

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

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

1. Name and Address of Reporting Person
 Handler, David A
 22 West 15th Street
 New York, NY USA 10011
 2. Issuer Name and Ticker or Trading Symbol
 Penn National Gaming, Inc. PENN
 3. IRS or Social Security Number of Reporting Person (Voluntary)
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 4. Statement for Month/Year
 09/30/98
- If Amendment, Date of Original (Month/Year)

Relationship of Reporting Person to Issuer (Check all applicable)
 Director 10% Owner Officer (give title below)
 Other (specify below)

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

1. Title of Security	2. Date	3. Transaction Code	4. Securities Acquired (A) or Disposed of (D) Amount	5. Amount of Securities Beneficially Owned at End of Year A/D Price	6. Director or Indirect (I)	7. Nature of Indirect Beneficial Ownership
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Common Stock	9/1/98	S	15000	D 5.125	15250	D
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Table II -- Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Derivative Security	2. Conversion or Exercise Price of Derivative Security	3. Transaction Code	4. Date	5. Number of Derivative Securities Acquired (A) or Disposed of (D) Amount	6. Date Exercisable and Expiration Date A/Exercisable Date	7. Title and Amount of Underlying Securities Title and Number of Shares	8. Price of Derivative Security	9. Number of Derivative Securities Beneficially Owned at End of Year	10. Director or Indirect (I)	11. Nature of Indirect Beneficial Ownership
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Stock Options right to buy	3.33					Common Stock	15000			
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Stock Options right to buy	17.625					Common Stock	15000			
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Warrants right to buy	4.00					Common Stock	100500			
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/s/David Handler
 SIGNATURE OF REPORTING PERSON
 /Signature/
 David A. Handler
 DATE
 9/28/98