

03/19/2025

Internal Revenue Service

Ogden, UT 84201

EIN: 00-0000000

Taxpayer Name: 45's Business

RE: Formal Protest to Letter 105 – ERC Disallowance for Quarter 2 2021

Tax Period: Quarter 2 2021

Dear Appeals Officer,

We write in response to the IRS notice disallowing 45's Business's Employee Retention Credit (ERC) claim for Quarter 2 2021. The disallowance cites an assertion that no government orders were in effect during the period that could have caused a suspension or modification of our firm's operations. We respectfully disagree. Our records demonstrate that, during Quarter 2 2021, our law firm experienced significant revenue declines and was subject to multiple COVID-19 related governmental orders that resulted in altered business operations. In this protest, we provide a detailed description of the relevant government orders, along with their exact dates, summaries, and impacts, as well as a comprehensive "REVENUE DECLINE DATA" section that documents our exact revenue figures as required by IRS audit standards.

- Timeline of COVID-19 Government Orders Active in Quarter 2 2021

Below is a chronological presentation of the key government orders that affected our firm's operations during Quarter 2 2021. Each entry is provided in the required format:

- 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- Date Rescinded: Still in effect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: On March 13, 2020, by Proclamation 9994 the President declared a national emergency due to the COVID-19 pandemic. This declaration activated emergency powers and funding that, in turn, enabled state and local public health measures such as business restrictions and lockdowns.
- Impact on Quarter: In Quarter 2 2021, this proclamation continued to support federal directives affecting our operations, contributing to an environment in which our firm had to adapt to altered business protocols and reduced in-person interactions.

- Order Name: CDC/FAA Mask Mandates – Federal Mask Requirements for Travel
- Order Number: CDC/FAA Mask Mandates
- Date Enacted: 01/21/2021
- Date Rescinded: Not rescinded in 2021
- Order Summary: This order imposed mandatory mask requirements for travel on airplanes, trains, buses, airports, and federal properties in response to COVID-19. It was part of broader federal efforts aimed at ensuring safe interstate travel during the pandemic.
- Impact on Quarter: During Quarter 2 2021, the mask mandates required our employees to adhere to strict safety protocols, impacting daily operations and limiting in-person client interactions, thereby contributing to operational modifications within our firm.

- 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 required all California residents to remain at home except for essential activities, forcing non-essential businesses to suspend or significantly modify in-person operations. It mandated closures or operational limitations to mitigate the spread of COVID-19.
- Impact on Quarter: Although originally a California order, its broader influence on public sentiment and business practices extended nationwide. Consequently, our firm was impacted by heightened health and safety protocols and a general curtailment of in-person services during Quarter 2 2021.

- Order Name: Beyond the Blueprint Reopening Order
- Order Number: Executive Order N-07-21 (Beyond the Blueprint)
- Date Enacted: 06/11/2021 (Effective 06/15/2021)
- Date Rescinded: Not applicable as it terminated previous mandates
- Order Summary: This order marked the conclusion of earlier stay-at-home and capacity restrictions by terminating many of the previous COVID-19 public health mandates as vaccination rates improved. It signified a regulatory shift toward easing restrictions while maintaining select precautionary measures.
- Impact on Quarter: Although its full effect commenced mid-quarter, the order reflected the evolving regulatory landscape during Quarter 2 2021. It provided guidance for a gradual easing of restrictions, yet required our firm to continue adapting operational protocols to ensure compliance with updated safety measures.

- REVENUE DECLINE DATA

The following section provides detailed revenue data to demonstrate the significant decline in our firm's revenue during the relevant quarters, which qualifies 45's Business for the ERC. This presentation adheres to the IRS's legal audit requirements by including the EXACT revenue figures and percentages.

For Quarter 2 2021, our firm's revenue was EXACTLY \$345 compared to Quarter 2 2019, where revenue was EXACTLY \$3552452345. This constitutes an EXACT decline of \$3552452000 and an EXACT percentage decline of 100.00%. Based on the IRS thresholds for ERC qualification, this significant revenue drop qualifies our firm for the credit.

- Additional Supporting Revenue Reduction Data:
- **Q1 2021:** EXACTLY \$345 compared to Q1 2019
- **Q3 2021:** EXACTLY \$345 compared to Q3 2019

This revenue decline data, when taken together with the impact of the aforementioned government orders, clearly demonstrates that our operations were adversely affected during the period. The combined evidence supports our qualification for the Employee Retention Credit under the partial suspension provisions.

CONCLUSION AND REQUEST

In light of the significant revenue decline and the direct impact of multiple COVID-19 government orders on our business operations during Quarter 2 2021, we respectfully request that the IRS reconsider and reverse the disallowance of 45's Business's ERC claim. The detailed revenue and operational data provided clearly satisfies the legal and audit requirements for ERC qualification. We have enclosed copies of the government orders, revenue documentation, and supporting analyses for your review.

Thank you for your prompt attention to this matter. Should you have any questions or require further clarification, please do not hesitate to contact our office.

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,

[Signature]

AUTHORIZED REPRESENTATIVE

45's Business

ENCLOSURES:

- Copies of Government Orders and Relevant Excerpts
- Detailed ERC Revenue Reduction Analysis for Quarter 2 2021
- Supporting Documentation for ERC Qualification