

April 30, 2021

The Honorable Ralph S. Northam
Governor
Commonwealth of Virginia
Patrick Henry Building, 3rd floor
Richmond, VA 23219

Re: March 2021 Sports Betting Report

Dear Governor Northam:

I am pleased to provide our report of legal sports betting activity for the month of March 2021, as required in Virginia Code § 58.1-4031 (2020).

During the month of March, six operators were active and accepting mobile sports wagers in Virginia. During the month, eligible players wagered over \$304 million on sports activities ranging from car racing and tennis to college basketball involving non-Virginia teams.

Sports betting activity is taxed based on a permit holder's adjusted gross revenue. Adjusted gross revenue is calculated as wagers **minus** cash and noncash winnings, voided and cancelled wagers, Federal excise taxes, and certain allowable adjustments. Virginia's sports betting statute defines noncash winnings to include the value of wager bonuses and promotions used to attract and retain registered account holders. That means the adjusted gross revenue for operators may be negative for a month, and if so, that negative balance is carried forward to the following month. These calculations adhere to the statutory provisions in Virginia Code §58.1-4030 et seq., as enacted by the General Assembly in the 2020 Regular Session.

Virginia aggregate numbers:

	March Activity
Total wagers	\$304,066,244.85
Cash and noncash winnings	(\$287,832,900.88)
Void and Cancelled wagers	(\$1,259,482.82)
Federal excise taxes	(\$764,778.64)
Adjustments	(\$364,070.61)
Total, Virginia Adjusted Gross Revenues	\$13,845,011.90

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For the month of March, three permitted operators reported cumulative positive taxable adjusted gross revenue of \$7,889,917.12. At the 15% statutory tax rate (Virginia Code § 58.1-4037), total sports betting tax collections in April were \$1,183,487.58. From these taxes, the required 2.5% was apportioned to the Problem Gambling Treatment and Support Fund, with the remaining 97.5% directed to the general fund as required by Virginia Code § 58.1-4038.

	April 2021	FY2021 Year to Date
General Fund	\$1,153,900.39	\$1,485,697.00
Problem Gambling Treatment and Support Fund	\$29,587.19	\$38,094.80
Total Taxes	\$1,183,487.58	\$1,523,791.80

Please let me know if you have any questions, or if you would like more information.

Sincerely yours,



Kevin Hall

- c: The Honorable Janet D. Howell, Chairwoman, Senate Finance & Appropriations Committee
The Honorable Luke E. Torian, Chairman, House Appropriations Committee
The Honorable Vivian E. Watts, Chairwoman, House Finance Committee
The Honorable Clark Mercer, Chief of Staff, Office of the Governor
The Honorable Aubrey Layne, Secretary of Finance
Daniel S. Timberlake, Director, Department of Planning & Budget
David A. Von Moll, State Comptroller
April Kees, Director, Senate Finance & Appropriations Committee
Anne E. Oman, Staff Director, House Appropriations Committee
Ferhan Hamid, Chairman, Virginia Lottery Board