

03/19/2025

Internal Revenue Service

Ogden, UT 84201

EIN: 00-0000000

Taxpayer Name: 45's Business

RE: Formal Protest to Disallowance of Employee Retention Credit 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 governmental orders were in effect from January to March 2021 that would have caused a partial suspension of our operations. We respectfully disagree. Multiple federal and state government orders were active during Quarter 1 2021, and these orders imposed COVID-19 related restrictions that affected our operations. In addition, our revenue data shows a significant decline during this period. In this protest, we provide a detailed timeline of the relevant government orders affecting our business, along with the REQUIRED "REVENUE DECLINE DATA" section that clearly documents our decline in revenue as a basis for ERC qualification.

Below is a detailed timeline of COVID-19 government orders that were in effect during 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DATE RESCINDED: STILL IN EFFECT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, activating federal emergency powers and providing the legal framework for further health and safety mandates.

Impact on Quarter: In Quarter 1 2021, this order maintained heightened federal measures and served as a basis for subsequent state directives, which partially suspended normal business operations.

.

ORDER NAME: CDC/FAA MASK MANDATES FOR TRAVEL

Order Number: (None provided – identified as CDC/FAA Mask Mandates)

DATE ENACTED: 01/21/2021

DATE RESCINDED: STILL IN EFFECT

Order Summary: This federal directive, issued via Executive Order and subsequent CDC mandate, required masking on airplanes, trains, buses, airports, and federal properties to mitigate the spread of COVID-19.

Impact on Quarter: During Quarter 1 2021, these mandates affected travel and business interactions, contributing to operational restrictions and reinforcing the partial suspension of normal activities.

.

ORDER NAME: CALIFORNIA COVID-19 STATE OF EMERGENCY

Order Number: (No specific number; issued as a Governor's Proclamation)

DATE ENACTED: 03/04/2020

DATE RESCINDED: STILL IN EFFECT

Order Summary: This proclamation declared a statewide emergency in response to COVID-19, enabling access to additional resources and justifying the implementation of subsequent public health measures.

Impact on Quarter: In Quarter 1 2021, this order underpinned many of the state-level restrictions that limited business operations by mandating compliance with various health and safety protocols.

.

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 residents stay at home except for essential activities, resulting in the closure of non-essential businesses and restrictions on in-person operations.

Impact on Quarter: In Quarter 1 2021, although some businesses had adapted by transitioning to remote operations, the order continued to substantially limit normal business activities, including those of 45's Business.

REVENUE DECLINE DATA

The purpose of this section is to provide the mandated revenue figures and demonstrate the significant decline experienced by our business, which qualifies us for the Employee Retention Credit. The following narrative details the exact revenue data for our primary protest quarter as well as additional quarters where the decline criteria are met.

For Quarter 1 2021, our revenue was EXACTLY \$345 compared to Quarter 1 2019, where revenue was EXACTLY \$54325234. This represents an EXACT decline of \$54324889 and an EXACT percentage decline of 100.00%, qualifying 45's Business for the ERC under the applicable revenue decline thresholds.

Additional quarters with qualifying revenue declines are as follows:

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

In conclusion, the combination of the significant revenue declines and the imposition of multiple federal and state COVID-19 government orders during Quarter 1 2021 clearly support our position that operations were partially suspended. The evidence provided meets the legal and audit requirements to qualify for the ERC. We respectfully request that the IRS reconsider and reverse the disallowance of our ERC claim for Quarter 1 2021.

Thank you for your attention to this matter. Please do not hesitate to contact us if further information is required.

Sincerely,

AUTHORIZED REPRESENTATIVE

45's Business

Enclosures: Copies of Relevant Government Orders; Detailed ERC Calculations; Documentation of Revenue Decline Data

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."