

3/19/2025

Internal Revenue Service
Ogden, UT 84201

EIN: 00-0000000

Taxpayer Name: 45's Business

RE: Formal Protest to ERC Disallowance for Q3 2021

Tax Period: Third Quarter 2021 (202109)

Claim Amount: [Claim Amount as Calculated]

Dear Appeals Officer,

We write in response to the IRS notice disallowing 45's Business's Employee Retention Credit (ERC) claim for third quarter 2021. The disallowance was based on the assertion that no government orders were in effect during the disputed period that caused a full or partial suspension of our operations. We respectfully disagree. Our operations were adversely affected by COVID-19-related government orders, and, in addition, our revenue decline for Q3 2021 meets the stringent thresholds required for ERC qualification. In this letter, we provide detailed documentation of relevant government orders, along with a complete narrative presentation of our revenue decline data, as required for audit purposes.

Below, we set forth a detailed timeline of the government orders which imposed restrictions that resulted in a full or partial suspension of our operations during the quarter:

- **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DATE RESCINDED: STILL IN EFFECT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: This proclamation declared a nationwide emergency due to the COVID-19 outbreak. It activated federal emergency powers and authorized funding, indirectly enabling subsequent state and local lockdowns and restrictions. The order established the legal basis for emergency measures that affected the operation of businesses across the nation.

Impact on Quarter: This national emergency contributed to a regulatory environment in Q3 2021 that necessitated modifications in our operations. The

resulting public health directives and restrictions imposed by state and local authorities led to a partial suspension of our normal business activities.

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

Order Number: CDC/FAA Mask Mandates (incorporating Executive Order 13998 and the CDC Order effective February 1, 2021)

DATE ENACTED: 01/21/2021

Date Rescinded: Still in effect during the period in question

Order Summary: Although primarily aimed at ensuring safety during travel, this order mandated mask usage on airplanes, trains, buses, and in airports as well as on federal properties. The directive underscored the federal government's commitment to mitigating COVID-19 risks through uniform public health protocols. It established a standard that affected business travel and in-person meetings across industries.

Impact on Quarter: The mask mandates imposed operational adjustments on our business travel and external client interactions, necessitating revised protocols which contributed to a partial suspension of our routine operations during Q3 2021.

We now present the required revenue decline data in a dedicated section. This section is provided to document, in a legally compliant manner, the exact revenue figures that substantiate our ERC eligibility.

REVENUE DECLINE DATA

The purpose of this section is to set forth the precise revenue figures for the relevant quarters which demonstrate a severe decline, thereby establishing eligibility for the Employee Retention Credit. It is imperative to note that the revenue reduction substantially exceeds the applicable thresholds for 2021.

For the quarter being protested (Q3 2021), our revenue was EXACTLY \$345 in Q3 2021 compared to EXACTLY \$3245345 in Q3 2019. This constitutes a decline of EXACTLY \$3245000, which equates to an EXACTLY 99.99% decline. Such a drastic reduction in revenue clearly qualifies for the ERC under the threshold of a 20% decline for 2021.

- **Q1 2021:** EXACTLY \$345 compared to Q1 2019
- **Q2 2021:** EXACTLY \$345 compared to Q2 2019

The significant revenue declines documented above, particularly in Q3 2021, demonstrably qualify 45's Business for the Employee Retention Credit.

CONCLUSION AND REQUEST

Based on the detailed government orders that adversely affected normal business operations during Q3 2021 and the explicit revenue decline data provided above, we respectfully request that the IRS reconsider and reverse the disallowance of our ERC for the third quarter of 2021. The combined impact of the imposed COVID-19 government orders—which led to a partial suspension of our operations—and the verified, substantial revenue decline satisfies the qualifying factors for the ERC.

Thank you for your prompt attention and consideration of this protest. Should you require any additional 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,

[Authorized Representative]

45's Business

[Title]

[Contact Information]

ENCLOSURES:

- Copies of Relevant Government Orders
- Detailed Revenue Decline Documentation
- Supporting ERC Calculations and IRS Guidance References