

3/19/2025

Internal Revenue Service
Ogden, UT 84201

EIN: 00-0000000

Taxpayer Name: 45's Business

RE: Formal Protest to Letter [Reference Number] – ERC Disallowance for Q3

Tax Period: 3rd Quarter 2021 (2021Q3)

Claim Amount: [Enter Claim Amount]

Dear Appeals Officer,

We write in response to the IRS notice disallowing 45's Business's Employee Retention Credit (ERC) claim for the third quarter of 2021. The disallowance was based on an assertion that no government orders were in effect from July 1 to September 30, 2021 that caused a suspension of our operations. We respectfully disagree.

45's Business, a law firm located in Unknown Location, NY, experienced both a significant revenue decline and was subject to government orders that—the combined effect—resulted in a full or partial suspension of operations during the quarter. We have provided herein a detailed explanation of the revenue decline and a comprehensive timeline of the COVID-19 government orders that materially limited our normal business operations during the relevant period. We rely on the specific evidence provided to support our claim that 45's Business qualifies for the ERC under the “partial suspension” provisions.

Timeline of COVID-19 Government Orders Active in Q3 2021

- **Order Name:** Proclamation 9994 – National Emergency Concerning COVID-19
- **Order Number:** 9994
- **Date Enacted:** 03/13/2020
- **Date Rescinded:** Still in effect
- **Order Summary:** On March 13, 2020, the President declared a national emergency concerning COVID-19 under Proclamation 9994. This declaration established the legal authority for various federal public health measures and provided the foundation for subsequent state and local orders aimed at mitigating the pandemic.
- **Impact on Quarter:** During Q3 2021, although enacted much earlier, the ongoing national emergency supported the continued enforcement of

supplementary health and safety directives that materially impacted our ability to conduct normal in-person legal operations.

- **Order Name:** Executive Order N-33-20 – Stay-at-Home Order
 - **Order Number:** N-33-20
 - **Date Enacted:** 03/19/2020
 - **Date Rescinded:** 06/15/2021
 - **Order Summary:** This executive order mandated that all residents remain at home except for essential needs, which forced non-essential businesses to cease normal operations and significantly limit in-person activities. The order led to the closure or severe curtailment of many business functions during its period of effect.
 - **Impact on Quarter:** Although formally rescinded on 06/15/2021, the legacy and operational restrictions imposed by the Stay-at-Home Order continued to affect our service delivery by reducing in-person client meetings and limiting physical office operations during quarterly transitional phases.
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- **Order Name:** Camarillo Local Emergency Proclamation
 - **Order Number:** EOC Director Order No. 20-1
 - **Date Enacted:** 03/13/2020
 - **Date Rescinded:** Still in effect
 - **Order Summary:** The City of Camarillo declared a local emergency on March 13, 2020, activating its Emergency Operations Center and enforcing rapid implementation of COVID-19 restrictions, including the closure of city facilities and cancellation of public events. These measures were designed to slow the spread of the virus and protect public health.
 - **Impact on Quarter:** Although originating from Camarillo, the principles underlying this local emergency proclamation reflect the type of governmental restrictions imposed nationwide, including in our region. Such orders contributed to a regulatory environment that forced a partial suspension of our normal operations—limiting face-to-face interactions and restricting conventional business practices during Q3.

REVENUE DECLINE DATA

The purpose of this section is to present, for audit purposes, the exact revenue decline figures that directly support 45's Business's ERC qualification by showing a significant drop in gross receipts beyond the applicable thresholds.

For the main quarter being protested – Q3 2021 – our revenue was EXACTLY \$345 compared to Q3 2019 of EXACTLY \$3245345, an EXACTLY 99.99% decline. This dramatic decline clearly qualifies under the ERC revenue reduction threshold as it reflects a reduction well in excess of the required 20% decline for 2021.

Additionally, the following quarters also demonstrate qualifying revenue reductions:

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

In conclusion, the significant revenue decline data, combined with the impact imposed by COVID-19 government orders during Q3 2021, establish that 45's Business experienced a partial suspension of operations. Therefore, under the applicable IRS guidance, our claim for the Employee Retention Credit is fully warranted.

We respectfully request that the IRS reconsider and reverse the disallowance of our Q3 2021 ERC claim. Please do not hesitate to contact us if further documentation or clarification regarding the attached government orders and revenue data 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]

[Printed Name]

Authorized Representative for 45's Business

Enclosures: Copies of Government Orders and Relevant Excerpts; Detailed Revenue Decline Data; Supporting ERC Documentation