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(via U.S. Mail)

State of West Virginia
Office of the Attorney General
Tax & Revenue, Court of Claims and Transportation Division

Patrick Morrissey
Attorney General

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May 6, 2015

Honorable Sonja Embrey, Circuit Clerk
Hampshire County Circuit Clerk's Office
P.O. Box 343
Romney, WV 26757

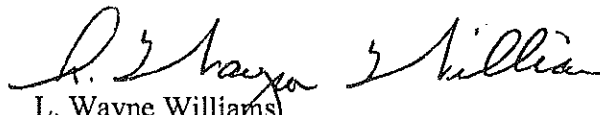
Via Facsimile & U.S. Mail

Re: *Global Capital of World Peace, Inc., v. Norma Wagoner, Assessor, Mark W. Matkovich, State Tax Commissioner*
Civil Action No.: 15-AA-01

Dear Ms. Embrey:

Enclosed please find the "Answer Of The West Virginia State Tax Department To Petition Appealing Denial Of *Ad Valorem* Property Tax Exemption" to be filed in the above-referenced matter. A copy of the same has been provided to counsel for the Petitioner and to the Defendant as evidenced in the attached certificate of service. Thank you for your attention to this matter.

Sincerely,


L. Wayne Williams
Assistant Attorney General

LWW/dbt
Enclosure

cc: Michael E. Caryl, Esq.
Catherine A. Delligatti, Esq.
Norma J. Wagoner, Hampshire County Assessor
Daniel M. James, Esq., Hampshire County Prosecuting Attorney
Mark Morton, General Counsel, WV State Tax Department

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IN THE CIRCUIT COURT OF HAMPSHIRE COUNTY, WEST VIRGINIA (via US Mail)

GLOBAL CAPITAL OF WORLD
PEACE, INC.,

Petitioner,

v.

Civil Action No. 15-AA-01

NORMA WAGONER, Assessor of
Hampshire County, West Virginia;
MARK W. MATKOVICH, State Tax
Commissioner,

Respondents.

ANSWER OF
THE WEST VIRGINIA STATE TAX DEPARTMENT
TO PETITION APPEALING DENIAL
OF *AD VALOREM* PROPERTY TAX EXEMPTION

COMES NOW the West Virginia State Tax Department, by counsel, to answer the *Petition* filed in this matter. The *Petition* was served on the State Tax Department on April 7, 2015. The Tax Department states as follows.

1. Based upon a review of the information contained on the West Virginia Secretary of State Office's website, the State Tax Department admits that Global Capital of World Peace (hereinafter sometimes, World Peace) is listed on the Secretary of State's website as a nonprofit corporation as alleged in Paragraph 1 of the *Petition*. The Tax Department lacks sufficient information to form an opinion regarding the truth or the falsity of the remaining allegations set forth in Paragraph 1 of the *Petition*; consequently, those allegations are denied.

2. The Tax Department lacks sufficient information to form an opinion regarding the truth or the falsity of the allegations set forth in Paragraph 2 of the *Petition*; consequently, those allegations are denied.

3. The Tax Department admits that the Taxpayer was designated as exempt from federal income taxes pursuant to the Internal Revenue Code § 501(c)(3) as alleged in Paragraph 3 of the *Petition*. The Tax Department lacks sufficient information to form an opinion regarding the truth or the falsity of the remaining allegations set forth in Paragraph 3 of the *Petition*; consequently, those allegations are denied.

4. The Tax Department lacks sufficient information to form an opinion regarding the truth or the falsity of the allegations set forth in Paragraph 4 of the *Petition*; consequently, those allegations are denied.

5. The Tax Department lacks sufficient information to form an opinion regarding the truth or the falsity of the allegations set forth in Paragraph 5 of the *Petition*; consequently, those allegations are denied.

6. The Tax Department lacks sufficient information to form an opinion regarding the truth or the falsity of the allegations set forth in Paragraph 6 of the *Petition*; consequently, those allegations are denied.

7. The Tax Department lacks sufficient information to form an opinion regarding the truth or the falsity of the allegations set forth in Paragraph 7 of the *Petition*; consequently, those allegations are denied.

8. The Tax Department admits that several buildings, structures and a range of improvements, exist on the property as alleged in Paragraph 8 of the *Petition*. The Tax Department lacks sufficient information to form an opinion regarding the truth or the falsity of

the remaining allegations set forth in Paragraph 8 of the *Petition*; consequently, those allegations are denied.

9. The Tax Department lacks sufficient information to form an opinion regarding the truth or the falsity of the allegations set forth in Paragraph 9 of the *Petition*; consequently, those allegations are denied.

10. The Tax Department lacks sufficient information to form an opinion regarding the truth or the falsity of the allegations set forth in Paragraph 10 of the *Petition*; consequently, those allegations are denied.

11. The Tax Department lacks sufficient information to form an opinion regarding the truth or the falsity of the allegations set forth in Paragraph 11 of the *Petition*; consequently, those allegations are denied.

12. The Tax Department lacks sufficient information to form an opinion regarding the truth or the falsity of the allegations set forth in Paragraph 12 of the *Petition*; consequently, those allegations are denied.

13. The Tax Department lacks sufficient information to form an opinion regarding the truth or the falsity of the allegations set forth in Paragraph 13 of the *Petition*; consequently, those allegations are denied.

14. The Tax Department admits that PTR 15-50 was based in part on information contained on the website (<http://purushacourse.org>) as alleged in Paragraph 14 of the *Petition*; the Taxpayer has admitted in Paragraph 11 of the *Petition* that the website is owned and operated by Maharishi Purusha Program, a related entity to the Taxpayer. The Tax Department lacks sufficient information to form an opinion regarding the truth or the falsity of the remaining allegations set forth in Paragraph 14 of the *Petition*; consequently, those allegations are denied.

15. The Tax Department denies that the actions of Norma Wagoner, Assessor of Hampshire County, have aggrieved World Peace in any manner as alleged in Paragraph 15 of the *Petition*. The Tax Department admits that the Assessor and World Peace submitted the issue of whether the property is subject to *ad valorem* property tax for a property tax ruling as alleged in Paragraph 15 of the *Petition*. The Tax Department lacks sufficient information to form an opinion regarding the truth or the falsity of the remaining allegations set forth in Paragraph 15 of the *Petition*; consequently, those allegations are denied.

16. The Tax Department denies that World Peace is aggrieved in any manner by Property Tax Ruling 15-50 as alleged in Paragraph 16 of the *Petition*. The Tax Department admits that according to PTR 15-50 the property located in Hampshire County is subject to *ad valorem* property tax for the 2015 TY. The Tax Department lacks sufficient information to form an opinion regarding the truth or the falsity of the remaining allegations set forth in Paragraph 16 of the *Petition*; consequently, those allegations are denied.

17. The Tax Department admits that the West Virginia Constitution outlines the parameters by which property may be exempt from State tax as alleged in Paragraph 17 of the *Petition*. The Tax Department admits that W. Va. Code § 11-3-9(a)(12) exempts property from taxation as set forth by statute as alleged in Paragraph 17 of the *Petition*. The Tax Department states that the West Virginia Constitution and West Virginia statutes speak for themselves; the Tax Department objects to any attempts to characterize the law by the Taxpayer.

18. The Tax Department admits that the legislative rules regarding *ad valorem* property tax include a definition of "charity" as alleged in Paragraph 18 of the *Petition*. The Tax Department states that the legislative rules speak for themselves; the Tax Department objects to any attempts to characterize the law by the Taxpayer.

19. The Tax Department admits that W. Va. Code St. Rules § 110-3-19 relates to property used for charitable purposes as alleged in Paragraph 19 of the *Petition*. The Tax Department states that the legislative rules speak for themselves; the Tax Department objects to any attempts to characterize the law by the Taxpayer.

20. The Tax Department admits that W. Va. Code St. Rules § 110-3-19 relates to property used for charitable purposes as alleged in Paragraph 20 of the *Petition*. The Tax Department states that the legislative rules speak for themselves; the Tax Department objects to any attempts to characterize the law by the Taxpayer.

21. The Tax Department admits that W. Va. Code St. Rules § 110-3-19 relates to property used for charitable purposes as alleged in Paragraph 21 of the *Petition*. The Tax Department states that the legislative rules speak for themselves; the Tax Department objects to any attempts to characterize the law by the Taxpayer.

22. The Tax Department admits that the West Virginia Supreme Court of Appeals has addressed the taxability of property in this State in the decisions of *United Hospital Center v. Romano*, 233 W. VA. 313, 758 S.E. 2d 240 (2014) and *Wellsburg Unity Apartments, Inc., v. County Commission of Brooke County*, 202 W. Va. 283, 503 S.E. 2d 851 (1998), as alleged in Paragraph 22 of the *Petition*. The Tax Department states that the Supreme Court decisions speak for themselves; the Tax Department objects to any attempts to characterize the law by the Taxpayer.

23. The Tax Department states that *Wellsburg Apartments* is not especially instructive in this case since the Tax Department stipulated that the apartments at issue in *Wellsburg* were actually being used for charitable purposes while the Tax Department denies that the property at issue before the Circuit Court of Hampshire County is being used for charitable purposes under

the law. The Tax Department admits that the West Virginia Supreme Court of Appeals has addressed the taxability of property in this State in the decision of *Wellsburg Unity Apartments, Inc., v. County Commission of Brooke County*, 202 W. Va. 283, 503 S.E. 2d 851 (1998), as alleged in Paragraph 23 of the *Petition*. The Tax Department states that the Supreme Court decision speaks for itself; the Tax Department objects to any attempts to characterize the law by the Taxpayer.

24. The Tax Department denies that the property before the Court is exempt from *ad valorem* property tax as alleged in Paragraph 24 of the *Petition*.

25. The Tax Department lacks sufficient information to form an opinion regarding the truth or the falsity of the allegations set forth in Paragraph 25 of the *Petition*; consequently, those allegations are denied.

26. The Tax Department lacks sufficient information to form an opinion regarding the truth or the falsity of the allegations set forth in Paragraph 26 of the *Petition*; consequently, those allegations are denied.

27. The Tax Department lacks sufficient information to form an opinion regarding the truth or the falsity of the allegations set forth in Paragraph 27 of the *Petition*; consequently, those allegations are denied.

28. The Tax Department denies that limiting the sale of meditation and other classes to men only is a valid action for an entity claiming to be exempt from *ad valorem* property taxation as alleged in Paragraph 28 of the *Petition*.

29. The Tax Department denies that the property before the Court is exempt from *ad valorem* property taxes pursuant to the decision in *Wellsburg Apartments* as alleged in Paragraph 29 of the *Petition*. The Tax Department lacks sufficient information to form an opinion

regarding the truth or the falsity of the remaining allegations set forth in Paragraph 29 of the *Petition*; consequently, those allegations are denied.

30. The Tax Department denies that the property before the Court is exempt from *ad valorem* property taxes pursuant to the decision in *Wellsburg Apartments* as alleged in Paragraph 30 of the *Petition*. The Tax Department lacks sufficient information to form an opinion regarding the truth or the falsity of the remaining allegations set forth in Paragraph 30 of the *Petition*; consequently, those allegations are denied.

31. The Tax Department denies that the property is used for charitable purposes as alleged in Paragraph 31 of the *Petition*. The Tax Department denies that the property is used primarily and immediately for charitable purposes as alleged in Paragraph 31 of the *Petition*. The Tax Department further states that the property is not used exclusively for charitable purposes as required by the Supreme Court decisions regarding *ad valorem* property taxes.

32. The Tax Department denies that the actions of Assessor Wagoner and the decision in Property Tax Ruling 15-50 violate W. Va. Code § 11-3-9(a)(12) or the decisions of the West Virginia Supreme Court as set forth in numerous decisions on the issues as alleged in Paragraph 32 of the *Petition*.

33. The Tax Department denies that the actions of Assessor Wagoner and the decision in Property Tax Ruling 15-50 violate W. Va. Code § 11-3-9(a)(12) or the decisions of the West Virginia Supreme Court as set forth in numerous decisions on the issues as alleged in Paragraph 33 of the *Petition*.

34. The Tax Department denies all allegations set forth in the *Petition* which have not been specifically admitted.

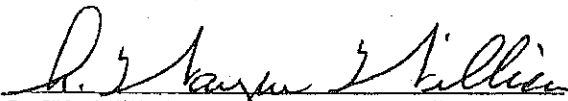
WHEREFORE, the West Virginia State Tax Department prays this Honorable Court will dismiss the *Petition* filed in this matter, affirm the decision of the Tax Commissioner in Property Tax Ruling 15-50, order Global Capital of World Peace to pay the *ad valorem* property taxes assessed by the Hampshire County Assessor on the subject property, and grant such additional relief as the Court deems proper.

Respectfully submitted,

MARK W. MATKOVICH,
STATE TAX COMMISSIONER
OF WEST VIRGINIA

By counsel

PATRICK MORRISEY
ATTORNEY GENERAL



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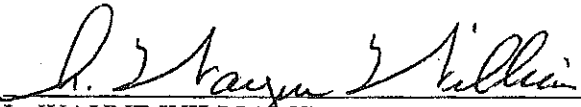
CERTIFICATE OF SERVICE

I, L. Wayne Williams, Assistant Attorney General, do hereby certify that the foregoing "Answer Of The West Virginia State Tax Department To Petition Appealing Denial Of *Ad Valorem* Property Tax Exemption" was served upon the following by depositing a copy of the same in the United States Mail, first-class postage prepaid, this 6th day of May, 2015, addressed as follows:

Michael E. Caryl, Esq.
Catherine A. Delligatti, Esq.
Bowles Rice, LLP
Post Office Drawer 1419
Martinsburg, WV 25402

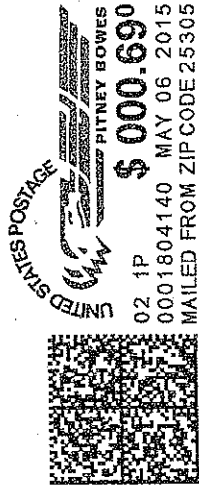
Norma J. Wagoner
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