

3/17/2025

Internal Revenue Service  
Ogden, UT 84201

EIN: 00-0000000

Taxpayer Name: 45's Business

RE: Formal Protest to Letter Disallowing ERC 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 premised on the assertion that no government orders or COVID-19 related disruptions affected our operations during the period. We respectfully disagree. Our law firm experienced a severe decline in revenue during Quarter 1 2021, and we were subject to federal COVID-19 emergency orders that imposed restrictions significantly impacting our operational practices. In the subsections below, we provide a detailed account of the relevant government order and present the audit-critical revenue decline data that clearly establish our qualification for the ERC under applicable guidance.

- Timeline of COVID-19 Related Government Orders

Below is a key government order in effect that imposed operational limitations impacting our activities during Quarter 1 2021:

- Order Name: United States COVID-19 National Emergency Declaration
- Order Number: N/A
- Date Enacted: 03/13/2020
- Date Rescinded: Still in effect
- Order Summary: The declaration of a national emergency due to COVID-19 by the President provided a legal basis for a host of federal actions aimed at mitigating the impact of the pandemic. This order authorized federal agencies to implement and enforce various measures to limit the spread of the virus and ensure public health and safety. It established a framework under which restrictions on large gatherings and modifications to standard operating procedures were mandated nationwide.
- Impact on Quarter: During Quarter 1 2021, the ongoing national emergency resulted in restrictions on in-person activities and required critical business functions—including legal proceedings and client meetings—to transition to

remote or modified formats. For our law firm, these changes significantly altered normal operations, affecting scheduling, client intake, and overall service delivery.

- **REVENUE DECLINE DATA**

The purpose of this section is to clearly present the audit-critical revenue figures that demonstrate a substantial decline in gross receipts, which serves as a basis for ERC qualification. Our records show that our revenue experienced a dramatic and verifiable drop when compared to the corresponding quarter in 2019.

For our primary protest quarter, Quarter 1 2021, our revenue was EXACTLY \$345 compared to Quarter 1 2019 when revenue was EXACTLY \$54325234. This represents an EXACT decline of \$54324889, or EXACTLY 100.00% decrease, and is sufficient to qualify for ERC benefits.

Additionally, the following quarters also showed qualifying declines based on the established thresholds:

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

In summary, as a law firm operating in Unknown Location, NY, 45's Business experienced both a partial suspension of normal operations—evidenced by the federal COVID-19 emergency measures—and a dramatic, audit-verified decline in revenue during Quarter 1 2021. These circumstances establish our eligibility for the ERC under current IRS guidelines.

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."

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

Sincerely,

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[Authorized Representative Signature]

[Printed Name of Authorized Representative]

45's Business

**ENCLOSURES:**

- Copies of Relevant Government Order Documentation

- Detailed Revenue Decline Analysis for Q1, Q2, and Q3 2021
- Supporting ERC Calculations and Documentation
- Relevant IRS Guidance Documentation