



March 31, 2023

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

**Re: February 2023 Sports Betting Report**

Dear Governor Youngkin:

I am pleased to provide our report of legal sports betting activity for the month of February 2023, as required in Virginia Code § 58.1-4031 (2020).

During the month of February, eligible players wagered over \$433 million on sports activities. February handle represented an 8% increase from February 2022. Activity is from both mobile sports betting and retail sports betting activity at licensed casinos.

Sports betting activity is taxed based on a permit holder's adjusted gross revenue. Adjusted gross revenue is calculated as wagers **minus** cash winnings, eligible noncash winnings during an operator's first twelve months of operation, voided and cancelled wagers, Federal excise taxes, and certain allowable adjustments. The adjusted gross revenue for operators may be negative for a month, and if so, that negative balance may be carried forward to the following month, for up to one year. 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, and the language included in the 2022 Appropriation Act.

Virginia aggregate numbers:

	February Activity	FY23 YTD
Total wagers	\$433,807,108.19	\$3,458,832,012.22
Winnings	(\$394,040,200.07)	(\$3,093,136,356.71)
Noncash Winnings (eligible promotions)	(\$7,789,446.03)	(\$14,149,680.51)
Void and Cancelled wagers	(\$1,974,333.13)	(\$24,239,398.58)
Federal excise taxes	(\$1,041,665.07)	(\$8,348,890.94)
Adjustments	(\$576,215.08)	(\$1,831,572.60)
Total, Virginia Adjusted Gross Revenues	\$28,385,248.81	\$317,126,112.88

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For the month of February, nine operators reported cumulative positive taxable adjusted gross revenue. At the 15% statutory tax rate (Virginia Code § 58.1-4037), total sports betting tax collections in February were \$4,682,124.63. 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 2023	FY2023 Year to Date
General Fund	\$4,565,071.51	\$48,243,911.09
Problem Gambling Treatment and Support Fund	\$117,053.12	\$1,237,023.36
Total Taxes	\$4,682,124.63	\$49,480,934.45

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