



January 31, 2022

The Honorable Glenn Youngkin
 Governor
 Commonwealth of Virginia
 Patrick Henry Building, 3rd floor
 1111 E. Broad Street
 Richmond, VA 23219

Re: December 2021 Sports Betting Report

Dear Governor Youngkin:

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

During the month of December, eleven operators were active and accepting mobile sports wagers in Virginia. During the month, eligible players wagered more than \$426 million on sports activities, the second highest monthly handle since the launch of the program in January 2021. December’s handle represented a six-percent increase from November, and was less than \$1 million behind the record activity recorded in October.

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 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:

	December Activity	FY22 YTD
Total wagers	\$426,596,890.57	\$1,894,710,066.79
Cash and noncash winnings	(\$412,133,585.54)	(\$1,792,352,026.08)
Void and Cancelled wagers	(\$2,641,119.36)	(\$13,392,051.37)
Federal excise taxes	(\$1,033,904.53)	(\$4,516,016.31)
Adjustments	(\$664,883.63)	(\$2,900,699.53)
Total, Virginia Adjusted Gross Revenues	\$10,123,397.51	\$81,549,273.50

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For the month of December, four permitted operators reported cumulative positive taxable adjusted gross revenue of \$11,527,534.87. At the 15% statutory tax rate (Virginia Code § 58.1-4037), total sports betting tax collections in January were \$1,729,130.22. 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.

	January 2022	FY2022 Year to Date
General Fund	\$1,685,901.96	\$14,413,393.70
Problem Gambling Treatment and Support Fund	\$43,228.26	\$369,574.20
Total Taxes	\$1,729,130.22	\$14,782,967.90

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

Respectfully,



Kelly T. Gee

- c: The Honorable Janet D. Howell, Chairwoman, Senate Finance & Appropriations Committee
The Honorable Barry D. Knight, Chairman, House Appropriations Committee
The Honorable Roxann L. Robinson, Chairwoman, House Finance Committee
The Honorable Jeff Goettman, Chief of Staff, Office of the Governor
The Honorable Stephen E. Cummings, Secretary of Finance
Jon Howe, Acting 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