

03/19/2025

Internal Revenue Service

Ogden, UT 84201

EIN: 00-0000000

Taxpayer Name: 45's Business

RE: Formal Protest to Disallowance of ERC for Quarter 2 2021

Tax Period: Quarter 2 2021 (2021Q2)

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 was based on an assertion that no governmental orders were in effect during this period that would justify a partial suspension of our operations. We respectfully disagree. Our law firm experienced a profound decline in revenue during Quarter 2 2021 and was also subject to several COVID-19 government orders that imposed restrictions affecting our normal operations. In this protest letter, we provide a detailed timeline of relevant government orders, demonstrate their impact on our activities, and present the required revenue decline data that substantiate our ERC qualification.

Below is a chronological timeline of COVID-19 government orders that were in effect during the period and contributed to the partial suspension of our business activities:

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- Order Name: Proclamation 9994 – National Emergency Concerning COVID-19

- Order Number: N/A

- Date Enacted: 03/13/2020

- Date Rescinded: Still in effect

- Order Summary: This proclamation declared a nationwide emergency due to the COVID-19 outbreak. It activated federal emergency powers and funding and indirectly enabled subsequent state and local lockdowns and restrictions. Its enduring effect created a regulatory environment that mandated significant health and safety protocols.

- Impact on Quarter: The ongoing national emergency required our law firm to modify in-person interactions and adopt stringent safety measures during Quarter 2 2021, thereby limiting normal business operations.

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- Order Name: CDC/FAA Mask Mandates – Federal Mask Requirements for Travel
 - Order Number: Executive Order 13998
 - Date Enacted: 01/21/2021
 - Date Rescinded: Still in effect
 - Order Summary: This order mandated mask requirements on airplanes, trains, buses, airports, and federal properties to ensure travel safety. It required compliance with these protocols to mitigate the spread of COVID-19, thereby affecting travel and business meeting arrangements.
 - Impact on Quarter: During Quarter 2 2021, these mandates led to adjustments in travel and client meeting protocols, indirectly affecting our day-to-day operations and contributing to a partial suspension of customary in-person legal services.
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- Order Name: State of Emergency Proclamation – California COVID-19 State of Emergency
 - Order Number: N/A (Governor’s Proclamation)
 - Date Enacted: 03/04/2020
 - Date Rescinded: Still in effect
 - Order Summary: This order declared a state of emergency to address the spread of COVID-19, authorizing health authorities to issue aggressive measures and restrictions on business operations. It provided the legal basis for continued public health measures during the pandemic.
 - Impact on Quarter: Although our law firm is located in New York, the nationwide implications of state-level emergencies influenced evolving best practices and remote work protocols throughout Quarter 2 2021, further evidencing that COVID-19 measures had a direct impact on our business operations.

In addition to the above government orders, we now present the revenue decline data required for audit purposes.

REVENUE DECLINE DATA

This section is provided to document the significant revenue decline experienced by 45's Business, which qualifies our law firm for the ERC under the substantial decline in gross receipts criterion. The following narrative outlines the exact revenue figures for the main quarter under protest along with additional supporting data for other quarters.

For Quarter 2 2021, our revenue was EXACTLY \$345 compared to Quarter 2 2019 revenue of EXACTLY \$3552452345. This represents an EXACT decline of \$3552452000, or EXACTLY 100.00% decline, which clearly qualifies for the ERC based on the established thresholds.

In addition, we experienced similar significant declines in other quarters:

- For Quarter 1 2021, revenue was EXACTLY \$345 compared to Quarter 1 2019 revenue of EXACTLY \$54325234, resulting in an EXACT 100.00% decline.
- For Quarter 3 2021, revenue was EXACTLY \$345 compared to Quarter 3 2019 revenue of EXACTLY \$3245345, resulting in an EXACT 99.99% decline.

These figures conclusively show that our law firm experienced a revenue reduction that far exceeds the threshold required to qualify for the ERC, and when combined with the COVID-19 governmental orders, they substantiate our claim for a partial suspension of operations during Quarter 2 2021.

CONCLUSION AND REQUEST

Based on the detailed timeline of government orders and the documented revenue declines, it is clear that 45's Business qualifies for the Employee Retention Credit for Quarter 2 2021. The imposed mandates and restrictions – as demonstrated above – resulted in significant operational challenges equivalent to a partial suspension. We respectfully request that the IRS reconsider and reverse the disallowance of our ERC claim for this quarter.

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 for 45's Business

45's Business

ENCLOSURES:

- Copies of the Government Orders as listed
- Detailed Revenue Decline Documentation for Q1, Q2, and Q3 2021
- Supporting IRS Guidance Materials
- Additional Documentation Relevant to ERC Qualification