UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)
(X) QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2000

OR

( ) TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ____________________ to _______________________

Commission file number 0-20797

RUSH ENTERPRISES, INC.
(Exact name of registrant as specified in its charter)

Texas	74-1733016
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

555 IH 35 South
New Braunfels, TX 78130
(Address of principal executive offices)
(Zip Code)

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes _X_ No ___

Indicated below is the number of shares outstanding of the registrant's only class of common stock, as of July 31, 2000.

Title of Class	Number of Shares Outstanding
Common Stock, $.01 Par Value	7,002,044

RUSH ENTERPRISES, INC., AND SUBSIDIARIES

INDEX

RUSH ENTERPRISES, INC., AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(In thousands, except shares and per share amounts)

	June 30, 2000 (Unaudited)	December 31, 1999 (Audited)
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 15,450	$ 20,004
Accounts receivable, net	29,193	29,767
Inventories, net	176,999	173,565
Prepaid expenses and other	1,223	736
Total current assets	222,865	224,072
PROPERTY AND EQUIPMENT, net	117,449	103,426
OTHER ASSETS, net	37,695	38,198
Total assets	$378,009	$365,696
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Floor plan notes payable	$ 150,488	$150,862
Current maturities of long-term debt	10,906	8,463
Advances outstanding under lines of credit	23,504	10,953
Trade accounts payable	16,265	9,710
Accrued expenses	17,780	20,516
Note payable to shareholder	0	20,725
Total current liabilities	218,943	221,229
LONG-TERM DEBT, net of current maturities	76,058	65,414
DEFERRED INCOME TAXES, net	5,347	4,201
COMMITMENTS AND CONTINGENCIES (Note 2)		
SHAREHOLDERS' EQUITY:		
Preferred stock, par value $.01 per share; 1,000,000 shares authorized; 0 shares outstanding in 2000 and 1999	-	-
Common stock, par value $.01 per share; 25,000,000 shares authorized; 7,002,044 and 6,646,730 shares outstanding in 2000 and 1999	70	70
Additional paid-in capital	39,155	39,155
Retained earnings	38,436	35,627
Total shareholders' equity	77,661	74,852
Total liabilities and shareholders' equity	$378,009	$365,696

The accompanying notes are an integral part of these consolidated financial statements.

RUSH ENTERPRISES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

(In thousands, except earnings per share)
(unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2000	1999	2000	1999
REVENUES:				
New and used truck sales	$166,879	$129,607	$300,524	$251,291
Parts and service	44,067	31,477	85,653	61,618
Construction equipment sales	20,244	12,807	38,411	24,599
Lease and rental	7,457	6,279	14,351	11,337
Finance and insurance	1,830	3,875	5,225	7,503
Retail sales	7,167	4,499	12,047	9,111
Other	892	868	2,277	1,796
TOTAL REVENUES	248,536	189,412	458,488	367,255
COST OF PRODUCTS SOLD	209,044	157,279	382,251	303,887
GROSS PROFIT	39,492	32,133	76,237	63,368
SELLING, GENERAL AND ADMINISTRATIVE	30,551	22,318	60,017	45,207
DEPRECIATION AND AMORTIZATION	2,259	1,457	4,327	2,787
OPERATING INCOME	6,682	8,358	11,893	15,374
INTEREST EXPENSE	3,793	1,882	7,211	3,366
INCOME BEFORE INCOME TAXES	2,889	6,476	4,682	12,008
PROVISION FOR INCOME TAXES	1,156	2,590	1,873	4,803
NET INCOME	$ 1,733	$ 3,886	$ 2,809	$ 7,205
EARNINGS PER SHARE:				
Basic	$ .25	$ .58	$ .40	$ 1.08
Diluted	$ .25	$ .57	$ .40	$ 1.07
Weighted average shares outstanding				
Basic	7,002	6,646	7,002	6,646
Diluted	7,013	6,812	7,041	6,757

The accompanying notes are an integral part of these consolidated financial statements.

RUSH ENTERPRISES, INC., AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Six months ended June 30, 2000	Six months ended June 30, 1999
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 2,809	$ 7,205
Adjustments to reconcile net income to net cash provided by (used in) operating activities		
Depreciation and amortization	6,195	3,576
Gain on sale of property and equipment	(209)	(51)
Provision for deferred income tax expense	1,146	992
Change in accounts receivable, net	574	1,152
Change in inventories	(3,434)	(31,653)
Change in prepaid expenses and other, net	(487)	84
Change in trade accounts payable	6,555	64
Change in accrued expenses	(2,736)	(4,672)
Net cash provided by (used in) operating activities	10,413	(23,303)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of property and equipment	(20,696)	(18,046)
Proceeds from the sale of property and equipment	1,457	478
Change in other assets	(267)	(1,688)
Net cash used in investing activities	(19,506)	(19,256)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from long-term debt	21,987	14,076
Payments on long-term debt	(29,625)	(7,357)
Draws on lines of credit, net	12,551	-
Draws (payments) on floor plan notes payable, net	(374)	26,332
Net cash provided by financing activities	4,539	33,051
NET DECREASE IN CASH AND CASH EQUIVALENTS	(4,554)	(9,508)
CASH AND CASH EQUIVALENTS, beginning of period	20,004	22,516
CASH AND CASH EQUIVALENTS, end of period	$ 15,450	$13,008
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the period for-		
Interest	$ 9,116	$ 3,888
Income taxes	$ 3,089	$ 4,930

The accompanying notes are an integral part of these consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

1 - PRINCIPLES OF CONSOLIDATION AND BASIS OF PRESENTATION

The interim consolidated financial statements included herein have been prepared by Rush Enterprises, Inc. and its subsidiaries (collectively referred to as the "Company"), without audit, pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC"). All adjustments have been made to the accompanying interim consolidated financial statements which are, in the opinion of the Company's management, necessary for a fair presentation of the Company's operating results. All adjustments are of a normal recurring nature. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations. It is recommended that these interim consolidated financial statements be read in conjunction with the consolidated financial statements and the notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 1999.

2 - COMMITMENTS AND CONTINGENCIES

The Company is contingently liable to certain finance companies for certain promissory notes and finance contracts, related to the sale of trucks and construction equipment, sold to such finance companies. The Company's recourse liability related to sold finance contracts is limited to 15 to 25 percent of the outstanding balance of each note sold to a finance company, with the aggregate recourse liability for 2000 limited to $700,000.

The Company provides an allowance for repossession losses and early repayment penalties.

The Company is involved in various claims and legal actions arising in the ordinary course of business. The Company believes it is unlikely that the final outcome of any of the claims or proceedings to which the Company is a party would have a material adverse effect on the Company's financial position or results of operations; however, due to the inherent uncertainty of litigation, there can be no assurance that the resolution of any particular claim or proceeding would not have a material adverse effect on the Company's results of operations for the fiscal period in which such resolution occurred.

3 - EARNINGS PER SHARE

The following table sets forth the computation of basic and diluted earnings per share:

	THREE MONTHS ENDED JUNE 30, 2000	THREE MONTHS ENDED JUNE 30, 1999	SIX MONTHS ENDED JUNE 30, 2000	SIX MONTHS ENDED JUNE 30, 1999
Numerator:				
Net income - numerator for basic and diluted earnings per share	$ 1,733,000	$ 3,886,000	$ 2,809,000	$ 7,205,000
Denominator:				
Denominator for basic earnings per share- weighted average shares	7,002,044	6,646,488	7,002,044	6,646,488
Effect of dilutive securities:				
Employee and Director stock options	11,165	165,083	38,947	110,107
Denominator for diluted earnings per share- adjusted weighted average shares	7,013,209	6,811,571	7,040,991	6,756,595
Basic earnings per share	$ .25	$ .58	$ .40	$ 1.08
Diluted earnings per share	$ .25	$ .57	$ .40	$ 1.07

4 - SEGMENT INFORMATION

The Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 131 "Disclosures about Segments of an Enterprise and Related Information" (SFAS 131). This statement requires that public business enterprises report certain information about operating segments in complete sets of financial statements of the enterprise and in condensed financial statements of interim periods issued to shareholders. It also requires that public business enterprises report certain information about their products and services, the geographic areas in which they operate, and their major customers.

The Company has two reportable segments: the Heavy-Duty Truck segment and the Construction Equipment segment. The Heavy-duty Truck segment operates a regional network of truck centers that provide an integrated one-stop source for the trucking needs of its customers, including retail sales of new Peterbilt and used heavy-duty trucks, after-market parts, service and body shop facilities, and a wide array of financial services, including the financing of new and used truck purchases, insurance products and truck leasing and rentals. The Construction Equipment segment, formed during 1997, operates full-service John Deere dealerships that serve the Houston, Texas Metropolitan and surrounding areas and a majority of the counties in Michigan. Dealership operations include the retail sale of new and used equipment, after-market parts and service facilities, equipment rentals, and the financing of new and used equipment.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. The Company evaluates performance based on income before income taxes not including extraordinary items.

The Company accounts for intersegment sales and transfers as if the sales or transfers were to third parties, that is, at current market prices. There were no material intersegment sales during the three months and six months ended June 30, 2000 and 1999.

The Company's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies. Business units were maintained through expansion and acquisitions. The following table contains summarized information about reportable segment profit or loss and segment assets, for the three months and six months ended June 30, 2000 and 1999 (in thousands):

	HEAVY-DUTY TRUCK SEGMENT	CONSTRUCTION EQUIPMENT SEGMENT	ALL OTHER	TOTALS
THREE MONTHS ENDED JUNE 30, 2000				
Revenues from external customers	$ 210,450	$ 28,703	$ 9,383	$ 248,536
Segment income (loss) before taxes	3,118	(17)	(212)	2,889
Segment assets	275,216	70,440	32,353	378,009
SIX MONTHS ENDED JUNE 30, 2000				
Revenues from external customers	$ 387,638	$ 54,622	$ 16,228	$ 458,488
Segment income (loss) before taxes	4,607	349	(274)	4,682
Segment assets	275,216	70,440	32,353	378,009
THREE MONTHS ENDED JUNE 30, 1999				
Revenues from external customers	$ 162,360	$ 20,045	$ 7,007	$ 189,412
Segment income before taxes	5,766	394	316	6,476
Segment assets	170,850	65,771	20,719	257,340
SIX MONTHS ENDED JUNE 30, 1999				
Revenues from external customers	$ 315,605	$ 37,450	$ 14,200	$ 367,255
Segment income before taxes	10,632	614	762	12,008
Segment assets	170,850	65,771	20,719	257,340

Revenues from segments below the reportable quantitative thresholds are attributable to four operating segments of the Company. Those segments include a tire company, a farm and ranch retail center, an insurance company, and a hunting lease operation. None of those segments has ever met any of the quantitative thresholds for determining reportable segments.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Certain statements contained in this Form 10-Q are "forward-looking statements" within the meaning of the Section 27A of the Securities Act of 1933 and Section 21E of the Exchange Act of 1934. Specifically, all statements other than statements of historical fact included in this Form 10-Q regarding the Company's financial position, business strategy and plans and objectives of management of the Company for future operations are forward-looking statements. These forward-looking statements are based on the beliefs of the Company's management, as well as assumptions made by and information currently available to the Company's management. When used in this report, the words "anticipate," "believe," "estimate," "expect" and "intend" and words or phrases of similar import, as they relate to the Company or its subsidiaries or Company management, are intended to identify forward-looking statements. Such statements reflect the current view of the Company with respect to future events and are subject to certain risks, uncertainties and assumptions related to certain factors including, without limitation, competitive factors, general economic conditions, customer relations, relationships with vendors, the interest rate environment, governmental regulation and supervision, seasonality, distribution networks, product introductions and acceptance, technological change, changes in industry practices, onetime events and other factors described herein and in the Company's Registration Statement on Form S-1 (File No. 333-03346) and in the Company's annual, quarterly and other reports filed with the Securities and Exchange Commission (collectively, "cautionary statements"). Although the Company believes that its expectations are reasonable, it can give no assurance that such expectations will prove to be correct. Based upon changing conditions, should any one or more of these risks or uncertainties materialize, or should any underlying assumptions prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated, expected, or intended. All subsequent written and oral forward-looking statements attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by the applicable cautionary statements. The Company does not intend to update these forward-looking statements.

The following comments should be read in conjunction with the Company's consolidated financial statements and related notes included elsewhere in this Quarterly Report on Form 10-Q.

GENERAL

Rush Enterprises, Inc. was incorporated in Texas in 1965 and currently consists of two reportable segments: the Heavy Duty Truck segment and the Construction Equipment segment.

The Heavy Duty Truck segment operates a regional network of truck centers that provide an integrated one-stop source for the trucking needs of its customers, including retail sales of new Peterbilt and used heavy-duty trucks; after-market parts, service and body shop facilities; and a wide array of financial services, including the financing of new and used truck purchases, insurance products and truck leasing and rentals. The Company's truck centers are strategically located in high truck traffic areas on or near major highways in Texas, California, Oklahoma, Colorado, Louisiana, Arizona and New Mexico. The Company is the largest Peterbilt truck dealer in the United States, representing approximately 16.0% of all new Peterbilt truck sales in 1999, and is the sole authorized vendor for new Peterbilt trucks and replacement parts in its market areas. The Company was named Peterbilt Dealer of the Year for North America for the 1993-1994 year. The criteria used to determine the recipients of this award include, among others, image, customer satisfaction, sales activity and profitability.

Since commencing operations as a John Deere dealer in 1997, the Company has grown to operate seven Rush Equipment Centers located in Texas and Michigan. The Company provides a full line of construction equipment for light to medium sized applications, with the primary products including John Deere backhoe loaders, hydraulic excavators, crawler dozers and four wheel drive loaders. Dealership operations include the retail sale of new and used construction equipment, after-market parts and service facilities, equipment rentals, and the financing of new and used construction equipment. The Company believes the construction equipment industry is highly-fragmented and offers opportunities for consolidation. As a result, the Company's growth strategy is to realize economies of scale, favorable purchasing power, and cost savings by developing a network of John Deere dealerships through acquisitions and growth inside existing territories. There can be no assurance that, as the Company continues to develop a network of construction equipment dealerships, that it will realize economies of scale, favorable purchasing power or cost savings.

In December 1999, the Company purchased substantially all the assets of Norm Pressley's Truck Center, ("Pressley"), which consisted of three dealership locations in San Diego, Escondido and El Centro, California. The transaction was valued at approximately $4.5 million with the purchase price paid in cash. An additional $700,000 consideration may be paid based on a performance based objective.

In October 1999, the Company purchased substantially all the assets of Southwest Peterbilt, Inc., Southwest Truck Center, Inc., and New Mexico Peterbilt, Inc., ("Southwest") a Peterbilt truck dealer, which consisted of five dealership locations in Arizona and New Mexico. The transaction was valued at $23.9 million with the purchase price paid in a combination of cash and the Company's common stock. An additional $4.0 million may be paid based on a performance based objective.

In September 1999, the Company acquired substantially all the assets of Calvert Sales, Inc., (Calvert), a John Deere construction equipment dealership. The acquisition encompasses 13 counties in eastern Michigan, including two full-service dealerships located in the Detroit and Flint areas. The transaction was valued at $11.1 million with the purchase price paid in a combination of cash and notes payable.

In March 1998, the Company acquired all of the issued and outstanding capital stock of D & D Farm and Ranch Supermarket, Inc. ("D & D"), for consideration of approximately $10.5 million. D & D operates a retail farm and ranch superstore in the Greater San Antonio, Texas area and has recently opened a second store in the Greater Houston, Texas area.

RESULTS OF OPERATIONS

The following discussion and analysis includes the Company's historical results of operations for the three and six months ended June 30, 2000 and 1999.

The following table sets forth for the periods indicated certain financial data as a percentage of total revenues:

	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	2000	1999	2000	1999
New and used truck sales	67.1 %	68.4 %	65.6 %	68.4 %
Parts and service	17.7	16.6	18.7	16.8
Construction equipment sales	8.2	6.8	8.4	6.7
Lease and rental	3.0	3.3	3.1	3.1
Finance and insurance	0.7	2.0	1.1	2.0
Retail sales	2.9	2.4	2.6	2.5
Other	0.4	0.5	0.5	0.5
Total revenues	100.0	100.0	100.0	100.0
Cost of products sold	84.1	83.0	83.4	82.7
Gross profit	15.9	17.0	16.6	17.3
Selling, general and administrative expenses	12.3	11.8	13.1	12.3
Depreciation and amortization	0.9	0.8	0.9	0.8
Operating income	2.7	4.4	2.6	4.2
Interest expense	1.5	1.0	1.6	0.9
Income before income taxes	1.2	3.4	1.0	3.3
Provision for income taxes	0.5	1.4	0.4	1.3
Net income	0.7 %	2.0 %	0.6 %	2.0 %

THREE MONTHS ENDED JUNE 30, 2000 COMPARED TO THREE MONTHS ENDED JUNE 30, 1999

REVENUES

Revenues increased by approximately $59.1 million, or 31.2%, from $189.4 million to $248.5 million from the second quarter of 1999 to the second quarter of 2000. Approximately, $42.1 million in sales is attributable to the Southwest, Pressley and Calvert acquisitions, while the remaining increase of $17.0 million or 9.0%, is attributable to same store growth. Sales of new and used trucks increased by approximately $37.3 million, or 28.8%, from $129.6 million to $166.9 million from the second quarter of 1999 to the second quarter of 2000. Unit sales of new and used trucks increased by 34.7% and 3.0%, respectively, from the second quarter of 1999 to the second quarter of 2000, while new truck average revenue per unit increased by 1.6% and used truck average revenue per unit decreased by 13.0%. Average used truck prices decreased due to an excess supply of used inventory in the market. As a result, the Company recognized a $1.25 million loss provision during the second quarter of 2000 to increase the Company's reserve for used truck valuation and repossession losses.

Parts and service sales increased by approximately $12.6 million, or 40.0%, from $31.5 million to $44.1 million. The increase was due to same store growth of approximately 15.6% and parts and service sales associated with Southwest, Pressley and Calvert acquisitions.

Sale of new and used construction equipment increased approximately $7.4 million, or 57.8% from $12.8 million to $20.2 million from the second quarter of 1999 to the second quarter of 2000. The increase was due to same store growth of approximately $3.3 million or 25.6% and new and used equipment sales associated with the Calvert acquisition.

Lease and rental revenues increased by approximately $1.2 million, or 19.0% from $6.3 million to $7.5 million. Approximately $1.1 million or 91.7% of the increase was due to the Pressley and Calvert acquisitions with the remainder attributable to same store growth.

Finance and insurance revenues decreased by approximately $2.1 million, or 53.8%, from $3.9 million to $1.8 million from the second quarter of 1999 to the second quarter of 2000. The decrease is a result of there being proportionately fewer truck deliveries to owner operators, who are the customers most likely to purchase finance and insurance contracts, in comparison to truck deliveries to fleet customers. Finance and insurance revenues have limited direct costs and, therefore, contribute a disproportionate share of operating profits.

Retail sales increased $2.7 million or 60.0% from $4.5 million to $7.2 million from the second quarter of 1999 to the second quarter of 2000, primarily as a result of the opening of a second D & D store in the Greater Houston, Texas area.

GROSS PROFIT

Gross profit increased by approximately $7.4 million, or 23.1%, from $32.1 million to $39.5 million from the second quarter of 1999 to the second quarter of 2000. Gross profit as a percentage of sales decreased from 17.0% in the second quarter of 1999 to 15.9% in the second quarter of 2000. The decrease in gross profit as a percentage of sales was due to decreased margins in the used truck department and the decrease in finance and insurance revenues.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses increased by approximately $8.3 million, from $22.3 million to $30.6 million, or 37.2%, from the second quarter of 1999 to the second quarter of 2000. The increase resulted from approximately $6.0 million or 26.9% of selling, general and administrative expense related to the Southwest, Pressley and Calvert acquisitions with the remaining attributable to same store increases. Selling, general and administrative expenses as a percentage of sales increased from 11.8% to 12.3% from the second quarter of 1999 to the second quarter of 2000.

INTEREST EXPENSE

Interest expense increased by approximately $1.9 million or 100%, from $1.9 million to $3.8 million, from the second quarter of 1999 to the second quarter of 2000, primarily as the result of increased levels of indebtedness due to higher floor plan liability levels, and additional real estate and leased unit borrowings.

INCOME BEFORE INCOME TAXES

Income before income taxes decreased by $3.6 million, or 55.4%, from $6.5 million to $2.9 million from the second quarter of 1999 to the second quarter of 2000, as a result of the factors described above.

INCOME TAXES

The Company has provided for taxes at a 40% effective rate.

SIX MONTHS ENDED JUNE 30, 2000 COMPARED TO SIX MONTHS ENDED JUNE 30, 1999

REVENUES

Revenues increased by approximately $91.2 million, or 24.8%, from $367.3 million to $458.5 million from the first six months of 1999 to the first six months of 2000. Sales of new and used trucks increased by approximately $49.2 million, or 19.6%, from $251.3 million to $300.5 million from the first six months of 1999 to the first six months of 2000. Unit sales of new trucks increased by 21.9% and new truck average revenue per unit increased by 4.4%. Unit sales of used trucks increased by 0.6% and used truck average revenue per unit decreased by 14.3%. Average used truck prices decreased due to an excess supply of used inventory in the market. As a result, the Company recognized a $2.75 million loss provision during the first six months of 2000 to increase the Company's reserve for used truck valuation and repossession losses.

Parts and service sales increased by approximately $24.1 million, or 39.1%, from $61.6 million to $85.7 million. The increase was due to same store growth of approximately 6.6% and parts and service sales associated with Southwest, Pressley and Calvert acquisitions.

Sale of new and used construction equipment increased approximately $13.8 million, or 56.1% from $24.6 million to $38.4 million from the first six months of 1999 to the first six months of 2000. The increase was due to same store growth of approximately $7.6 million or 30.9% and new and used equipment sales associated with the Calvert acquisition.

Lease and rental revenues increased by approximately $3.1 million, or 27.4% from $11.3 million to $14.4 million. Approximately $2.1 million or 70.0% of the increase was due to the Pressley and Calvert acquisitions with the remainder attributable to same store growth.

Finance and insurance revenues decreased by approximately $2.3 million, or 30.7%, from $7.5 million to $5.2 million from the first six months of 1999 to the first six months of 2000. The decrease is a result of there being proportionately fewer truck deliveries to owner operators, who are the customers most likely to purchase finance and insurance contracts, in comparison to truck deliveries to fleet customers. Finance and insurance revenues have limited direct costs and, therefore, contribute a disproportionate share of operating profits.

Retail sales increased $2.9 million or 31.9% from $9.1 million to $12.0 million from the second quarter of 1999 to the second quarter of 2000, primarily as a result of the opening of a second D & D store in the Greater Houston, Texas area.

GROSS PROFIT

Gross profit increased by approximately $12.8 million, or 20.2%, from $63.4 million to $76.2 million from the first six months of 1999 to the first six months of 2000. Gross profit as a percentage of sales decreased from 17.3% in the first six months of 1999 to 16.6% in the first six months of 2000. The decrease in gross profit as a percentage of sales was due to decreased margins in the used truck department and the decrease in finance and insurance revenues.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses increased by approximately $14.8 million, from $45.2 million to $60.0 million, or 32.7%, from the first six months of 1999 to the first six months of 2000. The increase resulted from approximately $11.9 million or 26.3% of selling, general and administrative expense related to the Southwest, Pressley and Calvert acquisitions with the remaining attributable to same store increases. Selling, general and administrative expenses as a percentage of revenue increased from 12.3% in the first six months of 1999 to 13.1% in the first six months of 2000.

INTEREST EXPENSE

Interest expense increased by approximately $3.8 million from $3.4 million to $7.2 million, or 118.8%, from the first six months of 1999 to the first six months of 2000, primarily as the result of increased levels of indebtedness due to higher floor plan liability levels, and additional real estate and leased unit borrowings.

INCOME BEFORE INCOME TAXES

Income before income taxes decreased by $7.3 million, or 60.8% from $12.0 million to $4.7 million from the first six months of 1999 to the first six months of 2000, as a result of the factors described above.

INCOME TAXES

The Company has provided for taxes at a 40% effective rate.

LIQUIDITY AND CAPITAL RESOURCES

The Company's short-term cash needs are primarily for working capital, including inventory requirements, expansion of existing facilities and the acquisition of new facilities. These short-term cash needs have historically been financed with retained earnings and borrowings under credit facilities available to the Company.

At June 30, 2000, the Company had working capital of approximately $3.9 million, including $15.5 million in cash and cash equivalents, $29.2 million in accounts receivable, $177.0 million in inventories, and $1.2 million in prepaid expenses and other, less $34.1 million of trade accounts payable and accrued expenses, $34.4 million of current maturities of long-term debt and advances outstanding under lines of credit, and $150.5 million outstanding under floor plan financing. The aggregate maximum borrowing limits under working capital lines of credit with the Company's primary lenders is approximately $22.4 million. The Company's floor plan agreements with various finance providers limit the aggregate amount of borrowings based on the number of new and used trucks and the book value of construction equipment inventory.

For the first six months of 2000, operating activities resulted in net cash provided by operations of $10.4 million. Net income of $2.8 million, a decrease in accounts receivable of $0.6 million, an increase in trade accounts payable of $6.6 million coupled with provisions for depreciation, amortization and deferred taxes totaling $7.3 million offset an increase in inventories and prepaid expenses and other of $4.0 million, a decrease in accrued expenses of $2.7 million and a gain on sale of property and equipment of $0.2 million.

For the first six months of 1999, operating activities resulted in net cash used in operations of approximately $23.3 million. Net income of $7.2 million, a decrease in accounts receivable of $1.2 million, coupled with provisions for depreciation, amortization and deferred taxes totaling $4.6 million was more than offset by a decrease in accrued expenses of $4.7 million, and an increase in inventories of $31.7 million.

During the first six months of 2000, the Company used $19.5 million in investing activities, including purchases of property, plant and equipment of $20.7 million and an increase in other assets of $0.3 million, offset by proceeds from the sale of property, plant and equipment of $1.5 million.

During the first six months of 1999, the Company used $19.3 million in investing activities, including purchases of property, plant and equipment of $18.1 million and an increase in other assets of $1.7 million, offset by proceeds from the sale of property, plant and equipment of $0.5 million.

Net cash generated from financing activities in the first six months of 2000 amounted to $4.5 million. Proceeds from increased notes payable and advances outstanding on lines of credit of $34.5 million more than offset principal payments on notes payable and decreases in floor plan liability of $30.0 million.

Net cash generated from financing activities in the first six months of 1999 amounted to $33.1 million. Proceeds from additional floor plan financing and increased notes payable of $40.4 million more than offset principal payments on notes payable of $7.3 million.

Substantially all of the Company's truck purchases from PACCAR are made on terms requiring payment within 15 days or less from the date of shipment from the factory. The Company finances all, or substantially all, of the purchase price of its new truck inventory, and 75% of the loan value of its used truck inventory, under a floor plan arrangement with GMAC under which GMAC pays PACCAR directly with respect to new trucks. The Company makes monthly interest payments on the amount financed but is not required to commence loan principal repayments to GMAC prior to the sale of new vehicles for a period of 12 months and for used vehicles for a period of three months. At June 30, 2000, the Company had approximately $104.5 million outstanding under its floor plan financing arrangement with GMAC. GMAC permits the Company to earn, for up to 50% of the amount borrowed under its floor plan financing arrangement with GMAC, interest at the prime rate less three-quarters of one percent on overnight funds deposited by the Company with GMAC.

Substantially all of the Company's new equipment purchases are financed by either John Deere or Associates Commercial Corporation. The Company finances all, or substantially all, of the purchase price of its new equipment inventory, under its floor plan facilities. The agreement with John Deere provides interest free financing for four months after which time the amount financed is required to be paid in full, or an immediate 2.25% discount with payment due in 30 days. When the equipment is sold prior to the expiration of the four month period, the Company is required to repay the principal within approximately 10 days of the sale. Should the equipment financed by John Deere not be sold within the four month period, it is transferred to the Associates Commercial Corporation floor plan arrangement. The Company makes principal payments to Associates Commercial Corporation, for sold inventory, on the 15th day of each month. Used and rental equipment, to a maximum of book value, is financed under a floor plan arrangement with Associates Commercial Corporation. The Company makes monthly interest payments on the amount financed and is required to commence loan principal repayments on rental equipment as book value reduces. Principal payments, for sold used equipment, are made the 15th day of each month following the sale. The loans are collateralized by a lien on the equipment. The Company's floor plan agreements limit the aggregate amount of borrowings based on the book value of new and used equipment units. As of June 30, 2000, the Company's floor plan arrangement with Associates Commercial Corporation permits the financing of up to $25 million in construction equipment. At June 30, 2000, the Company had $30.5 million and $15.5 million outstanding under its floor plan financing arrangements with John Deere and Associates Commercial Corporation, respectively.

BACKLOGS

The Company enters firm orders into its backlog at the time the order is received. Currently, customer orders are being filled in approximately six to nine months and customers have historically placed orders expecting delivery within three to six months. However, certain customers, including fleets and governments, typically place orders up to one year in advance of their desired delivery date. The Company in the past has typically allowed customers to cancel orders at any time prior to delivery, and the Company's level of cancellations is affected by general economic conditions, economic recessions and customer business cycles. As a percentage of orders, cancellations historically have ranged from 5% to 12% of annual order volume. The Company's backlogs as of June 30, 2000 and 1999, were approximately $100 million and $185 million, respectively. Backlogs decreased principally due to the above noted weaker demand for trucks.

SEASONALITY

The Company's heavy-duty truck business is moderately seasonal. Seasonal effects on new truck sales related to the seasonal purchasing patterns of any single customer type are mitigated by the Company's diverse customer base, which includes small and large fleets, governments, corporations and owner operators. However, truck, parts and service operations historically have experienced higher volumes of sales in the second and third quarters. The Company has historically received benefits from volume purchases and meeting vendor sales targets in the form of cash rebates, which are typically recognized when received. Approximately 40% of such rebates are typically received in the fourth quarter, resulting in a seasonal increase in gross profit.

Seasonal effects in the construction equipment business are primarily driven by the weather. Seasonal effects on construction equipment sales related to the seasonal purchasing patterns of any single customer type are mitigated by the Company's diverse customer base that includes contractors, for both residential and commercial construction, utility companies, federal, state and local government agencies, and various petrochemical, industrial and material supply type businesses that require construction equipment in their daily operations.

CYCLICALITY

The Company's business, as well as the entire retail heavy-duty truck and construction equipment industries, are dependent on a number of factors relating to general economic conditions, including fuel prices, interest rate fluctuations, economic recessions and customer business cycles. In addition, unit sales of new trucks and construction equipment have historically been subject to substantial cyclical variation based on such general economic conditions. Although the Company believes that its geographic expansion and diversification into truck and construction equipment related services, including financial services, leasing, rentals and service and parts, will reduce the overall impact to the Company resulting from general economic conditions affecting heavy-duty truck sales, the Company's operations may be materially and adversely affected by any continuation or renewal of general downward economic pressures or adverse cyclical trends.

EFFECTS OF INFLATION

The Company believes that the relatively moderate inflation over the last few years has not had a significant impact on the Company's revenue or profitability. The Company does not expect inflation to have any near-term material effect on the sales of its products, although there can be no assurance that such an effect will not occur in the future.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risk represents the risk of loss that may impact the financial position, results of operations, or cash flows of the Company due to adverse changes in financial market prices, including interest rate risk, and other relevant market rate or price risks.

The Company is exposed to some market risk through interest rates, related to its floor plan borrowing arrangements and discount rates related to finance sales. Floor plan borrowings are based on the Prime Rate of interest and are used to meet working capital needs. As of June 30, 2000, the Company had floor plan borrowings of approximately $150,488,000. Assuming an increase in the Prime Rate of interest of 100 basis points, future cash flows could be effected up to $1,504,880. The interest rate variability on all other debt would not have a material adverse effect on the Company's financial statements. The Company provides all customer financing opportunities to various finance providers. The Company receives all finance charges, in excess of a negotiated discount rate, from the finance providers within 30 days. The negotiated discount rate is variable, thus subject to interest rate fluctuations. This interest rate risk is mitigated by the Company's ability to pass discount rate increases to customers through higher financing rates.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

Not Applicable

Item 2. Changes in Securities

Not Applicable

Item 3. Defaults upon Senior Securities

Not Applicable

Item 4. Submission of Matters to a Vote of Security Holders

(a) The Annual Meeting of Shareholders was held on May 16, 2000.

(b) The following directors were elected to serve until the next Annual Meeting of Shareholders on until their successors have been elected and qualified:

W. Marvin Rush	W.M. "Rusty" Rush
Robin M. Rush	Harold D. Marshall
Ronald J. Krause	John D. Rock

(c) (1) The director's in (b) above were elected by the following number of votes:

NAME	NUMBER OF VOTES	NUMBER OF VOTES WITHHELD
W. Marvin Rush	5,847,890	14,550
W.M. "Rusty" Rush	5,848,090	14,350
Robin M. Rush	5,847,890	14,550
Ronald J. Krause	5,848,090	14,350
John D. Rock	5,848,090	14,350
Harold D. Marshall	5,848,090	14,350

(2) Of the 5,862,440 number of shares of Common Stock voting at the meeting, 5,857,730 shares voted for the ratification of the appointment of the firm Arthur Andersen LLP as the Company's independent accountants for 2000. The number of shares that voted against the ratification was 1,550 and the holders of 3,160 shares abstained from the voting.

(3) Of the 5,862,440 number of shares of Common Stock voting at the meeting, 5,171,859 shares voted to amend the Articles of Incorporation of incorporation of the Company to reduce, from two-thirds to a majority, the required vote of shareholders to approve certain corporate actions. The number of shares that voted against the ratification was 44,245, the holders of 1,800 shares abstained from the voting and 644,536 shares were unvoted.

(4) Of the 5,862,440 number of shares of Common Stock voting at the meeting, 5,686,387 shares voted to amend the Company's 1997 Non-Employee Director Stock Option Plan (the "Plan") to increase the number of shares available under the Plan to 300,000. The number of shares that voted against the ratification was 172,653 and the holders of 3,400 shares abstained from the voting.

Item 5. Other Information

Not Applicable

Item 6. Exhibits and Reports on Form 8-K

a) Exhibits

Exhibit Number	
3.1*	Restated Articles of Incorporation of the Company
27.1*	Financial data schedule
*	Filed herewith

b) Reports on Form 8-K

None

SIGNATURES

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, thereunto duly authorized.

RUSH ENTERPRISES, INC.

Date:	August 11, 2000	By:	/s/ W. MARVIN RUSH
		Name:	W. Marvin Rush
		Title:	Chairman and Chief Executive Officer (Principal Executive Officer)
Date:	August 11, 2000	By:	/s/ MARTIN A. NAEGELIN, JR.
		Name:	Martin A. Naegelin, Jr.
		Title:	Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)

RESTATED ARTICLES OF INCORPORATION

OF

RUSH ENTERPRISES, INC.

1. Pursuant to the provisions of Article 4.07 of the Texas Business Corporation Act, Rush Enterprises, Inc., a Texas corporation (the "Company"), adopts Restated Articles of Incorporation, which accurately copy the Articles of Incorporation and all amendments thereto that are in effect to date and as further amended by such Restated Articles of Incorporation as hereinafter set forth and which contain no other change in any provision thereof.

2. The Articles of Incorporation are hereby amended by adding the following Article Eleven:

"ARTICLE ELEVEN

> If, with respect to any matter for which the affirmative vote or concurrence of the shareholders of the Corporation is required, any provision of the Texas Business Corporation Act would, but for this Article Eleven, require the affirmative vote or concurrence of the holders of shares having more than a majority of the votes entitled to vote on such matter, or of any class or series thereof, the affirmative vote or concurrence of the holders of shares having only a majority of the votes entitled to vote on such matter, or of any class or series thereof, shall be required with respect to any such matter."

3. This amendment has been effected in conformity with the provisions of the Texas Business Corporation Act and such Restated Articles of Incorporation and such amendment made by the Restated Articles of Incorporation were duly adopted by the shareholders of the corporation on the 16th day of May 2000.

4. The number of shares outstanding was 7,002,044; the number of shares entitled to vote on the Restated Articles of Incorporation as so amended was 5,862,440; the number of shares voted for such Restated Articles of Incorporation as so amended was 5,171,859; and the number of shares voted against such Restated Articles of Incorporation as so amended was 44,245.

5. The Articles of Incorporation and all amendments and supplements thereto are hereby superseded by the following Restated Articles of Incorporation, which accurately copy the entire text thereof and as amended as above set forth:

AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF
RUSH ENTERPRISES, INC.

ARTICLE ONE

The name of the corporation is Rush Enterprises, Inc.

ARTICLE TWO

The period of duration of the corporation is perpetual.

ARTICLE THREE

The corporation is organized to transact any and all lawful business for which a corporation may be incorporated under the Texas Business Corporation Act.

ARTICLE FOUR

The total number of shares of all classes of stock which the corporation shall be authorized to issue is 26,000,000 shares, divided into the following: (i) 1,000,000 shares of preferred stock, of the par value $.01 per share ("Preferred Stock"), and (ii) 25,000,000 shares of common stock, of the par value $.01 per share ("Common Stock").

A description of the respective classes of stock and a statement of the designations, preferences, limitations and relative rights of such classes of stock and the limitations on or denial of the voting rights of the shares of such classes of stock are as follows:

A.
PROVISIONS APPLICABLE TO PREFERRED STOCK

Preferred Stock may be issued from time to time in one or more series and in such amounts as may be fixed and determined herein or by the board of directors. The designations, preferences, limitations and relative rights, including voting rights, of each series of Preferred Stock shall be such as are fixed by the board of directors, and stated and expressed in a resolution or resolutions adopted by the board of directors providing for the establishment of any such series of Preferred Stock. The board of directors is hereby expressly authorized to establish any series of unissued shares of Preferred Stock by fixing and determining the designations, preferences, limitations and relative rights, including voting rights, of the shares of any series so established, within the limitations set forth in Article 2.13 of the Texas Business Corporation Act and herein, and to increase or decrease the number of shares within each such series; provided, however, that the board of directors may not decrease the number of shares within a series below the number of shares within such series that is then issued.

Except in respect of the particulars fixed by the board of directors for series established by the board of directors as permitted hereby, all shares of Preferred Stock shall be of equal rank and shall be identical. All shares of any one series of Preferred Stock so designated by the board of directors shall be alike in every particular, except that shares of any one series issued at different times may differ as to the dates from which dividends thereon shall be cumulative.

B.
PROVISIONS APPLICABLE TO COMMON STOCK

1. JUNIOR STOCK. Common Stock is junior to each series of Preferred Stock and is subject to all of the rights, privileges and preferences and priorities of Preferred Stock as herein set forth.

2. DIVIDENDS. Subject to all rights of each series of Preferred Stock, dividends may be paid on Common Stock as and when declared by the board of directors of the corporation out of any funds of the corporation legally available for the payment thereof.

3. LIQUIDATION PREFERENCE. Subject to all of the rights, privileges and preferences and priorities of each series of Preferred Stock, after payment shall have been made in full to the holders of each series of Preferred Stock in the event of any liquidation, dissolution or winding up of the corporation, to the extent of the liquidation preferences of such classes of stock, the remaining assets and funds of the corporation shall be distributed ratably to the holders of Common Stock according to their respective shares.

4. VOTING. Subject to all of the rights, privileges and preferences and priorities of each series of Preferred Stock, the holders of shares of Common Stock shall possess full voting power for the election of directors and for all other purposes. In the exercise of its voting power, Common Stock shall be entitled to one vote for each share held.

C.
PROVISIONS APPLICABLE TO BOTH PREFERRED STOCK AND COMMON STOCK

1. PREEMPTIVE RIGHTS. Ownership of shares of any class of the capital stock of the corporation shall not entitle the holders thereof to any preemptive right to subscribe for or purchase or have offered to them for subscription or purchase any additional shares of capital stock of any class of the corporation or any securities convertible into any class of capital stock of the corporation, however acquired, issued or sold by the corporation, it being the purpose and intent hereof that the board of directors shall have full right, power and authority to offer for subscription or sell or to make any disposal of any or all unissued shares of the capital stock of the corporation or any securities convertible into stock or any or all shares of stock or convertible securities issued and thereafter acquired by the corporation, for such consideration, not less than the par value thereof, or, in the case of any class of stock without par value, the stated value thereof, in money, property or labor, as the board of directors shall determine.

2. CUMULATIVE VOTING. No shareholder of the corporation shall have the right of cumulative voting at any election of directors or upon any other matter.

3. AUTHORITY TO PURCHASE OWN SHARES. The corporation shall have the authority to purchase, directly or indirectly, its own shares to the extent of the aggregate of unrestricted capital surplus available therefor.

ARTICLE FIVE

The corporation will not commence business until it has received for the issuance of its shares consideration of the value of One Thousand Dollars ($1,000.00), consisting of money, labor done or property actually received.

ARTICLE SIX

The street address of its present registered office is 555 IH 35 South, New Braunfels, Texas 78130, and the name of the registered agent at such addresses is W.M. "Rusty" Rush.

ARTICLE SEVEN

The number of directors constituting the board of directors as of the date of these Restated Articles of Incorporation is six, and the names and addresses of the persons who are to serve as directors until the next annual meeting of the shareholders, or until their successors are elected and qualify are:

NAME	ADDRESS
W. Marvin Rush	555 IH 35 South, New Braunfels, Texas 78130
W. M. "Rusty" Rush	555 IH 35 South, New Braunfels, Texas 78130
Robin M. Rush	555 IH 35 South, New Braunfels, Texas 78130
Ronald J. Krause	555 IH 35 South, New Braunfels, Texas 78130
Harold D. Marshall	555 IH 35 South, New Braunfels, Texas 78130
John D. Rock	555 IH 35 South, New Braunfels, Texas 78130

ARTICLE EIGHT

A director of the corporation shall not be liable to the corporation or its shareholders for monetary damages for an act or omission in the director's capacity as a director, except for liability (i) for any breach of the director's duty of loyalty to the corporation or its shareholders, (ii) for any act or omission not in good faith that constitutes a breach of duty of the director to the corporation or any act or omission that involves intentional misconduct or a knowing violation of law, (iii) for any transaction from which the 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) for any act or omission for which the liability of the director is expressly provided by statute. If either the Texas Business Corporation Act, 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 directors, then the liability of a director of the corporation, in addition to the limitation on liability provided herein, shall be limited to the fullest extent permitted by such amended act. Any repeal or modification of this Article VIII by the shareholders of the corporation shall be prospective only, and shall not adversely affect any limitation on the liability of a director of the corporation existing at the time of such repeal or modification.

ARTICLE NINE

Any action required or which must or may be taken at any annual or special meeting of shareholders may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of shares of voting stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which the holders of all shares entitled to vote on the action were present and voted.

ARTICLE TEN

The power to alter, amend or repeal the bylaws or adopt new bylaws is vested in the board of directors, subject to repeal or change by action of the shareholders.

ARTICLE ELEVEN

If, with respect to any matter for which the affirmative vote or concurrence of the shareholders of the Corporation is required, any provision of the Texas Business Corporation Act would, but for this Article Eleven, require the affirmative vote or concurrence of the holders of shares having more than a majority of the votes entitled to vote on such matter, or of any class or series thereof, the affirmative vote or concurrence of the holders of shares having only a majority of the votes entitled to vote on such matter, or of any class or series thereof, shall be required with respect to any such matter.

IN WITNESS WHEREOF, I have hereunto set my hand this 8th day of August 2000.

RUSH ENTERPRISES, INC.

By /s/ W. Marvin Rush

W. Marvin Rush
Chairman of the Board and Chief
Executive Officer

5

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE CONSOLIDATED FINANCIAL STATEMENTS OF RUSH ENTERPRISES, INC. FOR THE SIX MONTHS ENDED JUNE 30, 2000 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

1,000

6-MOS
DEC-31-2000
JAN-01-2000
JUN-30-2000
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0.40