

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

OMB APPROVAL	
OMB Number:	3235-0287
Estimated average burden	
hours per response:	0.5

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person* <u>IPPOLITO ROBERT S</u> (Last) (First) (Middle) 825 BERKSHIRE BLVD SUITE 200 (Street) WYOMISSING PA 19610 (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>PENN NATIONAL GAMING INC [PENN]</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) VP, Secretary/Treasurer
	3. Date of Earliest Transaction (Month/Day/Year) 12/31/2008	
	4. If Amendment, Date of Original Filed (Month/Day/Year)	6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
Non-Qualified Stock Option - right to buy	\$7.95	12/31/2008		D ⁽¹⁾			6,000	02/06/2007	02/06/2010	Common Stock	6,000	\$0	0	D	
Non-Qualified Stock Option - right to buy	\$7.95	12/31/2008		A ⁽¹⁾		6,000		01/01/2010	12/31/2010	Common Stock	6,000	\$0	6,000	D	
Non-Qualified Stock Option - right to buy	\$12.15	12/31/2008		D ⁽²⁾			51,770	01/29/2008	01/29/2011	Common Stock	51,770	\$0	0	D	
Non-Qualified Stock Option - right to buy	\$12.15	12/31/2008		A ⁽²⁾		51,770		01/01/2012	12/31/2012	Common Stock	51,770	\$0	51,770	D	
Incentive Stock Option - right to buy	\$29.22	12/31/2008		D ⁽³⁾			3,422	01/06/2009	01/06/2012	Common Stock	3,422	\$0	0	D	
Incentive Stock Option - right to buy	\$29.22	12/31/2008		A ⁽³⁾		3,422		01/06/2009	01/06/2015	Common Stock	3,422	\$0	3,422	D	
Non-Qualified Stock Option - right to buy	\$29.22	12/31/2008		D ⁽⁴⁾			116,578	01/06/2009	01/06/2012	Common Stock	116,578	\$0	0	D	
Non-Qualified Stock Option - right to buy	\$29.22	12/31/2008		A ⁽⁴⁾		116,578		01/06/2009	01/06/2015	Common Stock	116,578	\$0	116,578	D	
Incentive Stock Option - right to buy	\$33.12	12/31/2008		D ⁽⁵⁾			3,019	01/12/2010	01/12/2013	Common Stock	3,019	\$0	0	D	

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
Incentive Stock Option - right to buy	\$33.12	12/31/2008		A ⁽⁵⁾		3,019		01/12/2010	01/12/2016	Common Stock	3,019	\$0	3,019	D	
Non-Qualified Stock Option - right to buy	\$33.12	12/31/2008		D ⁽⁶⁾			56,981	01/12/2007 ⁽⁶⁾	01/12/2013	Common Stock	56,981	\$0	0	D	
Non-Qualified Stock Option - right to buy	\$33.12	12/31/2008		A ⁽⁶⁾		56,981		01/12/2007 ⁽⁶⁾	01/12/2016	Common Stock	56,981	\$0	56,981	D	
Incentive Stock Option - right to buy	\$41.62	12/31/2008		D ⁽⁷⁾			2,402	01/02/2011	01/02/2014	Common Stock	2,402	\$0	0	D	
Incentive Stock Option - right to buy	\$41.62	12/31/2008		A ⁽⁷⁾		2,402		01/02/2011	01/02/2017	Common Stock	2,402	\$0	2,402	D	
Non-Qualified Stock Option - right to buy	\$41.62	12/31/2008		D ⁽⁸⁾			37,598	01/02/2008 ⁽⁸⁾	01/02/2014	Common Stock	37,598	\$0	0	D	
Non-Qualified Stock Option - right to buy	\$41.62	12/31/2008		A ⁽⁸⁾		37,598		01/02/2008 ⁽⁸⁾	01/02/2017	Common Stock	37,598	\$0	37,598	D	
Incentive Stock Option - right to buy	\$29.87	12/31/2008		D ⁽⁹⁾			3,347	07/08/2012	07/08/2015	Common Stock	3,347	\$0	0	D	
Incentive Stock Option - right to buy	\$29.87	12/31/2008		A ⁽⁹⁾		3,347		07/08/2012	07/08/2018	Common Stock	3,347	\$0	3,347	D	
Non-Qualified Stock Option - right to buy	\$29.87	12/31/2008		D ⁽¹⁰⁾			36,653	07/08/2009 ⁽¹⁰⁾	07/08/2015	Common Stock	36,653	\$0	0	D	
Non-Qualified Stock Option - right to buy	\$29.87	12/31/2008		A ⁽¹⁰⁾		36,653		07/08/2009 ⁽¹⁰⁾	07/08/2018	Common Stock	36,653	\$0	36,653	D	

Explanation of Responses:

- The two reported transactions involve an amendment of an outstanding option to extend the expiration date of such option. For purposes of Section 16 reporting, the amendment of the outstanding option constitutes a deemed cancellation of an "old" option and the grant of a "new" replacement option. The option was originally granted on 02/06/2003.
- The two reported transactions involve an amendment of an outstanding option to extend the expiration date of such option. For purposes of Section 16 reporting, the amendment of the outstanding option constitutes a deemed cancellation of an "old" option and the grant of a "new" replacement option. The option was originally granted on 01/29/2004.
- The two reported transactions involve an amendment of an outstanding option to extend the expiration date of such option. For purposes of Section 16 reporting, the amendment of the outstanding option constitutes a deemed cancellation of an "old" option and the grant of a "new" replacement option. The option was originally granted on 01/06/2005.
- The two reported transactions involve an amendment of an outstanding option to extend the expiration date of such option. For purposes of Section 16 reporting, the amendment of the outstanding option constitutes a deemed cancellation of an "old" option and the grant of a "new" replacement option. The option was originally granted on 01/06/2005.
- The two reported transactions involve an amendment of an outstanding option to extend the expiration date of such option. For purposes of Section 16 reporting, the amendment of the outstanding option constitutes a deemed cancellation of an "old" option and the grant of a "new" replacement option. The option was originally granted on 01/12/2006.
- The two reported transactions involve an amendment of an outstanding option to extend the expiration date of such option. For purposes of Section 16 reporting, the amendment of the outstanding option constitutes a deemed cancellation of an "old" option and the grant of a "new" replacement option. The option was originally granted on 01/12/2006 and vests in installments over 4 years on the anniversary of the date of grant.
- The two reported transactions involve an amendment of an outstanding option to extend the expiration date of such option. For purposes of Section 16 reporting, the amendment of the outstanding option constitutes a deemed cancellation of an "old" option and the grant of a "new" replacement option. The option was originally granted on 01/02/2007.
- The two reported transactions involve an amendment of an outstanding option to extend the expiration date of such option. For purposes of Section 16 reporting, the amendment of the outstanding option constitutes a deemed cancellation of an "old" option and the grant of a "new" replacement option. The option was originally granted on 01/02/2007 and vests in installments over 4 years on the anniversary of the date of grant.
- The two reported transactions involve an amendment of an outstanding option to extend the expiration date of such option. For purposes of Section 16 reporting, the amendment of the outstanding option constitutes a deemed cancellation of an "old" option and the grant of a "new" replacement option. The option was originally granted on 07/08/2008.
- The two reported transactions involve an amendment of an outstanding option to extend the expiration date of such option. For purposes of Section 16 reporting, the amendment of the outstanding option constitutes a deemed cancellation of an "old" option and the grant of a "new" replacement option. The option was originally granted on 07/08/2008 and vests in installments over 4 years on the anniversary of the date of grant.

/s/Robert S Ippolito

01/15/2009

** Signature of Reporting Person

Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

* If the form is filed by more than one reporting person, see Instruction 4 (b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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