

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 Q1 2021

Tax Period: 1st Quarter 2021 (202101)

Dear Appeals Officer,

We write in response to the IRS notice disallowing 45's Business's Employee Retention Credit (ERC) claim for the first quarter of 2021. The disallowance was based on the assertion that no government orders were in effect during this period that caused a suspension or significant limitation of our operations. We respectfully disagree. Our law firm experienced a substantial decline in revenue during Q1 2021, and several COVID-19 related federal orders imposed mandatory safety precautions that affected our operations. In this letter, we set forth the detailed revenue reduction figures and provide a timeline of relevant COVID-19 government orders that demonstrate the imposition of operational protocols impacting our business during the quarter.

Below is a timeline of key COVID-19 government orders that were in effect during Q1 2021:

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- 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- Date Rescinded: Still in effect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: This proclamation declared a national emergency due to the COVID-19 outbreak and activated federal emergency powers and funding. Although it did not directly mandate business closures, it created the legal environment in which state and local authorities could impose additional restrictions.

- Impact on Quarter: In Q1 2021, this order maintained a federal framework for COVID-19 safety and operational guidelines, which required our law firm to adopt health precaution measures affecting normal business functions.

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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- Date Rescinded: Still in effect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 required the wearing of masks on airplanes, trains, buses, airports, and other federal properties to promote safety during travel. While it did not directly impact day-to-day business operations, it established a federal standard for protective measures during travel and related activities.
- Impact on Quarter: In Q1 2021, although the direct operational impact on our law firm was minimal, adherence to these federal safety protocols influenced our internal travel policies and employee screening processes, thereby affecting our overall business operations.

REVENUE DECLINE DATA

The purpose of this section is to clearly present the revenue decline information for audit purposes with the exact figures provided. This narrative demonstrates the severe decline in revenue experienced during the first quarter of 2021 and establishes our eligibility for the ERC.

For the primary quarter under protest, Q1 2021, our reported revenue was EXACTLY \$345 compared to Q1 2019 revenue of EXACTLY \$54325234. This represents a decline of EXACTLY \$54324889, which is an EXACTLY 100.00% decline; the dramatic decrease in revenue clearly qualifies 45's Business for the Employee Retention Credit based on the ERC threshold requirements. In addition to Q1 2021, the following quarters also show qualifying revenue declines:

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

In light of the substantial revenue decline demonstrated above and the federal COVID-19 government orders in effect that necessitated safety protocols impacting our operations, 45's Business believes that the ERC disallowance is in error. We respectfully request that the IRS review the enclosed evidence and reconsider our claim for the first quarter of 2021.

Thank you for your attention to this matter. We remain available to provide any additional information or clarification as required. We appreciate your prompt and fair reconsideration of our ERC claim.

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’s Signature]

[Authorized Representative’s Name]

Authorized Representative for 45's Business

ENCLOSURES:

- Copies of COVID-19 Government Orders
- Documentation of Revenue Decline Data
- Supporting IRS Guidance Documents