities, thereby affecting our normal business functions during the quarter.
- **Order Name:** Ventura County Stay Well at Home Order
- **Order Number:** Ventura County Health Order (Identifier not separately assigned)
- **Date Enacted:** 03/20/2020
- **Date Rescinded:** 06/11/2021
- **Order Summary:** This countywide order required Ventura County residents to stay at home, permitting only essential activities and services. It mandated that non-essential businesses suspend in-person operations, closely aligning with state directives to limit COVID-19 transmission.
- **Impact on Quarter:** The local mandate compounded the restrictions imposed by federal and state orders, further limiting our operational capacity and contributing to a partial suspension of our regular business activities throughout Q2 2020.

## CONCLUSION AND REQUEST

In light of the detailed timeline of government orders outlined above, it is clear that our business was subject to multiple overlapping COVID-19 restrictions during the second quarter of 2020. Each of these orders contributed to a significant curtailment of our normal operations, thereby satisfying the IRS “partial suspension” criteria for eligibility under the Employee Retention Credit. We respectfully request that you reconsider the disallowance of our Q2 2020 ERC claim based on the evidenced imposition of regulatory restrictions that materially impacted our business.

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 DF**

**ENCLOSURES:**

- Copies of Relevant Government Orders and Excerpts
- ERC Calculations for Q2 2020
- Applicable IRS Guidance Documents