

1 State of Arkansas  
2 89th General Assembly  
3 Regular Session, 2013  
4

As Engrossed: S4/16/13 H4/18/13

# A Bill

SENATE BILL 1159

5 By: Senator D. Sanders  
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## For An Act To Be Entitled

8 AN ACT TO REQUIRE PERSONS AND ENTITIES TO COMPLY WITH  
9 ARKANSAS TAX LAW IN ORDER TO QUALIFY AS MEDICAID  
10 PROVIDERS.  
11

## Subtitle

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14 TO REQUIRE PERSONS AND ENTITIES TO COMPLY  
15 WITH ARKANSAS TAX LAW IN ORDER TO QUALIFY  
16 AS MEDICAID PROVIDERS.  
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19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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21 *SECTION 1. Arkansas Code Title 20, Chapter 77, Subchapter 1, is*  
22 *amended to add an additional section to read as follows:*

23 *20-77-125. Medicaid Provider Tax Returns.*

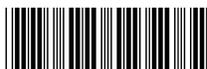
24 *(a) As used in this section, "Affected Medicaid Entity" means an*  
25 *individual or entity that:*

26 *(1) Provides and is directly reimbursed by Medicaid for services*  
27 *in the Arkansas Medicaid Program;*

28 *(2) Is required to submit an annual financial audit to the*  
29 *Department of Human Services; and*

30 *(3) Is required to file a state income tax return, state*  
31 *withholding tax return, pass-through entity withholding tax return, or a*  
32 *composite pass-through entity tax return or pay any tax due for the previous*  
33 *calendar year.*

34 *(b)(1) On or before December 1 of each year, the Department of Human*  
35 *Services shall provide the Department of Finance and Administration with a*  
36 *list of the tax identification number of each person and entity enrolled to*



1 furnish Medicaid services as an Affected Medicaid Entity.

2 (2) The Department of Finance and Administration shall:

3 (A) Verify whether each person and entity enrolled to  
4 furnish Medicaid services identified to it under subsection (b)(1) of this  
5 section filed and paid any state income tax liability owed for the tax year  
6 for which the return was due; and

7 (B) Notify the Department of Human Services if any  
8 Affected Medicaid Provider failed to file any state income tax return, state  
9 withholding tax return, pass-through entity withholding tax return or a  
10 composite pass-through entity tax return or pay any tax due for the previous  
11 calendar year.

12 (3) Upon receiving notice from the Department of Finance and  
13 Administration under subsection (b)(2) of this section, the Department of  
14 Human Services shall notify the Affected Medicaid Provider that the  
15 Department of Human Services will terminate the Affected Medicaid Provider's  
16 enrollment in the Medicaid program unless the Affected Medicaid Provider  
17 shows good cause why the Affected Medicaid Provider's Medicaid enrollment  
18 should continue.

19 (c) The Department of Human Services and the Department of Finance and  
20 Administration may adopt rules as needed to implement this section.

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22 /s/D. Sanders  
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