



VIRGINIA LOTTERY

RALPH S. NORTHAM, GOVERNOR | KEVIN HALL, EXECUTIVE DIRECTOR
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GAMING COMPLIANCE

November 30, 2021

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

Re: October 2021 Sports Betting Report

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

During the month of October, nine operators were active and accepting mobile sports wagers in Virginia. During the month, eligible players wagered over \$427 million on sports activities, a 45-percent increase over September and a record high since the launch of the program in January. October’s high volume was fueled by wagering on five full weekends of NFL and college football activities and the start of the NBA and NHL regular seasons.

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:

	October Activity	FY22 YTD
Total wagers	\$427,320,306.07	\$1,065,492,044.33
Cash and noncash winnings	(\$412,965,181.99)	(\$1,010,941,272.70)
Void and Cancelled wagers	(\$2,610,211.36)	(\$9,168,918.95)
Federal excise taxes	(\$1,037,239.72)	(\$2,503,291.69)
Adjustments	(\$921,972.55)	(\$1,379,381.96)
Total, Virginia Adjusted Gross Revenues	\$9,785,700.45	\$41,499,179.03

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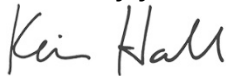
For the month of October, three permitted operators reported cumulative positive taxable adjusted gross revenue of \$11,454,153.17. At the 15% statutory tax rate (Virginia Code § 58.1-4037), total sports betting tax collections in November were \$1,746,204.02. From these taxes, the required 2.5% was 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.

	November 2021	FY2022 Year to Date
General Fund	\$1,702,548.92	\$8,600,153.46
Problem Gambling Treatment and Support Fund	\$43,655.10	\$220,516.75
Total Taxes	\$1,746,204.02	\$8,820,670.21

Note that these taxes include a \$28,081.05 overpayment from one operator that will be applied as a credit toward the operator's December tax remittance for November activity.

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 F. Joseph Flores, 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