

3/19/2025

Internal Revenue Service
Ogden, UT 84201

EIN: 00-0000000

Taxpayer Name: Business #17424016

RE: Formal Protest to Letter [Insert Letter Number] – ERC Disallowance for Q1 2021

Tax Period: 1st Quarter 2021 (202101)

Claim Amount: [Insert Claim Amount]

Dear Appeals Officer,

We write in response to the IRS notice disallowing Business #17424016's Employee Retention Credit (ERC) claim for the first quarter of 2021. The notice asserts that no government orders were in effect during the claim period that caused a suspension or significant limitation of our operations. We respectfully disagree. Business #17424016, a law firm located in Unknown Location, NY, experienced both a pronounced decline in revenue and was subject to several COVID-19 related government orders that imposed restrictions on our normal operations. In this letter we provide a detailed timeline of relevant government orders, a dedicated "REVENUE DECLINE DATA" section with exact figures, and supporting analysis showing why Business #17424016 qualifies for the ERC under the "partial suspension" provisions.

Below is a chronological timeline of key COVID-19 government orders that were active during the first quarter of 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- **Date Rescinded:** Still in effect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:** This proclamation declared a nationwide emergency, thereby empowering federal agencies to access emergency funds and implement critical COVID-19 safety directives. It provided the legal basis for subsequent federal mandates and ensured that health and safety guidelines were enforced across all sectors.
- **Impact on Quarter:** In Q1 2021, this proclamation maintained an environment of stringent COVID-19 precautions, directly impacting our operations by

necessitating adherence to federal safety protocols and influencing travel and operational policies.

- **Order Name:** Federal Mask Mandates for Travel (CDC/FAA Requirements)
 - **Order Number:** [Official Identifier Not Provided]
 - **Date Enacted:** 01/21/2021
 - **Date Rescinded:** Still in effect
 - **Order Summary:** This mandate required the use of masks on airplanes, trains, buses, airports, and federal facilities as part of the national response to the COVID-19 pandemic. It underscored the federal commitment to mitigating virus transmission while traveling and set uniform safety standards across transportation modalities.
 - **Impact on Quarter:** During Q1 2021, the mask mandate affected our business's travel arrangements and required us to implement additional safety protocols, thereby limiting normal business operations and interactions.
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- **Order Name:** Executive Order N-33-20 – Statewide “Stay-at-Home” Order
 - **Order Number:** N-33-20
 - **Date Enacted:** 03/19/2020
 - **Date Rescinded:** 06/15/2021
 - **Order Summary:** This order mandated that all residents remain at home except for essential activities and occupations in critical sectors. It imposed strict limitations on non-essential business operations and services, reflecting an aggressive effort to curb the spread of COVID-19.
 - **Impact on Quarter:** In Q1 2021, despite some gradual easing of restrictions, the stay-at-home order continued to limit our firm's capacity to hold in-person meetings and conduct regular legal operations, thereby constituting a partial suspension of normal business activities.

REVENUE DECLINE DATA

The following section is provided to meet the legal audit requirement by detailing the revenue decline experienced by Business #17424016. This narrative presents the exact revenue figures, percentage declines, and a clear explanation of qualification for ERC based on the COVID-19 related disruptions during the respective quarters.

For the main quarter under protest, Q1 2021, our law firm recorded EXACTLY \$34534 in revenue compared to EXACTLY \$453245 in Q1 2019, representing an EXACTLY 92.38% decline. This drastic reduction in revenue surpasses the credit qualification thresholds specified by the ERC guidelines for 2021. The significant

revenue decline directly resulted from the restrictive environment imposed by active government orders and the overall impacts of the COVID-19 pandemic.

- **Q2 2021:** EXACTLY \$2134214 compared to Q2 2019
- **Q3 2021:** EXACTLY \$534 compared to Q3 2019

In conclusion, Business #17424016 qualifies for the Employee Retention Credit for the applicable quarters based on both a substantial decline in revenue and a partial suspension of normal operations caused by multiple COVID-19 government orders. The detailed government order timeline and exact revenue decline data provided above serve as evidence that the adverse impacts during the first quarter of 2021 meet the legal and regulatory requirements for ERC eligibility.

Thank you for your prompt attention to this matter. We respectfully request that the IRS reconsider its disallowance of our ERC claim for Q1 2021. Should you require any additional information or clarification, please do not hesitate to contact us.

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]

[Name of Authorized Representative]

Authorized Representative for Business #17424016

ENCLOSURES:

- Copies of COVID-19 Government Orders (as detailed above)
- Detailed ERC Calculations and Revenue Decline Documentation for Q1 2021
- Relevant IRS Guidance Documents