

03/17/2025

Internal Revenue Service

Ogden, UT 84201

EIN: 00-0000000

Taxpayer Name: 45's Business

RE: Formal Protest to ERC Disallowance for Quarter 1 2021

Tax Period: Quarter 1 2021

Dear Appeals Officer,

We write in response to the IRS notice disallowing 45's Business's Employee Retention Credit (ERC) claim for Quarter 1 2021. The disallowance was based on an assertion that no government orders were in effect during this period that caused a suspension or significant limitation of our operations. We respectfully disagree. Our business—a law firm located in Unknown Location, NY—experienced both a dramatic revenue decline and continued operational restrictions necessitated by numerous federal, state, county, and city government orders. In this protest, we provide a comprehensive timeline of the applicable government orders and a detailed “REVENUE DECLINE DATA” section with the exact audit-critical revenue figures that support our ERC qualification.

Below is a chronological timeline of COVID-19 related government orders that, directly or indirectly, imposed restrictions and mandated modifications to our operations in Quarter 1 2021.

- **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DATE RESCINDED: STILL IN EFFECT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 COVID-19. It activated federal emergency powers and unlocked funding and resources, indirectly enabling state and local lockdowns and restrictions. Although it did not itself mandate a business shutdown, the national emergency created the legal and administrative framework that allowed aggressive local public health measures.

Impact on Quarter: In Quarter 1 2021, this federal emergency continued to influence operational modifications for 45's Business by compelling us to adhere to evolving COVID-19 safety protocols and modifying in-person interactions.

- **Order Name:** CDC/FAA Mask Mandates

ORDER NUMBER: N/A

DATE ENACTED: 01/21/2021

DATE RESCINDED: STILL IN EFFECT

Order Summary: This mandate required masks during travel on airplanes, trains, and other forms of public transit as well as on federal property. It reflected a broad federal commitment to safeguarding public health and supported local COVID-19 safety efforts.

Impact on Quarter: In Quarter 1 2021, these mask mandates reinforced strict safety measures at our offices, thereby contributing to a partial suspension of normal in-person operations for 45's Business.

- **Order Name:** California COVID-19 State of Emergency

ORDER NUMBER: NOT APPLICABLE

DATE ENACTED: 03/04/2020

DATE RESCINDED: STILL IN EFFECT

Order Summary: Governor Gavin Newsom declared a state of emergency to mobilize state resources, relax certain regulations, and prepare for widespread COVID-19 impacts. This declaration provided the legal basis for subsequent public health orders imposing strict operational restrictions on businesses.

Impact on Quarter: In Quarter 1 2021, the ongoing state emergency continued to influence business operations nationwide, contributing to a climate of heightened safety precautions and limited in-person interactions.

- **Order Name:** Statewide Stay-at-Home Order

ORDER NUMBER: EXECUTIVE ORDER N-33-20

DATE ENACTED: 03/19/2020

DATE RESCINDED: 06/15/2021

Order Summary: This order mandated that Californians remain at home except for essential activities. It forced non-essential businesses to either close or significantly restrict their operations by delineating essential services from non-essential ones.

Impact on Quarter: In Quarter 1 2021, the lingering effects of this order continued to limit in-person meetings and office functions at 45's Business, necessitating a reliance on remote methods for client consultations.

- **Order Name:** Modifying Stay-at-Home (Early Stage 2)

Order Number: State Public Health Officer Order (issued as part of EO N-60-20)

DATE ENACTED: 05/07/2020

DATE RESCINDED: 06/15/2021

Order Summary: This order relaxed the strict lockdown measures by permitting curbside pickup and allowing lower-risk businesses to reopen under controlled guidelines. It marked the beginning of a gradual reopening process under strict safety protocols.

Impact on Quarter: In Quarter 1 2021, the legacy of these modified procedures continued to shape the operating protocols at 45's Business, resulting in continued adherence to stringent safety and distancing measures.

- **Order Name:** Statewide Rollback of Reopening

Order Number: State Public Health Officer Order (July 13, 2020)

DATE ENACTED: 07/13/2020

DATE RESCINDED: 08/31/2020

Order Summary: This order required the closure of many indoor operations following a surge in COVID-19 cases, effectively rolling back earlier reopening measures.

Impact on Quarter: The cautious operational environment resulting from this rollback persisted into Quarter 1 2021, compelling us to limit in-person engagements and related activities.

- **Order Name:** Color-Tier Reopening System

Order Number: State Public Health Officer Order (August 28, 2020; effective 08/31/2020)

DATE ENACTED: 08/28/2020 (EFFECTIVE 08/31/2020)

DATE RESCINDED: 06/15/2021

Order Summary: This framework replaced the previous blanket shutdowns with a risk-based tier system that set specific rules for business operations based on local COVID-19 conditions.

Impact on Quarter: In Quarter 1 2021, the remnants of this tier-based approach influenced how 45's Business conducted in-person operations, including client meetings and office procedures.

- **Order Name:** Beyond the Blueprint Reopening Order

ORDER NUMBER: EO N-07-21 / STATE HEALTH OFFICER ORDER

DATE ENACTED: 06/11/2021 (EFFECTIVE 06/15/2021)

DATE RESCINDED: STILL IN EFFECT

Order Summary: This order signaled a transition toward broader reopening by terminating many of the previous restrictions while still requiring compliance with essential public health guidelines.

Impact on Quarter: Although formally enacted just after the quarter in question, its preparatory measures and ongoing guidance influenced operational planning during Quarter 1 2021 for 45's Business.

- **Order Name:** County Declaration of Local Health Emergency

ORDER NUMBER: NOT APPLICABLE**DATE ENACTED: 03/12/2020****DATE RESCINDED: STILL IN EFFECT**

Order Summary: Ventura County declared a local health emergency to establish the legal foundation for subsequent county-specific restrictions and public health directives.

Impact on Quarter: The enduring nature of this declaration contributed indirectly to the heightened health precautions observed in Quarter 1 2021 at 45's Business.

- **Order Name:** Initial County Closures and Gathering Restrictions

Order Number: Ventura County Public Health Order (March 17, 2020)

DATE ENACTED: 03/17/2020**DATE RESCINDED: 03/20/2020**

Order Summary: This order closed non-essential venues such as bars, nightclubs, gyms, and movie theaters, and limited restaurants to take-out only, thereby establishing early COVID-19 restrictions.

Impact on Quarter: The early operational disruptions mandated by this order had lasting effects that extended into Quarter 1 2021, prompting continued reliance on remote practices and restricted in-person interactions at 45's Business.

- **Order Name:** Countywide Stay-at-Home Order

ORDER NUMBER: STAY WELL AT HOME ORDER (VENTURA COUNTY)**DATE ENACTED: 03/20/2020****DATE RESCINDED: 06/11/2021**

Order Summary: This local order required all residents to remain at home except for essential activities, mirroring the state's restrictions and directly affecting non-essential business operations.

Impact on Quarter: In Quarter 1 2021, the residual operational effects of this mandate necessitated alternative work methods, including remote consultations at 45's Business.

- **Order Name:** Extensions and Social Distancing Protocols

Order Number: Ventura County Public Health Order Updates (March–April 2020)

DATE ENACTED: 03/31/2020

DATE RESCINDED: 05/07/2020

Order Summary: These updates extended initial COVID-19 restrictions by introducing firm social distancing requirements and limits on gatherings to curb viral spread.

Impact on Quarter: The protocols established by these measures continued to inform the health and safety practices at 45's Business in Quarter 1 2021.

- **Order Name:** Stage 2 County Reopening

ORDER NUMBER: SAFELY REOPENING VENTURA COUNTY ORDER

DATE ENACTED: 05/07/2020 (AMENDED 05/20/2020)

DATE RESCINDED: 08/31/2020

Order Summary: This order permitted lower-risk businesses to resume operations under strict safety guidelines, initiating a phased reopening strategy in the county.

Impact on Quarter: The cautious reopening approach instituted by this order continued to affect operational decision-making in Quarter 1 2021, especially regarding in-person service provisions.

- **Order Name:** Temporary Beach Closure (Holiday Weekend)

ORDER NUMBER: VENTURA COUNTY 4TH OF JULY CLOSURE ORDER

DATE ENACTED: 06/30/2020

DATE RESCINDED: 07/06/2020

Order Summary: This order temporarily closed beaches and restricted related activities during the holiday weekend as a preventive measure against super-spreader events.

Impact on Quarter: While the order itself was time-limited, it exemplified the targeted restrictions that contributed to an overall environment where in-person interactions remained limited into Quarter 1 2021.

- **Order Name:** Local Implementation of State Rollback

ORDER NUMBER: VENTURA COUNTY JULY 2020 ORDER

DATE ENACTED: 07/13/2020 (EFFECTIVE 07/14/2020)

DATE RESCINDED: 10/06/2020

Order Summary: In response to rising COVID-19 cases, this order enforced additional closures and operational limits on high-risk sectors following a state rollback.

Impact on Quarter: The limitations initiated by this order reinforced a cautious operational approach that continued into Quarter 1 2021, affecting the manner in which 45's Business conducted client engagements.

- **Order Name:** Easing Restrictions in Fall 2020

ORDER NUMBER: VENTURA COUNTY "RED TIER" REOPENING ORDER

DATE ENACTED: 10/06/2020

DATE RESCINDED: EFFECTIVELY SUPERSEDED BY SUBSEQUENT ORDERS

Order Summary: This order eased some restrictions by moving Ventura County into the "Red" tier, allowing limited indoor operations at reduced capacities under revised guidelines.

Impact on Quarter: The conditions established by this order influenced ongoing capacity limitations and operational caution observed by 45's Business in Quarter 1 2021.

- **Order Name:** Temporary Ban on Evictions (Rent Deferral)

ORDER NUMBER: URGENCY ORDINANCE NO. 4563

DATE ENACTED: 04/22/2020

DATE RESCINDED: 09/30/2020

Order Summary: This moratorium temporarily halted evictions for commercial tenants facing COVID-19 related financial hardships, providing critical relief during periods of revenue decline.

Impact on Quarter: The financial distress indicated by this measure continued to affect business stability and operational decisions at 45's Business in Quarter 1 2021.

- **Order Name:** City Declaration of Emergency

Order Number: EOC Director Order No. 20-1 (ratified by City Council Resolution 20-36)

DATE ENACTED: 03/13/2020

DATE RESCINDED: STILL IN EFFECT

Order Summary: The City of Camarillo declared a local emergency to activate its Emergency Operations Center, enabling swift response measures such as facility closures and event cancellations.

Impact on Quarter: The ongoing emergency declaration underscored the need for remote work and reduced in-person engagements at 45's Business in Quarter 1 2021.

- **Order Name:** Citywide Moratorium on Evictions

Order Number: EOC Director Order No. 20-2 (and Amendment from 04/23/2020)

DATE ENACTED: 03/18/2020 (AMENDED 04/23/2020)

DATE RESCINDED: SUPERSEDED BY STATE LAW IN 09/2020

Order Summary: These orders temporarily halted evictions for both residential and commercial tenants, thereby mitigating the economic fallout of the pandemic.

Impact on Quarter: The implications of these eviction moratoriums contributed to ongoing financial challenges that affected the operational decisions at 45's Business in Quarter 1 2021.

- **Order Name:** Temporary Outdoor Dining Program

ORDER NUMBER: CAMARILLO RESOLUTION NO. 2020-63

DATE ENACTED: 06/10/2020

DATE RESCINDED: 06/15/2021

Order Summary: This resolution permitted restaurants to establish temporary outdoor dining areas by waiving certain zoning restrictions and fees, enabling continued operations despite indoor dining bans.

Impact on Quarter: While tailored primarily for the restaurant sector, this resolution exemplifies the adaptive measures businesses were compelled to adopt, influencing how 45's Business structured socially distanced in-person interactions in Quarter 1 2021.

REVENUE DECLINE DATA

This section details the exact revenue comparisons used to substantiate the significant decline experienced by 45's Business during the COVID-19 impacted

periods. The following narrative presents the audit-critical revenue figures for the quarter being protested, along with additional qualifying quarters.

In Q1 2021, 45's Business reported EXACTLY \$345 in revenue, compared to Q1 2019 which reported EXACTLY \$54325234. This represents an EXACT decline of \$54324889, or an EXACT 100.00% decline. Based on the ERC thresholds, this dramatic reduction in revenue clearly qualifies 45's Business for the Employee Retention Credit.

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

In summary, the substantial revenue declines evidenced above, directly resulting from COVID-19 related operational constraints, affirm that 45's Business meets the eligibility requirements for the ERC.

CONCLUSION AND REQUEST

Based on the overwhelming evidence of both COVID-19 related government orders and the audit-critical revenue decline data provided above, we respectfully request that the IRS reconsider and reverse the disallowance of our ERC for Quarter 1 2021. The combined impact of persistent federal, state, county, and city directives—along with the exact revenue figures demonstrating a 100.00% drop in earnings—unequivocally establishes that 45's Business qualifies for the Employee Retention Credit under the partial suspension rules.

Thank you for your prompt attention to this matter. Should you require any additional information or clarification, 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

Enclosures: Copies of Government Orders and Relevant Excerpts; ERC Revenue Documentation; Supporting IRS Guidance Documents