



# This Week in State Tax (TWIST)

April 27, 2026



## Virginia: Commonwealth enacts tax on fantasy sports

Virginia has joined Kentucky in imposing a tax on fantasy sports contest operators doing business in the Commonwealth. [Virginia House Bill 145](#) imposes a new 10 percent tax on an operator's fantasy contest revenue, defined as the total entry fees collected from all players, less the sums paid out to all fantasy contest players, multiplied by the percentage of the entry fee that is attributable to players located in Virginia. The bulk of the revenue will go to the general fund. Additionally, a separate 2.6 percent fee is imposed on the same Virginia apportioned revenue to pay for administration of the tax, with any excess being deposited into the Virginia general fund. The Virginia Lottery Board will be responsible for administering the tax, and both the tax and the fee are to be remitted monthly to the Board. Anyone wishing to operate a fantasy contest, which generally includes online fantasy or simulated games offered for a fee, must apply for and obtain a permit from the Board. The tax is to go into effect on January 1, 2029, by which time the Board is required to adopt the regulations necessary to implement it.

This tax is similar to that recently enacted in Kentucky which was covered in an [April 13, 2026 TWIST](#). For any questions regarding Virginia indirect tax issues, please reach out to [Jeremy Jester](#) or [Reem Abdelaal](#).

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