



March 31, 2022

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

Re: February 2022 Sports Betting Report

Dear Governor Youngkin:

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

During the month of February, eleven operators were active and accepted mobile sports wagers in Virginia. During the month, eligible players wagered nearly \$402 million on sports activities. February's handle represented a 17.2% decline from January's record wagering activity. While the Super Bowl garnered over \$33 million in wagering activity during the month, February's gross wagering activity was lower than January's gross wagering which included five weekends of professional football activity.

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:

	February Activity	FY22 YTD
Total wagers	\$401,889,135.02	\$2,782,143,618.42
Cash and noncash winnings	(\$390,207,235.89)	(\$2,645,904,592.32)
Void and Cancelled wagers	(\$2,029,942.39)	(\$17,754,535.57)
Federal excise taxes	(\$969,119.99)	(\$6,660,522.12)
Adjustments	(\$798,586.95)	(\$4,169,878.03)
Total, Virginia Adjusted Gross Revenues	\$7,884,249.80	\$107,654,090.38

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For the month of February, four permitted operators reported cumulative positive taxable adjusted gross revenue of \$9,375,201.57. At the 15% statutory tax rate (Virginia Code § 58.1-4037), total sports betting tax collections in March were \$1,406,280.24. 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.

	March 2022	FY2022 Year to Date
General Fund	\$1,371,123.23	\$18,589,210.38
Problem Gambling Treatment and Support Fund	\$35,157.01	\$476,646.43
Total Taxes	\$1,406,280.24	\$19,065,856.81

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