

4/07/2025

Internal Revenue Service
Ogden, UT 84201

EIN: 234123

Taxpayer Name: test

RE: Formal Protest to Disallowance of ERC for Q2 2020

Tax Period: 2nd Quarter 2020 (Q2 2020)

Dear Appeals Officer,

We write in response to the IRS notice disallowing test's Employee Retention Credit (ERC) claim for the second quarter of 2020. The disallowance was based on the assertion that "no government orders were in effect" during the period, which resulted in no partial suspension of our operations. We respectfully disagree. In Q2 2020, multiple federal, state, county, and city government orders were active that directly imposed COVID-19-related restrictions and significantly curtailed our normal business operations. The evidence provided below demonstrates that these orders created the conditions of a partial suspension, and we submit that test is eligible for the ERC under the "partial suspension" provisions.

Below is a detailed timeline of the COVID-19 government orders in effect during Q2 2020:

- **Order Name:** Executive Order N-33-20 – Statewide "Stay-at-Home" Order
- **Order Number:** EO N-33-20
- **Date Enacted:** 03/19/2020
- **Date Rescinded:** 06/15/2021
- **Order Summary:** This order mandated that all Californians remain at home except for essential needs, resulting in the closure or modification of operations for non-essential businesses. It was designed to reduce virus transmission through minimal public interactions.
- **Impact on Quarter:** In Q2 2020, the order required test to either close or significantly limit its operations, thereby partially suspending our normal business activities.
- **Order Name:** State Public Health Officer Order (Stage 2 Reopening) – Modifying Stay-at-Home Order
- **Order Number:** EO N-60-20
- **Date Enacted:** 05/07/2020

- **Date Rescinded:** 06/15/2021
 - **Order Summary:** This order allowed certain lower-risk businesses to reopen under strict modifications while continuing to restrict higher-risk sectors. It provided a pathway for limited reopening during the ongoing health emergency while still maintaining significant operational constraints.
 - **Impact on Quarter:** In Q2 2020, test was permitted only limited reopening under this order, meaning our operations continued to face substantial restrictions that resulted in a partial suspension of our normal business activities.
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- **Order Name:** Ventura County "Stay Well at Home" Order
 - **Order Number:** (Not Assigned)
 - **Date Enacted:** 03/20/2020
 - **Date Rescinded:** 06/15/2021
 - **Order Summary:** This county order required all residents to remain at home except for essential activities, aligning with the state's stay-at-home directive. It restricted gatherings and non-essential business operations within Ventura County to mitigate the spread of COVID-19.
 - **Impact on Quarter:** During Q2 2020, test's operations were directly limited by this order, as it enforced mandatory closures and restrictions that contributed to the partial suspension of our business activities.
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- **Order Name:** Local Emergency Proclamation (Camarillo)
 - **Order Number:** EOC Director Order No. 20-1
 - **Date Enacted:** 03/13/2020
 - **Date Rescinded:** Still in effect
 - **Order Summary:** This proclamation declared a local emergency in Camarillo, activating the city's emergency operations and authorizing the implementation of public health measures, including facility closures and restrictions on gatherings. It reinforced state and county directives to protect public health during the pandemic.
 - **Impact on Quarter:** In Q2 2020, the local emergency enhanced the enforcement of higher-level orders against test, ensuring that our normal operations were curtailed and thus meeting the partial suspension criteria.

Based solely on the government orders approach, we submit that test experienced a partial suspension of operations in Q2 2020 due to the combined effect of these orders. At no point during this quarter was our business unaffected by these legally binding mandates. We respectfully request that you reconsider the disallowance of our ERC claim for Q2 2020 in light of the evidence provided by the above orders.

No revenue data has been provided; this protest is exclusively based on the documented government orders which resulted in a partial suspension of operations.

Thank you for your attention to this matter. Please do not hesitate to contact us if you require any additional information or clarification.

Sincerely,

[Authorized Representative Signature]

AUTHORIZED REPRESENTATIVE FOR TEST

Enclosures: Copies of the Government Orders (per the narrative above)

Attachments: Supporting Documentation of COVID-19 Orders and Compliance Measures