



July 29, 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: June 2022 Sports Betting Report**

Dear Governor Youngkin:

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

During the month of June, thirteen operators were active and accepted mobile sports wagers in Virginia. During the month, eligible players wagered over \$295 million on sports activities. June handle represented a 25% increase from June 2021, when only seven operators were active.

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. With the language included in the 2022 Appropriation Act, the deductibility of bonuses and promotions will change beginning with July wagering activity.

Virginia aggregate numbers:

|                                         | June Activity      | FY22 YTD             |
|-----------------------------------------|--------------------|----------------------|
| Total wagers                            | \$295,235,270.82   | \$4,297,794,202.79   |
| Cash and noncash winnings               | (\$277,104,212.71) | (\$4,066,237,004.35) |
| Void and Cancelled wagers               | (\$4,316,314.29)   | (\$31,592,473.74)    |
| Federal excise taxes                    | (\$710,112.51)     | (\$10,326,440.08)    |
| Adjustments                             | (\$119,746.90)     | (\$6,389,160.50)     |
| Total, Virginia Adjusted Gross Revenues | \$12,984,884.41    | \$183,249,124.12     |

July 29, 2022  
Page Two

For the month of June, seven permitted operators reported cumulative positive taxable adjusted gross revenue of \$12,479,739.72. At the 15% statutory tax rate (Virginia Code § 58.1-4037), total sports betting tax collections in July were \$1,871,960.95. 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.

|                                                | July<br>2022   | FY2023<br>Year to Date |
|------------------------------------------------|----------------|------------------------|
| General Fund                                   | \$1,825,161.93 | \$1,825,161.93         |
| Problem Gambling Treatment<br>and Support Fund | \$46,799.02    | \$46,799.02            |
| Total Taxes                                    | \$1,871,960.95 | \$1,871,960.95         |

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  
Michael Maul, Director, Department of Planning & Budget  
Lewis R. McCabe, State Comptroller  
April Kees, Director, Senate Finance & Appropriations Committee  
Anne E. Oman, Staff Director, House Appropriations Committee  
Ferhan Hamid, Chairman, Virginia Lottery Board