



VIRGINIA LOTTERY

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

December 30, 2021

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

Re: November 2021 Sports Betting Report

Dear Governor Northam:

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

During the month of November, ten operators were active and accepting mobile sports wagers in Virginia. During the month, eligible players wagered more than \$402 million on sports activities, the second highest monthly handle since the launch of the program in January. November’s handle represented a six-percent decline compared to October’s record-high activity which, as previously noted, was largely fueled by five weekends of college and professional football.

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:

| | November Activity | FY22 YTD |
|---|--------------------|----------------------|
| Total wagers | \$402,621,131.89 | \$1,468,113,176.22 |
| Cash and noncash winnings | (\$369,277,167.84) | (\$1,380,218,440.54) |
| Void and Cancelled wagers | (\$1,582,013.06) | (\$10,750,932.01) |
| Federal excise taxes | (\$978,820.09) | (\$3,482,111.78) |
| Adjustments | (\$856,433.94) | (\$2,235,815.90) |
| Total, Virginia Adjusted Gross Revenues | \$29,926,696.96 | \$71,425,875.99 |

December 30, 2021

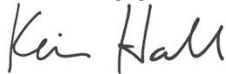
Page Two

For the month of November, four permitted operators reported cumulative positive taxable adjusted gross revenue of \$28,408,323.46. At the 15% statutory tax rate (Virginia Code § 58.1-4037), total sports betting tax collections in December were \$4,233,167.47, a record amount for monthly tax collections. 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.

| | December 2021 | FY2022 Year to Date |
|---|------------------|------------------------|
| General Fund | \$4,127,338.28 | \$12,727,491.74 |
| Problem Gambling Treatment and Support Fund | \$105,829.19 | \$326,345.94 |
| Total Taxes | \$4,233,167.47 | \$13,053,837.68 |

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