

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15 (d) of the
Securities Exchange Act of 1934

Date of Report—August 10, 2006
(Date of earliest event reported)

PENN NATIONAL GAMING, INC.

(Exact name of registrant as specified in its charter)

Pennsylvania
(State or other jurisdiction
of incorporation)

0-24206
(Commission File Number)

23-2234473
(IRS Employer
Identification Number)

825 Berkshire Blvd., Suite 200, Wyomissing Professional Center, Wyomissing, PA
(Address of principal executive offices)

19610
(Zip Code)

Area Code (610) 373-2400
(Registrant's telephone number)

Check the appropriate box below if the form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2 to Form 8-K):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 24.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 40.13e-4(c))
-
-

Item 7.01 **Regulation FD Disclosure.**

During the second quarter of 2006, as a result of Penn National Gaming, Inc.'s (the "Company") review of trends in interpreting accounting pronouncements and gaming industry practices for accounting for customer cash incentives, the Company reclassified cash redemption coupons to contra-revenue from operating expense. The Company has prepared a table providing historical information about the Company's net revenues, by property, as if cash redemption coupons had historically been treated as contra-revenue items. The table is included as Exhibit 99.1 and is incorporated herein by reference.

The information in Item 7.01 of this Form 8-K and Exhibit 99.1 attached hereto shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, except as shall be expressly set forth by specific reference in such filing.

Item 9.01 **Financial Statements and Exhibits.**

(d) *Exhibits.*

<u>Exhibit No.</u>	<u>Description</u>
99.1	Cash Redemption Coupon Reclassification Table

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

By: /s/ ROBERT S. IPPOLITO
Robert S. Ippolito
Vice President, Secretary and Treasurer

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
99.1	Cash Redemption Coupon Reclassification Table

Penn National Gaming, Inc.
Cash Redemption Coupon Reclassification
Net Revenues

Summary:

During the second quarter of 2006, as a result of Penn National Gaming, Inc.'s review of trends in interpreting accounting pronouncements and gaming industry practices for accounting for customer cash incentives, Penn National Gaming, Inc. reclassified cash redemption coupons to contra-revenue from operating expense.

The reclassification had no effect on operating income, net income or earnings per share for any period.

The following table provides a historical look at Penn National Gaming, Inc.'s net revenues, by property, as if cash redemption coupons had historically been treated as contra-revenue items. Although Penn National Gaming, Inc. did not own Argosy Gaming Company during the three month periods ended March 31, 2005, June 30, 2005 and September 30, 2005, the Argosy Gaming Company results by property for those periods, which were derived from Argosy Gaming Company's historical filings with the Securities and Exchange Commission, are included in the table.

Penn National Gaming, Inc.
Cash Redemption Coupon Reclassification
Net Revenues
(in thousands)

	Three Months Ended March 31, 2005	Three Months Ended June 30, 2005	Three Months Ended September 30, 2005	Three Months Ended December 31, 2005	Three Months Ended March 31, 2006
Charles Town Entertainment					
Complex	\$ 103,208	\$ 112,779	\$ 118,403	\$ 106,251	\$ 116,917
Hollywood Casino Aurora	53,461	57,782	58,619	57,477	61,750
Casino Rouge	29,121	28,430	28,877	43,247	43,120
Hollywood Casino Tunica	26,193	26,505	26,855	26,943	28,159
Casino Magic - Bay St. Louis	26,634	26,576	16,366	19	22
Boomtown Biloxi	18,264	16,791	10,782	(123)	—
Bullwhackers	7,207	6,897	7,888	7,443	6,586
Casino Rama management service					
contract	4,067	4,700	5,201	4,627	4,387
Pennsylvania Racing Operations	13,275	15,262	13,213	12,027	13,087
Hollywood Slots at Bangor	—	482	733	4,742	8,710
Argosy Casino Lawrenceburg	112,695	111,932	114,441	107,259	120,163
Empress Casino Hotel	54,420	56,908	60,770	58,228	60,317
Argosy Casino Riverside	37,091	35,661	33,599	34,844	38,995
Argosy Casino Alton	27,209	26,621	27,516	26,046	29,519
Argosy Casino Sioux City	13,238	13,700	13,242	13,218	14,051
Raceway Park	—	—	—	2,286	2,020