

3/19/2025

Internal Revenue Service
Ogden, UT 84201

EIN: 00-0000000

Taxpayer Name: 45's Business

RE: Formal Protest to Letter [RELEVANT LETTER NUMBER] – ERC Disallowance for Quarter 1

Tax Period: Quarter 1 2021 (2021Q1)

Claim Amount: [Insert Claim Amount]

Dear Appeals Officer,

We write in response to the IRS notice disallowing 45's Business' Employee Retention Credit (ERC) claim for Quarter 1 2021. The disallowance was based on an assertion that no COVID-19 related government orders were in effect during the quarter that resulted in a partial suspension of our operations. We respectfully disagree. Multiple federal government orders remained active during Quarter 1 2021, and they imposed COVID-19 related mandates that materially affected our business practices. In addition, our audited quarterly revenue data clearly demonstrate a significant decline that qualifies our claim under the ERC safe harbor provisions.

Below, we provide a detailed timeline of the COVID-19 government orders and our audited revenue decline data.

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- **Date Rescinded:** Still in effect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 nationwide emergency due to COVID-19, thereby authorizing federal agencies to implement public health guidelines and enabling emergency funding measures. Its continued presence provided the legal basis for subsequent public health mandates that directly impacted business operations.
- **Impact on Quarter:** During Quarter 1 2021, this national emergency maintained a framework of mandatory health precautions that resulted in

modifications to in-person interactions and internal operations at our law firm.

- **Order Name:** CDC/FAA Mask Mandates – Federal Mask Requirements for Travel
- **Order Number:** EO-13998
- **Date Enacted:** 01/21/2021
- **Date Rescinded:** Still in effect
- **Order Summary:** This order mandated the wearing of masks in air travel, at airports, and in other federal transportation settings, as part of efforts to curb the spread of COVID-19. The mandates required affected entities to implement robust safety protocols for employees and customers alike.
- **Impact on Quarter:** For Quarter 1 2021, these mask mandates compelled our firm to adopt strict remote work and virtual meeting practices where possible, reducing the scope of in-person consultations and thereby contributing to a partial suspension of normal operations.

REVENUE DECLINE DATA

The purpose of this section is to present our audited quarterly revenue data that evidences a massive decline in revenue, thereby substantiating our ERC qualification based on the gross receipts reduction test.

For Quarter 1 2021—the main period being protested—our audited revenue figures demonstrate the following:

During Quarter 1 2021, our revenue was EXACTLY \$345 compared to Quarter 1 2019, where revenue was EXACTLY \$54325234. This amounts to an EXACT decline of \$54324889, which is an EXACT 100.00% decline. Based on the ERC threshold that requires a revenue reduction of 20%+ for 2021, our Quarter 1 2021 revenue performance qualifies for the Employee Retention Credit.

Additionally, the following quarterly data are provided for context (though the claim for this protest is specifically for Quarter 1 2021):

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

In conclusion, the audited revenue decline and the continued effect of multiple federal COVID-19 related government orders confirm that 45's Business experienced a qualifying downturn and partial operational suspension during Quarter 1 2021. We respectfully request that the IRS reconsiders and reverses the disallowance of our ERC claim for Quarter 1 2021.

Under penalties of perjury, I declare that I have examined this protest carefully, and to the best of my knowledge the facts stated herein are true, correct, and complete.

Sincerely,

[Authorized Representative Name]

Authorized Representative for 45's Business

ENCLOSURES:

- Copies of Government Orders (formatted as above)
- Audited Revenue Decline Data
- Relevant ERC Documentation and IRS Guidance Notices