

**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 (Date of earliest event reported) **October 21, 2009**

Rush Enterprises, Inc.

(Exact name of registrant as specified in its charter)

Texas
(State or other jurisdiction
of incorporation)

0-20797
(Commission File Number)

74-1733016
(IRS Employer Identification No.)

555 IH-35 South, Suite 500, New Braunfels, Texas
(Address of principal executive offices)

78130
(Zip Code)

Registrant's telephone number, including area code: **(830) 626-5200**

(Former name or former address, if changed since last report)

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:

- 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 240.14a-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 240.13e-4(c))

Item 2.02. Results of Operations and Financial Condition.

On October 21, 2009 the Registrant issued a press release, a copy of which is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

Exhibit 99.1. Press release dated October 21, 2009

SIGNATURE

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

Rush Enterprises, Inc.

(Registrant)

October 21, 2009

(Date)

/s/ STEVEN L. KELLER

Steven L. Keller
Vice President and Chief Financial Officer

Exhibit Index

99.1 Press release dated October 21, 2009

Rush Enterprises, Inc. Reports Third Quarter Results

- Company Reports Net Income of \$3.0 Million or \$0.08 Per Diluted Share
- SG&A Expenses Down 11.0% From Third Quarter 2008
- Third Quarter Absorption Rate of 96.4%

SAN ANTONIO, Oct. 21, 2009 (GLOBE NEWSWIRE) -- Rush Enterprises, Inc. (Nasdaq:RUSHA) (Nasdaq:RUSHB), which operates the largest network of commercial vehicle dealerships in North America and two John Deere construction equipment dealerships in Southeast Texas, today announced results for the third quarter ended September 30, 2009.

In the third quarter ended September 30, 2009, the Company's gross revenues totaled \$302.4 million, a 26.9% decrease from gross revenues of \$413.7 million reported for the third quarter ended September 30, 2008. Net income for the third quarter ended September 30, 2009, was \$3.0 million, or \$0.08 per diluted share, compared with net income of \$8.0 million, or \$0.21 per diluted share, in the third quarter ended September 30, 2008.

The Company's truck segment recorded revenues of \$289.8 million in the third quarter of 2009, compared to \$392.5 million in the third quarter of 2008. The Company delivered 1,030 new heavy-duty trucks, 637 new medium-duty trucks and 760 used trucks during the third quarter of 2009, compared to 1,350 new heavy-duty trucks, 919 new medium-duty trucks and 936 used trucks in the third quarter of 2008. Parts, service and body shop sales revenue was \$96.0 million in the third quarter of 2009, compared to \$116.3 million in the third quarter of 2008.

The Company's construction equipment segment recorded revenues of \$8.5 million in the third quarter of 2009, compared to \$16.9 million in the third quarter of 2008. New and used construction equipment sales revenue decreased 61.9% to \$4.5 million in the third quarter of 2009, from \$11.8 million in the third quarter of 2008. Construction equipment parts, service and body shop sales decreased 21.6% to \$4.0 million in the third quarter of 2009 from \$5.1 million in the third quarter of 2008.

As previously disclosed, the Company earns federal income tax credits on the sale of alternative fuel vehicles to tax-exempt entities. These tax credits are reflected as tax benefits in the Company's Consolidated Statements of Operations. A portion of these tax credits are passed back to the tax-exempt customer and are reflected as selling expense to the Company in the quarter in which the trucks are sold. The net effect of the federal tax credits and the pass through payments to tax-exempt customers contributed approximately \$2.0 million, or \$0.05 per diluted share, in the third quarter. These alternative fuel tax credits and the amount passed back to the customers are directly attributable to the sale of a truck. Accordingly, the Company believes the tax credits and the amounts passed back to customers should be considered operating items when analyzing the financial performance of the Company. The Company believes its history of serving municipalities and other tax-exempt customers that cannot claim these federal tax credits, its ability to utilize tax credits and pass back savings to these tax-exempt customers, and its position as a leading dealer of alternative fuel vehicles provide the Company with a distinct advantage over its competition when offering alternative fuel vehicles to tax-exempt entities.

During the second quarter of 2009, the Company incurred a \$4.9 million pre-tax impairment charge related to General Motors Corporation's decision to stop manufacturing medium-duty trucks and to wind-down the Company's GMC Medium-Duty Truck Dealership Agreements, which reduced earnings per diluted share by \$0.08 in the second quarter. A significant portion of the impairment charge was an estimate of the inventory valuation allowance associated with the disposal of the Company's remaining GMC truck and parts inventories. During the third quarter, the Company adjusted the valuation allowance related to its GMC inventory because it was able to dispose of some of the GMC inventory at higher prices than originally estimated, which resulted in an increase to pre-tax earnings of approximately \$1.5 million, or \$0.02 per diluted share, in the third quarter of 2009.

W. Marvin Rush, Chairman of Rush Enterprises, Inc., said, "This truck market downturn is the toughest and longest that I have experienced in 45 years in the truck dealership business. The third quarter provided no relief from depressed truck and aftermarket sales markets. Yet once again, I am proud to report that even in the face of this extremely difficult environment, Rush Enterprises, Inc. was able to achieve a profitable third quarter. I remain proud of the employees of this Company, who have continued to control expenses yet maintain a high level of customer service."

W. M. "Rusty" Rush, President and Chief Executive Officer of Rush Enterprises, Inc., added, "Rush Class 8 truck deliveries increased this quarter over the second quarter of 2009 as several large fleet customers took delivery of trucks. This helped mitigate the effect of continued depressed U.S. Class 8 retail truck sales, which were down 33% over the third quarter of 2008, while Rush truck sales were down only 24% for the same time period. In addition, we continue to lead the commercial vehicle market as a provider of alternate fuel trucks, buses and services, and our ability to effectively serve municipalities significantly contributed to our overall profitability this quarter."

"We do not, however, anticipate a significant truck pre-buy to occur in the fourth quarter of this year as lingering depressed conditions in the overall economy and tight credit continue to negatively impact freight movement, causing continued excess capacity and depressed trade values. These factors have forced both vocational and fleet buyers to lengthen their replacement cycles beyond historical norms, most likely extending any substantial upturn in new truck purchases well into the second half of 2010," said Rusty Rush.

"Aftermarket parts, service and body shop sales were negatively impacted by excess capacity again this quarter as many customers have been able to utilize their excess truck capacity, thereby allowing them to delay repair and maintenance expense. A 21% decline in parts, service and body shop gross profit was offset by a reduction in general and administrative expenses (G&A) of 9%, resulting in an absorption rate of 96.4% in the third quarter of 2009," continued Rusty Rush.

"The months of November through February have historically been the slowest months for parts, service and body shop sales industry-wide. Without a significant pre-buy and as we move into the traditionally slower season for parts, service and body shop sales, we anticipate that the next six to nine months could be a very challenging market for truck and aftermarket sales," said Rusty Rush.

"We have diligently controlled expenses throughout this downturn, while maintaining the high level of customer service expected from our dealerships. Our balance sheet remains strong as we currently have \$136 million in cash. We have several construction projects underway to improve facilities and continue to implement our new business system. I remain confident in our employees and the Company's ability to weather the remainder of this economic and truck market downturn and be well positioned for growth in the future," concluded Rusty Rush.

Conference Call Information

Rush Enterprises will host its quarterly conference call to discuss earnings for the third quarter on Thursday, October 22, 2009, at 11 a.m. Eastern/10 a.m. Central. The call can be heard live by dialing 888-686-9683 (US) or 913-312-1469 (International) or via the Internet at <http://investor.rushenterprises.com/events.cfm>.

For those who cannot listen to the live broadcast, the webcast will be available on our website at the above link until February 15, 2010. Listen to the audio replay until October 29, 2009, by dialing 888-203-1112 (US) or 719-457-0820 (International) and entering the replay pass code 4218581.

About Rush Enterprises, Inc.

Rush Enterprises, Inc. owns and operates the largest network of commercial vehicle dealerships in the United States, representing truck and bus manufacturers including Peterbilt, GMC, Hino, International, Isuzu, Ford, UD, Blue Bird, Diamond and Elkhart and two construction equipment dealerships in Texas representing John Deere construction equipment. The Company's vehicle and equipment centers are strategically located in high traffic areas on or near major highways in 11 states throughout the southern United States. These one-stop centers offer an integrated approach to meeting customer needs -- from sales of new and used vehicles and equipment to aftermarket parts, service and body shop operations plus a wide array of financial services, including financing, insurance, leasing and rental. Rush Enterprises' operations also provide vehicle up-fitting, chrome accessories and tires. For more information, please visit www.rushenterprises.com.

The Rush Enterprises, Inc. logo is available at <http://www.globenewswire.com/newsroom/prs/?pkgid=3352>

Certain statements contained herein, including those concerning current and projected truck industry and market conditions, sales and delivery forecasts, aftermarket parts, service and body shop sales forecasts, the Company's prospects, the availability of credit, cash flow expectations, anticipated results for 2009 and beyond, the impact of diesel emissions regulations, and the impact of general economic conditions, are "forward-looking" statements (as such term is defined in the Private Securities Litigation Reform Act of 1995). Because such statements include risks and uncertainties, actual results may differ materially from those expressed or implied by such forward-looking statements. Important factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements include, but are not limited to, competitive factors, general U.S. economic conditions, economic conditions in the new and used truck and construction equipment markets, customer relationships, relationships with vendors, the interest rate environment, governmental regulation and supervision, product introductions and acceptance, changes in industry practices, onetime events and other factors described herein and in filings made by the Company with the Securities and Exchange Commission.

RUSH ENTERPRISES, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(In Thousands, Except Shares and Per Share Amounts)

	Sept. 30, 2009	Dec. 31, 2008
	----- (Unaudited)	-----
Assets		

Current assets:		
Cash and cash equivalents	\$ 136,731	\$ 146,411
Investments	7,575	7,575
Accounts receivable, net	41,407	55,274
Inventories	274,758	362,234
Prepaid expenses and other	2,270	3,369
Deferred income taxes, net	9,112	6,730
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Total current assets	471,853	581,593
Property and equipment, net	343,545	332,147
Goodwill, net	141,065	141,904
Other assets, net	1,047	1,146
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Total assets	\$ 957,510	\$ 1,056,790
	=====	=====

Liabilities and shareholders' equity

Current liabilities:

Floor plan notes payable	\$ 196,649	\$ 282,702
Current maturities of long-term debt	57,576	37,665
Current maturities of capital lease obligations	5,700	3,454
Trade accounts payable	25,670	31,530
Accrued expenses	39,660	49,125
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Total current liabilities	325,255	404,476

Long-term debt, net of current maturities	132,755	172,011
Capital lease obligations, net of current maturities	23,584	11,366
Deferred income taxes, net	51,411	52,896

Shareholders' equity:

Preferred stock, par value \$.01 per share; 1,000,000 shares authorized; 0 shares outstanding in 2009 and 2008	--	--
Common stock, par value \$.01 per share; 60,000,000 class A shares and 20,000,000 class B shares authorized; 26,578,748 class A shares and 12,325,737 class B shares issued and 26,430,122 class A shares and 10,685,894 class B shares outstanding in 2009; 26,327,734 class A shares and 12,324,987 class B shares issued and 26,255,974 class A shares and 10,685,144 class B shares outstanding in 2008	388	386
Additional paid-in capital	187,930	183,818
Treasury stock, at cost: 1,639,843 shares	(17,948)	(17,948)
Retained earnings	254,135	249,785
	-----	-----
Total shareholders' equity	424,505	416,041
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Total liabilities and shareholders' equity	\$ 957,510	\$ 1,056,790
	=====	=====

RUSH ENTERPRISES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

(In Thousands, Except Per Share Amounts)
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2009	2008	2009	2008

Revenues:

New and used truck sales	\$ 179,121	\$ 259,518	\$ 562,263	\$ 808,181
Parts and service	102,830	124,129	314,760	362,174
Construction equipment sales	4,424	11,672	16,908	47,571
Lease and rental	13,300	14,205	40,012	40,605
Finance and insurance	1,748	2,723	5,731	9,520
Other	1,015	1,449	3,978	4,221

Total revenue	302,438	413,696	943,652	1,272,272
Cost of products sold:				
New and used truck sales	167,396	241,923	530,069	754,265
Parts and service	61,949	72,784	191,173	211,413
Construction equipment sales	4,333	10,634	15,715	43,006
Lease and rental	11,756	11,970	35,273	34,611
Total cost of products sold	245,434	337,311	772,230	1,043,295
Gross profit	57,004	76,385	171,422	228,977
Selling, general and administrative	51,934	58,371	154,363	174,328
Depreciation and amortization	3,866	4,039	12,657	11,841
Operating income	1,204	13,975	4,402	42,808
Interest expense, net	1,542	1,833	4,673	5,533
Gain on sale of assets	88	25	165	79
(Loss) income before taxes	(250)	12,167	(106)	37,354
(Benefit) provision for income taxes	(3,258)	4,167	(4,456)	13,612
Net income	\$ 3,008	\$ 8,000	\$ 4,350	\$ 23,742
Earnings per common share:				
Basic	\$ 0.08	\$ 0.21	\$ 0.12	\$ 0.62
Diluted	\$ 0.08	\$ 0.21	\$ 0.12	\$ 0.61
Weighted average shares outstanding:				
Basic	37,110	38,417	37,047	38,416
Diluted	37,780	38,842	37,469	38,908

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