

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM S-8

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

Rush Enterprises, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction
of incorporation or organization)

74-1733016

(I.R.S Employer
Identification No.)

555 IH 35 South

New Braunfels, Texas
(Address of Principal Executive Offices)

78130

(Zip Code)

Rush Enterprises, Inc. 2007 Long-Term Incentive Plan

(Full title of the plan)

Steven L. Keller

Vice President and Chief Financial Officer

Rush Enterprises, Inc.

555 IH 35 South

New Braunfels, Texas 78130

(830) 626-5200

Copies to:

Daryl L. Lansdale, Jr.

Fulbright & Jaworski L.L.P.

300 Convent Street, Suite 2200

San Antonio, TX 78205

(210) 270-9367

(Name, address, and telephone number, including area code, of agent for service)

CALCULATION OF REGISTRATION FEE

Title of securities to be registered	Amount to be registered (1)	Proposed maximum offering price per share (2)	Proposed maximum aggregate offering price (2)	Amount of registration fee (2)
Class A Common Stock, \$.01 par value per share	1,700,000 shares	\$ 27.61	\$ 46,937,000	\$ 1,440.97
Class B Common Stock, \$.01 par value per share	300,000 shares	\$ 26.17	\$ 7,851,000	\$ 241.03

- (1) This Registration Statement also covers an additional indeterminable number of shares as may be required pursuant to the Rush Enterprises, Inc. 2007 Long-Term Incentive Plan in the event of a stock dividend, stock split, recapitalization, exchange of shares or other similar change in Rush Enterprises, Inc.'s (the "Company") Class A common stock, par value \$0.01 per share (the "Class A Common Stock"), or Class B common stock, par value \$0.01 per share (the "Class B Common Stock").
- (2) Estimated solely for the purpose of calculating the registration fee and is based on the average of high and low prices of the Class A Common Stock and Class B Common Stock, respectively, on the NASDAQ National Market on July 17, 2007, in accordance with Rule 457(c) and (h) of the Securities Act of 1933, as amended (the "Securities Act").

PART I

INFORMATION REQUIRED IN THE SECTION 10(A) PROSPECTUS

The document(s) containing the information required in Part I of Form S-8 will be sent or given to participants in the Rush Enterprises, Inc. 2007 Long-Term Incentive Plan as specified by Rule 428(b)(1) of the Securities Act. In accordance with Rule 428 and the introductory note to Part I of Form S-8, such documents are not being filed with the Securities and Exchange Commission (the "Commission") either as part of this Registration Statement or as prospectuses or prospectus supplements pursuant to Rule 424 of the Securities Act. These documents and the documents incorporated by reference in this Registration Statement pursuant to Item 3 of Part II of this Form S-8, taken together, constitute a prospectus that meets the requirements of Section 10(a) of the Securities Act.

PART II

ITEM 3. Incorporation of Documents by Reference.

The Company is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and, in accordance therewith, files reports and other information with the Commission. The following documents, or portions thereof, filed by the Company with the Commission pursuant to the Exchange Act, are incorporated by reference in this Registration Statement:

- (1) The Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2006, filed on March 15, 2007, File No. 000-20797;
- (2) The Company's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2007, filed on May 10, 2007, File No. 000-20797;
- (3) The Company's Current Reports on Form 8-K, filed on January 23, February 13, February 27, March 8, March 22, April 18, May 18, May 24, and July 18, 2007, File No. 000-20797;
- (4) All other reports filed pursuant to Section 13(a) or 15(d) of the Exchange Act since the end of the fiscal year covered by the Company's last Annual Report on Form 10-K referred to in (1) above;
- (5) The description of the Class A Common Stock contained in the Company's Form 8-A, filed on July 9, 2002, including all amendments and reports filed for the purpose of updating such description, File No. 000-20797; and
- (6) The description of the Class B Common Stock contained in the Company's Registration Statement on Form S-1, filed on April 10, 1996, including all amendments and reports filed for the purpose of updating such description, File No. 333-03346.

In addition to the foregoing, all documents subsequently filed by the Company with the Commission pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Exchange Act, prior to the filing of a post-effective amendment that (i) indicates that all securities offered under this Registration Statement have been sold, or (ii) deregisters all securities then remaining unsold under this Registration Statement,

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shall be deemed to be incorporated by reference into this Registration Statement and to be a part of this Registration Statement from the date of filing of such documents.

Any statement contained in a document incorporated by reference in this Registration Statement shall be deemed to be modified or superseded for purposes of this Registration Statement to the extent that a statement contained herein or in any subsequently filed document that is also incorporated by reference herein modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Registration Statement.

ITEM 4. Description of Securities.

Not applicable.

ITEM 5. Interest of Named Experts and Counsel.

Not applicable.

ITEM 6. Indemnification of Directors and Officers.

Article VIII of the Company's Restated Articles of Incorporation (the "Restated Articles") limits the liability of its directors. Specifically, Article VIII provides in part that:

A director shall not be liable to the Company or its shareholders for monetary damages for an act or omission in such director's capacity as director, except for liability for (i) any breach of the director's duty of loyalty to the Company or its shareholders, (ii) any act or omission not in good faith that constitutes a breach of duty of such director to the Company or any act or omission that involves intentional misconduct or a knowing violation of the law, (iii) any transaction from which such director received an improper benefit, whether or not the benefit resulted from an action taken within the scope of the director's office or (iv) any act or omission for which the liability of such director is expressly provided by statute. If either the Texas Business Corporation Act (the "TBCA"), the Texas Miscellaneous Corporation Laws Act or any other applicable Texas statute hereafter is amended to authorize the further elimination or limitation of the liability of the Company's directors, then the liability of the Company's directors, in addition to the limitation on liability provided in the Restated Articles, shall be limited to the fullest extent permitted by such amended act.

Article VIII of the Company's Amended and Restated Bylaws provides for the indemnification of the Company's directors and officers. Specifically, Article VIII provides in part that:

The Company hereby elects to and does hereby indemnify the following persons to the fullest extent permitted or required by the TBCA: (a) any person who is or was a director or officer of the Company, (b) any person who while a director or officer of the Company, is or was serving at the request of the Company as a director, officer, partner, venturer, proprietor, trustee, employee, agent or similar functionary of another foreign or domestic corporation, partnership, joint venture, sole

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proprietorship, trust, employee benefit plan or other enterprise and (c) any person who is not or was not a director or officer of the Company but who is or was serving at the request of the Company as a director, officer, partner, venturer, proprietor, trustee, employee, agent or similar functionary of another foreign or domestic corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise. Such obligation to so indemnify and to so make such determinations may be specifically enforced by resort to any court of competent jurisdiction. Further, the Company shall pay or reimburse the reasonable expenses of such persons covered hereby in advance of the final disposition of any proceeding to the fullest extent permitted by the TBCA and subject to the conditions thereof. If the TBCA or any other applicable Texas statute is hereafter amended to authorize a corporation to further indemnify the above described persons, the Company shall, in addition to the indemnification provided herein, indemnify such persons to the fullest extent permitted or required under such amended act or statute.

Article 2.02-1 of the TBCA permits the Company, in certain circumstances, to indemnify any present or former director, officer, employee or agent of the Company against judgments, penalties, fines, settlements and reasonable expenses incurred in connection with a proceeding in which any such person was, is or is threatened to be, made a party by reason of holding such office or position, but only to a limited extent for obligations resulting from a proceeding in which the person is found liable on the basis that a personal benefit was improperly received or in circumstances in which the person is found liable in a derivative suit brought on behalf of the Company.

The Company maintains Director and Officer Insurance and has entered into indemnity agreements with certain of its directors and officers. A form of the indemnity agreement is filed as Exhibit 10.1 of the Company's Current Report on Form 8-K, filed with the Commission on February 27, 2007.

ITEM 7. Exemption from Registration Claimed.

Not Applicable.

ITEM 8. Exhibits.

Exhibit No.	Description
4.1	Restated Articles of Incorporation (incorporated herein by reference to Exhibit 3.1 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2004, filed on March 15, 2005, File No. 000-20797)
4.2	Amended and Restated Bylaws (incorporated herein by reference to Exhibit 3.1 of the Company's Current Report on Form 8-K, filed on May 24, 2007, File No. 000-20797)
4.3	Rush Enterprises, Inc. 2007 Long-Term Incentive Plan (incorporated herein by reference to Appendix A to the Company's Proxy Statement dated April 16, 2007)
4.4*	Form of Stock Option Agreement
5.1*	Opinion of Fulbright & Jaworski L.L.P.
23.1*	Consent of Counsel (contained in Exhibit 5.1)
23.2*	Consent of Ernst & Young LLP
24.1*	Power of Attorney (included on signature page)

* Filed herewith

ITEM 9. Undertakings.

(a) The Company hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act;

(ii) To reflect in the prospectus any facts or events arising after the effective date of this Registration Statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in this Registration Statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in this effective Registration Statement; and

(iii) To include any material information with respect to the plan of distribution not previously disclosed in this Registration Statement or any material change to such information in this Registration Statement;

provided, however, that paragraphs (a)(1)(i) and (a)(1)(ii) of this section do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in reports filed with or furnished to the Commission by the Company pursuant to Section 13 or Section 15(d) of the Exchange Act that are incorporated by reference in this Registration Statement.

(2) That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof; and

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(b) The Company hereby undertakes that, for purposes of determining any liability under the Securities Act, each filing of the Company's annual report pursuant to Section 13(a) or Section 15(d) of the Exchange Act (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Exchange Act) that is incorporated by reference in this Registration Statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

(c) Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Company pursuant to the foregoing provisions, or otherwise, the Company has been advised that in the opinion of the Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Company of expenses incurred or paid by a director, officer or controlling person of the Company in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Company will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by the Company is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act, the Company certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of New Braunfels, State of Texas on July 24, 2007.

Rush Enterprises, Inc.

By: /s/ Steven L. Keller
Steven L. Keller
Vice President and Chief Financial Officer

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints W.M. "RUSTY" RUSH and STEVEN L. KELLER, and each of them, as his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments, exhibits thereto and other documents in connection therewith) to this Registration Statement, and to file the same, with all exhibits thereto, and other documents in connection therewith (including any registration statement relating to this Registration Statement and filed pursuant to Rule 462(b) of the Securities Act of 1933, as amended (the "Securities Act")), with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or either of them, or their or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act, this Registration Statement has been signed below by the following persons in the capacities and on the dates indicated.

<u>/s/ W. Marvin Rush</u> W. Marvin Rush	Chairman and Director	July 24, 2007
<u>/s/ W.M. "Rusty" Rush</u> W.M. "Rusty" Rush	President, Chief Executive Officer and Director (Principal Executive Officer)	July 24, 2007
<u>/s/ Steven L. Keller</u> Steven L. Keller	Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)	July 24, 2007
<u>/s/ Ronald J. Krause</u> Ronald J. Krause	Director	July 24, 2007
<u>/s/ John D. Rock</u> John D. Rock	Director	July 24, 2007
<u>/s/ Harold D. Marshall</u> Harold D. Marshall	Director	July 24, 2007
<u>/s/ Thomas A. Akin</u> Thomas A. Akin	Director	July 24, 2007

EXHIBIT INDEX

Exhibit No.	Description
4.4*	Form of Stock Option Agreement
5.1*	Opinion of Fulbright & Jaworski L.L.P.
23.1*	Consent of Counsel (contained in Exhibit 5.1)
23.2*	Consent of Ernst & Young LLP
24.1*	Power of Attorney (included on signature page)

* Filed herewith

RUSH ENTERPRISES, INC. 2007 LONG-TERM INCENTIVE PLAN

STOCK OPTION AGREEMENT

STOCK OPTION AGREEMENT dated as of the Grant Date (the "Grant Date") set forth on Schedule I hereto, between RUSH ENTERPRISES, INC., a Texas corporation (the "Company"), and the employee of the Company or of a subsidiary of the Company identified on Schedule I hereto (the "Employee").

On the Grant Date the Company granted to the Employee the option or options hereinafter described pursuant to, and subject to and upon the terms and conditions set forth in, the Rush Enterprises, Inc. 2007 Long-Term Incentive Plan, as amended from time to time (the "Plan"), and promptly thereafter notified the Employee of the grant of such option or options.

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth and for other good and valuable consideration, the parties hereto hereby agree as follows:

1. **Grant of Option.**

(a) On the Grant Date, the Company irrevocably granted to the Employee, as a matter of separate agreement and not in lieu of salary or any other compensation for services, the right and option to purchase all or any part of the aggregate number of shares of its Common Stock, par value \$.01 per share (the "Common Stock"), set forth on Schedule I hereto, on the terms and conditions herein set forth.

(b) To the extent set forth in Schedule I hereto, the right and option to purchase shares of Common Stock are intended to be an incentive stock option (an "ISO") within the meaning of Section 422(b) of the Internal Revenue Code of 1986, as amended (the "Code"). To the extent such right and option to purchase shares of Common Stock as set forth on Schedule I hereto is not identified as being intended to be an ISO, such right and option will be considered a non-statutory option. In addition, to the extent that a right and option to purchase shares of Common Stock intended to be an ISO does not qualify as an ISO, such right and option, to the extent that it does not so qualify, shall be converted to a non-statutory option.

(c) The ISOs and non-statutory stock options granted to the Employee hereunder are each referred to as an "Option" and collectively referred to as the "Options".

2. **Terms.**

(a) **Exercise Price.** The exercise price per share for the shares of Common Stock subject to an Option granted hereunder shall be the per share amount set forth in Schedule I hereto for such Option (the "Exercise Price"). With respect to any Option, the Exercise Price shall not be less than the fair market value per share (determined as of the date the Option is granted) of the Common Stock on such date.

(b) **Vesting.** Subject to the provisions of Section 4 of this Agreement and the Plan, the Option or Options granted hereunder shall become exercisable as to the portions of the aggregate number of shares covered by such Option as set forth on Schedule I hereto on and after each of the related dates during the term of such Option set forth on Schedule I hereto.

(c) **Term and Conditions of Exercise.** An Option granted hereunder shall be exercisable in whole at any time or in part from time to time during the term of such Option as to all or any of the shares then purchasable under such Option, but not as to less than the minimum number of shares stated on Schedule I hereto with respect to such Option (or the shares then purchasable under the Option if less than such minimum) at any one time; provided that if there is a SAR (as defined in the Plan) outstanding which relates to any of the shares purchasable under such Option, then the number of shares so purchasable shall be reduced by the number of shares in respect of which the SAR has been exercised.

The term of the Option or Options subject hereto shall be for the number of years from the Grant Date set forth on Schedule I hereto with respect to such Option or such shorter period of time as is described in Section 4. In no event shall the term of the Option exceed ten years from the Grant Date.

Except as provided in Section 4, an Option granted hereunder shall not be exercisable unless the Employee shall, at the time of exercise, be an employee of the Company or of a subsidiary of the Company. The holder of such Option shall have none of the rights of a shareholder with respect to the shares subject to such Option until such shares are transferred to the holder upon the exercise of such Option.

3. **Restrictions on Transfer.** An Option granted hereunder shall not be assignable or transferrable by the Employee except by will or by the laws of descent and distribution, and subject to Section 4(a), such Option is exercisable, during the Employee's lifetime, only by the Employee. The designation of a beneficiary by the Employee shall not constitute a transfer. More particularly (but without limiting the generality of the foregoing), such Option may not be assigned, transferred (except as aforesaid), pledged or encumbered in any way (whether by operation of law or otherwise) and shall not be subject to execution, attachment or similar process. In the event of any attempted assignment, transfer, pledge, encumbrance or other disposition of such Option contrary to the provisions hereof, or the levy of any attachment or similar process upon such Option, such Option shall be null and void and of no further effect.

4. **Status of Option Upon Certain Events.** If the Employee's employment shall terminate prior to the complete exercise of an Option granted hereunder, then such Option shall thereafter be exercisable solely to the extent provided in paragraphs (a) through (c) of this Section 4; provided, however, that (i) such Option may not be exercised after the scheduled expiration date and (ii) if the Employee's employment terminates for any reason other than as contemplated by paragraphs (a) through (c) of this Section 4, the Option shall remain exercisable for a period of 30 days following such termination (but in no event

shall such period extend beyond the scheduled expiration of such Option) at which time such Option shall immediately terminate and be forfeited, but only for the number of shares for which such Option shall have vested as provided on Schedule I hereto as of the date of such termination.

(a) **Death or Disability or Retirement.** If the Employee shall die or be subject to Disability (as defined in Section 22(e) (3) of the Code) while employed by the Company or a subsidiary or Retire (defined as termination by the Employee of the Employee's employment relationship with the

Company after 10 years of employment with the Company and attaining the age of 60), an Option granted hereunder (unless previously terminated pursuant to paragraphs (b), (c) or (d) below) may be exercised as follows: (i) in the case of death, in full for the aggregate number of shares covered thereby by the legatee or legatees of such Option under the Employee's last will, or by the personal representatives or distributees of the Employee, at any time within a period of one year after the Employee's death, but in no event after the expiration of such Option set forth in Section 2(c); (ii) in the case of Disability while employed by the Company or a subsidiary, in full for the aggregate number of shares covered thereby by the Employee or by the personal representatives of the Employee if the Employee is unable to act for himself or herself, at any time within a period of one year after the Employee ceases to be an employee of the Company or one of its subsidiaries, but in no event after the expiration of such Option set forth in Section 2(c) herein; and (iii) in the case of retirement, for so long as the Employee does not become employed by a "competitor" of the Company subsequent to such retirement, the Option shall continue to vest pursuant to the Vesting Schedule set forth on Schedule I hereto, but in no event after the expiration of the Option set forth in Section 2(c) herein. A determination as to whether the Employee has become employed by a "competitor," and the definition of "competitor," shall be made by the Compensation Committee (the "Committee"), in its sole discretion. In the event Employee becomes employed by a "competitor," then the Option can be exercised within 90 days of the date such employment occurs for the number of shares for which such Option shall have vested on such date. If an ISO is exercised more than three months after the Employee's retirement and the Employee has not died or incurred a Disability, such Option will be converted to a non-statutory option.

(b) **Termination with Cause.** If the Employee's employment with the Company or a subsidiary shall be terminated by the Company or such subsidiary for "cause" (as defined below) prior to the exercise of any part of the Option or Options granted hereunder, then such Option or Options held by the Employee shall immediately terminate and be forfeited unless the Committee, in its sole discretion, shall otherwise determine. For this purpose, termination for "cause" shall have the meaning established by the Committee or, in the absence thereof, shall include but not be limited to, termination for insubordination, dishonesty, incompetence, poor performance, moral turpitude, unauthorized disclosure of confidential information of the Company, other misconduct of any kind or Employee's refusal to perform the duties and responsibilities of his or her position for any reason other than illness or incapacity.

(c) **Change in Employment.** The Option or Options granted hereunder shall not be affected by any change of employment (or by any temporary leave of absence approved by the Committee or by the Board itself), so long as the Employee continues to be in the employ of the Company or of a subsidiary of the Company.

5. **Adjustments.** If all or any portion of an Option granted hereunder is exercised subsequent to any stock dividend, stock split, recapitalization, combination, exchange of shares, merger, consolidation, liquidation, split-up, split-off, spin-off or other similar change in capitalization, any distribution to stockholders, including a rights offering, other than regular cash dividends, changes in the outstanding stock of the Company by reason of any increase or decrease in the number of issued shares of Common Stock resulting from a split-up or consolidation of shares or any similar capital adjustment or the payment of any stock dividend, any share repurchase at a price in excess of the closing market price (as determined by the Committee) of the Common Stock at the time such repurchase is announced or other increase or decrease in the number of such shares, the Committee may make such appropriate adjustments in the purchase price paid upon exercise of such Option and the aggregate number and class of shares or other securities or property

issuable upon any such exercise as the Committee shall, in its sole discretion, determine. In any such event, no fractional share shall be issued upon any such exercise, and the aggregate price paid shall be appropriately reduced on account of any fractional share not issued; further, the minimum number of full shares which may be purchased upon any such exercise shall be the minimum number specified on Schedule I hereto adjusted proportionately.

6. **Payment; Method of Exercise.** Payment of the purchase price of the shares of Common Stock subject to an Option granted hereunder may be made (i) in any combination of cash or whole shares of Common Stock already owned by the Employee or (ii) in shares of Common Stock withheld by the Company from the shares of Common Stock otherwise issuable to the Employee as a result of the exercise of such Option ("cashless exercise"). Subject to the terms and conditions of this Agreement, such Option may be exercised by written notice to the Company at its principal office, attention of the Secretary. Such notice shall (a) state the election to exercise such Option, the number of shares in respect of which it is being exercised and the manner of payment for such shares and (b) be signed by the person or persons so exercising such Option and, in the event such Option is being exercised pursuant to Section 4 by any person or persons other than the Employee, accompanied by appropriate proof of the right of such person or persons to exercise such Option. If the Option being exercised is an ISO and non-statutory options have also been granted to the Employee hereunder, such notice shall also identify whether the Option being exercised is an ISO and, if so, the number of shares of Common Stock to be purchased pursuant to such exercise. Such notice shall either (i) elect cashless exercise or be accompanied by payment of the full purchase price of such shares, in which event the Company shall issue and deliver a certificate or certificates representing such shares as soon as practicable after the notice is received, or (ii) fix a date (not more than 10 business days from the date of such notice) for the payment of the full purchase price of such shares at the Company's principal office, against delivery of a certificate or certificates representing such shares. Cash payments of such purchase price shall, in case of clause (i) or (ii) above, be made by cash or check payable to the order of the Company. Common Stock payments (valued at the closing market price on the date of exercise, as determined by the Committee), shall be made by delivery of stock certificates in negotiable form. All cash and Common Stock payments shall, in either case, be delivered to the Company at its principal office, attention of the Secretary. Shares of Common Stock withheld pursuant to a cashless exercise election shall be valued at the closing market price on the date of exercise, as determined by the Committee. If certificates representing Common Stock are used to pay all or part of the purchase price of an Option granted hereunder, a replacement certificate shall be delivered by the Company representing the number of shares delivered but not so used, and an additional certificate shall be delivered representing the additional shares to which the holder of such Option is entitled as a result of the exercise of such Option. The certificate or certificates for the shares as to which such Option shall have been so exercised shall be registered in the name of the person or persons so exercising the Option and shall be delivered as aforesaid to or upon the written order of the person or persons exercising such Option. All shares issued as provided herein will be fully paid and nonassessable.

7. **Administration.** The Committee shall have the power to interpret the Plan and this Agreement, and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret or revoke any such rules. All actions taken and all interpretations and determinations made by the Committee shall be final and binding upon the Employee, the Company and all other interested persons.

8. **Taxes.** The Company shall have the right to deduct or withhold, or require the person exercising an Option to remit to the Company, an amount sufficient to satisfy federal, state and local taxes (including such person's FICA obligation) required by law to be withheld with respect to any taxable event arising or as a result of this Option.

9. **Reserves, Etc.** Shares of Common Stock delivered upon the exercise of an Option granted hereunder shall, in the discretion of the Board or the Committee, be either shares of Common Stock heretofore or hereafter authorized and then unissued, or previously issued shares of Common Stock heretofore or hereafter acquired through purchase in the open market or otherwise, or some of each. The Company shall be under no obligation to reserve or to retain in its treasury any particular number of shares of Common Stock at any time, and no particular shares, whether unissued or held as treasury shares, shall be identified as those covered by an Option granted hereunder.

10. **No Right to Continued Employment.** Nothing in this Agreement or in the Plan shall confer upon the Employee any right to continue in the employ of the Company or shall interfere with or restrict in any way the rights of the Company, which are hereby expressly reserved, to discharge the Employee at any time for any reason whatsoever, with or without cause.

11. **General Restrictions.**

(a) An Option granted hereunder shall be subject to the requirement that, if at any time the Committee shall determine that (i) the listing, registration or qualification of the shares of Common Stock subject or related thereto upon any securities exchange or under any state or Federal law, or (ii) the consent or approval of any governmental regulatory body, or (iii) an agreement by the recipient of such Option granted pursuant to this Agreement with respect to the disposition of shares of Common Stock is necessary or desirable (in connection with any requirement or interpretation of any Federal or state securities law, rule or regulation) as a condition of, or in connection with, the granting of such Option or the issuance, purchase or delivery of shares of Common Stock thereunder, such Option may not be exercised in whole or in part unless such listing, registration, qualification, consent, approval or agreement shall have been effected or obtained free of any conditions not acceptable to the Committee.

(b) The Employee hereby (i) represents and warrants that any shares of Common Stock issued, transferred or delivered to, or acquired by, the Employee pursuant to this Agreement shall be acquired solely for the Employee's own account for investment, and not with a view to any distribution thereof that would violate the Securities Act of 1933 (the "Securities Act") or the applicable securities laws of any state, (ii) agrees that he or she will not distribute any such shares of Common Stock in violation of the Securities Act or the applicable securities laws of any state, and (iii) acknowledges that, unless notified to the contrary by the Company, such shares of Common Stock will not have been registered under the Securities Act or the securities laws of any state and must be held indefinitely unless subsequently registered under the Securities Act and any applicable state securities laws or unless an exemption from such registration becomes or is available.

12. **Entire Agreement; Amendment.** This Agreement together with the Plan constitutes the entire agreement between the parties with respect to the subject matter hereof. Any term or provision of this Agreement may be waived at any time by the party which is entitled to the benefits thereof, except that any waiver of any term or condition of this Agreement must be in writing.

The Committee shall have the authority to amend this Agreement to include any provision which, at the time of such amendment, is authorized under the terms of the Plan; however, an Option granted hereunder may not be revoked or altered in a manner unfavorable to the holder without the written consent of the holder.

13. **Governing Law.** The laws of the State of Delaware shall govern the interpretation, validity and performance of the terms of this Agreement regardless of the law that might be applied under principles of conflict of laws.

14. **Successors.** This Agreement shall be binding upon and inure to the benefit of the successors, assigns and heirs of the respective parties.

15. **Acceleration of Retirement Eligibility.** Notwithstanding the terms of Section 4(a), the Committee in its sole discretion may at any time accelerate the date an Employee is eligible to Retire.

16. **Notices.** All notices or other communications made or given in connection with this Agreement shall be in writing and shall be deemed to have been duly given when delivered or mailed by registered or certified mail, return receipt requested, to those listed below at their following respective addresses or at such other address as each may specify by notice to the others:

To the Employee:

As set forth in Schedule I

To the Company:

Street Address:

Rush Enterprises, Inc.
555 IH-35 South
New Braunfels, TX 78130
Attn: Compensation Committee

Mailing Address:

Rush Enterprises, Inc.
P. O. Box 34630
San Antonio, Texas 78265
Attention: Compensation Committee

1. **Waiver.** The failure of a party to insist upon strict adherence to any term of this Agreement on any occasion shall not be considered a waiver thereof or deprive that party of the right thereafter to insist upon strict adherence to that term or any other term of this Agreement.

2. **Construction.** Titles are provided herein for convenience only and are not to serve as a basis for interpretation on construction of the Agreement. The singular form shall include the plural, when the context so indicates. In the event of an inconsistency between the terms of this Agreement and the terms of Schedule I hereto, the terms of Schedule I shall prevail. In the event of an inconsistency between the terms of this Agreement (including Schedule I) and the terms of the Plan, the terms of the Plan shall prevail.

IN WITNESS WHEREOF, the Company has caused this Agreement to be duly executed by its officer thereunto duly authorized, and the Employee has hereunto set his or her signature, all as of the Grant Date.

RUSH ENTERPRISES, INC.

By: _____

Optionee

July 24, 2007

Rush Enterprises, Inc.
555 IH 35 South
New Braunfels, Texas 78130

Re: Registration Statement on Form S-8

Ladies and Gentleman:

We refer to the Registration Statement on Form S-8 (the "Registration Statement") to be filed with the Securities and Exchange Commission under the Securities Act of 1933, as amended (the "Securities Act"), on behalf of Rush Enterprises, Inc., a Texas corporation (the "Company"), relating to 1,700,000 shares of the Company's Class A Common Stock, \$.01 par value per share (the "Class A Common Stock"), and 300,000 shares of the Company's Class B Common Stock, \$.01 par value per share (the "Class B Common Stock"), issuable pursuant to the Rush Enterprises, Inc. 2007 Long-Term Incentive Plan (the "Plan").

As counsel to the Company, we have examined such corporate records, other documents and such questions of law as we have deemed necessary or appropriate for the purposes of this opinion and, upon the basis of such examinations, advise you that in our opinion the 1,700,000 shares of Class A Common Stock and 300,000 shares of Class B Common Stock issuable pursuant to the Plan have been duly and validly authorized and, subject to the issuance of such shares and payment therefor in accordance with the Plan, such shares will be validly issued, fully paid and non-assessable.

We consent to the filing of this opinion as Exhibit 5.1 to the Registration Statement. This consent is not to be construed as an admission that we are a person whose consent is required to be filed with the Registration Statement under the provisions of the Securities Act.

Very truly yours,

Fulbright & Jaworski L.L.P.

Consent of Independent Registered Public Accounting Firm

We consent to the reference to our firm in the Registration Statement (Form S-8) pertaining to the Rush Enterprises, Inc. 2007 Long-Term Incentive Plan and to the incorporation by reference therein of our report dated March 12, 2007, with respect to the consolidated financial statements of Rush Enterprises, Inc. included in its Annual Report (Form 10-K) for the year ended December 31, 2006, Rush Enterprises, Inc. management's assessment of the effectiveness of internal control over financial reporting, and the effectiveness of internal control over financial reporting of Rush Enterprises, Inc., filed with the Securities Exchange Commission.

/s/ Ernst & Young LLP

San Antonio, Texas
July 24, 2007
