



February 28, 2022

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

**Re: January 2022 Sports Betting Report**

Dear Governor Youngkin:

I am pleased to provide our report of legal sports betting activity for the month of January 2022, as required in Virginia Code § 58.1-4031 (2020).

During the month of January, eleven operators were active and accepted mobile sports wagers in Virginia. During the month, eligible players wagered more than \$485 million on sports activities, the highest monthly handle since the launch of the program in January 2021. January's handle represented a 13.8% increase from December and was \$58 million more than the previous record established 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:

	January Activity	FY22 YTD
Total wagers	\$485,544,416.61	\$2,380,254,483.40
Cash and noncash winnings	(\$463,345,330.35)	(\$2,255,697,356.43)
Void and Cancelled wagers	(\$2,332,541.81)	(\$15,724,593.18)
Federal excise taxes	(\$1,175,385.81)	(\$5,691,402.12)
Adjustments	(\$470,591.55)	(\$3,371,291.08)
Total, Virginia Adjusted Gross Revenues	\$18,220,567.09	\$99,769,840.59

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For the month of January, four permitted operators reported cumulative positive taxable adjusted gross revenue of \$19,177,391.14. At the 15% statutory tax rate (Virginia Code § 58.1-4037), total sports betting tax collections in February were \$2,876,608.67. 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.

	February 2022	FY2022 Year to Date
General Fund	\$2,804,693.45	\$17,218,087.15
Problem Gambling Treatment and Support Fund	\$71,915.22	\$441,489.42
Total Taxes	\$2,876,608.67	\$17,659,576.57

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