

3/19/2025

Internal Revenue Service
Ogden, UT 84201

EIN: 00-0000000

Taxpayer Name: 45's Business

RE: Formal Protest to Letter [Reference] – ERC Disallowance for Quarter 2 2020

Tax Period: Quarter 2 2020

Dear Appeals Officer,

We write in response to the IRS notice disallowing 45's Business's Employee Retention Credit (ERC) for Quarter 2 2020. The disallowance was based on the assertion that no government mandates or restrictions were in effect that adversely suspended our operations. We respectfully disagree. When the COVID-19 pandemic emerged, multiple federal and state government orders were in place that directly and significantly limited our normal operations. As a law firm, 45's Business experienced challenges in meeting our standard legal and client service obligations as a direct result of these orders. In addition, our revenue data clearly supports that we endured a substantial decline – thereby qualifying for the ERC under the applicable threshold guidelines.

Below, please find a detailed timeline of the relevant government orders in effect during Quarter 2 2020 and a dedicated "REVENUE DECLINE DATA" section that provides verbatim revenue figures as required by law.

Timeline of COVID-19 Government Orders Active in Quarter 2 2020

- **Order Name:** 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- **Date Rescinded:** Still in effect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 funding that indirectly enabled state and local lockdowns and restrictions.
- **Impact on Quarter:** During Quarter 2 2020, the national emergency prompted 45's Business to modify its operations significantly, limiting in-person meetings and routine legal functions in order to comply with emerging health guidelines.

- **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 - **Date Rescinded:** 06/15/2021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:** In March 2020, California mandated that all individuals remain at home except for essential activities, resulting in the closure of non-essential businesses and limitations on in-person interactions. This order required businesses to transition to remote operations or significantly curtail conventional services.
 - **Impact on Quarter:** In Quarter 2 2020, the stay-at-home order imposed severe restrictions that reduced face-to-face client consultations and routine office operations for 45's Business, thereby impacting our ability to operate at normal capacity.
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- **Order Name:** State Public Health Officer Order (Stage 2 Reopening)
 - **Order Number:** N/A
 - **Date Enacted:** 05/07/2020
 - **Date Rescinded:** 06/15/2021
 - **Order Summary:** This order announced the commencement of Stage 2 Reopening, allowing lower-risk businesses to resume operations under strict public health guidelines. It permitted limited in-person services such as curbside interactions while maintaining constraints on more traditional in-office activities.
 - **Impact on Quarter:** Even as partial reopening was allowed during Quarter 2 2020, the order imposed ongoing restrictions on in-person legal consultations and office operations, ensuring that 45's Business continued to operate under curtailed conditions.

REVENUE DECLINE DATA

The purpose of this section is to provide a clear, verbatim narrative of the revenue decline experienced by 45's Business – a key basis for our ERC qualification. Our operations were significantly affected by the COVID-19 government orders, and the following figures have been provided for audit purposes.

For our primary period under protest, Quarter 2 2020, our revenue was EXACTLY \$1,740,701,649.05 compared to Quarter 2 2019 which recorded EXACTLY \$3,552,452,345. This represents an EXACT decline of \$1,811,750,695.95 or an EXACT 51.00% decline. Based on the revenue decline threshold of 50% or more for 2020, 45's Business clearly qualifies for the Employee Retention Credit.

ADDITIONAL QUARTERLY REVENUE DATA:

- **Q1 2021:** EXACTLY \$345 compared to Q1 2019
- **Q2 2021:** EXACTLY \$345 compared to Q2 2019
- **Q3 2021:** EXACTLY \$345 compared to Q3 2019

In conclusion, the verifiable revenue declines coupled with the direct impact of the federal and state COVID-19 government orders conclusively satisfy the criteria for ERC qualification under both the revenue reduction and partial suspension provisions.

We respectfully request that the IRS reconsider and reverse the disallowance of our ERC claim for Quarter 2 2020. 45's Business maintained its commitment to its clients under extraordinary circumstances, and the credit claimed is fully supported by the evidence provided, including the government orders and the detailed revenue decline data. Please do not hesitate to contact our authorized representative if further clarification or documentation is required.

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 Signature]

[Name and Title of Authorized Representative]

45's Business

ENCLOSURES:

- Copies of Government Orders (as detailed above)
- Detailed Revenue Decline Documentation
- IRS Guidance References