

**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) **February 13, 2007**

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(b) 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 February 13, 2007 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 February 13, 2007

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)

February 13, 2007

(Date)

/s/ MARTIN A. NAEGELIN, JR.

Martin A. Naegelin, Jr.
Senior Vice President and Chief Financial Officer

Exhibit Index

99.1 Press release dated February 13, 2007

Rush Enterprises, Inc. Reports Record Results

Year to Date Net Income Increases 32 Percent On a Revenue Increase of 26 Percent

SAN ANTONIO, Texas, Feb. 13, 2007 (PRIME NEWSWIRE) -- Rush Enterprises, Inc. (Nasdaq:RUSHA) (Nasdaq:RUSHB), which operates the largest network of heavy-duty and medium-duty truck dealerships in North America and a John Deere construction equipment dealership in Houston, Texas, today announced results for the fourth quarter and year ended December 31, 2006.

For the year ended December 31, 2006, the Company's gross revenues totaled \$2.4 billion, a 26% increase compared to gross revenues of \$1.9 billion reported in 2005. Net income was \$58.8 million or \$2.33 per diluted share, a 32% increase over net income of \$44.6 million or \$1.79 per diluted share in 2005.

In the fourth quarter, the Company's gross revenues totaled \$632.1 million, a 23% increase from gross revenues of \$515.5 million reported for the quarter ended December 31, 2005. Net income was \$15.9 million, or \$0.63 per diluted share, during the fourth quarter of 2006, compared to \$12.6 million, or \$0.50 per diluted share, in the fourth quarter of 2005.

The Company began recording stock option expense in the first quarter of 2006 as required by Statement of Financial Accounting Standards No. 123R. This non-cash expense totaled \$2.6 million (\$1.7 million after tax or \$0.07 per diluted share) for the year ended December 31 2006 and \$361,000 (\$226,000 after tax or \$0.01 per diluted share) in the fourth quarter of 2006.

The Company's truck segment recorded revenues of \$2.3 billion in 2006, compared to \$1.8 billion in 2005. Overall, the company sold 20,497 new and used trucks in 2006, a 24% increase compared to 16,595 new and used trucks sold in 2005. The Company delivered 11,799 new heavy-duty trucks, 4,693 new medium-duty trucks and 4,005 used trucks during 2006, compared to 10,111 new heavy-duty trucks, 2,807 new medium-duty trucks and 3,677 used trucks in 2005. Parts, service and body shop sales increased from \$343.7 million in 2005 to \$411.6 million in 2006.

The Company's truck segment recorded revenues of \$607.6 million in the fourth quarter of 2006, compared to \$494.7 million in the fourth quarter of 2005. The Company delivered 3,293 new heavy-duty trucks, 1,508 new medium-duty trucks and 994 used trucks during the fourth quarter of 2006, compared to 2,809 new heavy-duty trucks, 831 new medium-duty trucks and 933 used trucks in the fourth quarter of 2005. Parts, service and body shop sales increased from \$90.2 million in the fourth quarter of 2005 to \$103.7 million in the fourth quarter of 2006.

The Company's construction equipment segment recorded revenues of \$77.8 million in 2006, compared to \$57.7 million in 2005. The construction equipment segment recorded revenues of \$18.0 million in the fourth quarter of 2006, compared to \$15.9 million in the fourth quarter of 2005.

W. Marvin Rush, Chairman of Rush Enterprises, Inc., said, "I am pleased to announce that Rush Enterprises achieved another record year, for the third year running. Gross revenue well exceeded the \$2 billion mark for the first time in the company's history, and net income reached record levels as well. Our performance in 2006 can be attributed to a particularly strong year in new and used Class 8 truck sales, significant growth in our medium-duty truck business, improved absorption, expansion of our finance and insurance businesses, increased penetration in niche markets such as the refuse and crane markets and market share growth in our equipment business."

Mr. Rush added, "New emissions standards governing diesel engines went into effect on January 1, 2007 and are expected to cause class 8 truck sales to decrease 40% or more compared to 2006. We believe our first quarter class 8 truck deliveries will remain strong compared to the first quarter of 2006, due to the continued high demand for trucks with engines built before the new emissions standards took effect. Class 8 truck deliveries will decrease in the second and third quarters as the industry transitions into the new engines. We anticipate the class 8 truck deliveries will begin to rebound in the fourth quarter of 2007. We expect strong class 8 markets in 2008 and 2009 as customers purchase trucks in advance of even more stringent diesel engine emissions standards that will go into effect in 2010."

Rusty Rush, President and Chief Executive Officer of Rush Enterprises, Inc., said, "We have known that there would be a sharp decline in the class 8 truck market in 2007 for many years. We have implemented changes throughout our organization in the last few years to put Rush Enterprises into the best possible position entering 2007. Most importantly, we have added medium-duty franchises across our dealer network in the past few years. Although industry experts expect medium-duty truck sales to decrease approximately 15% in 2007, we expect to increase our medium-duty truck sales in 2007 as this important facet of our business continues to mature. We also made every effort to have the best possible truck inventory going into 2007. We deliberately increased our inventory of trucks with engines built before the new emissions standards went into effect. We entered this year with sufficient levels of these highly preferred trucks in stock to soften the impact of the expected market slowdown."

Rusty Rush added, "As always, we remain focused on increasing our absorption rate. For the year ended December 31, 2006, the Company's absorption rate was 105.2% compared to 100.4% for 2005. The Company's absorption rate increased to 105.9% in the fourth quarter of 2006, from 99.2% in the fourth quarter of 2005. We expect to maintain or slightly increase our absorption rate in 2007, despite the decrease in truck sales, while keeping our eye on our previously stated goal of achieving an absorption rate of 110% by 2008."

Rusty Rush concluded, "By continuing to increase our medium-duty truck sales, amassing a large inventory of trucks with engines built before the new emissions standards went into effect and remaining focused on increasing our absorption rate, we believe we are prepared to soften the earnings impact that will result from fewer trucks being sold in 2007."

Conference Call Info.

Rush Enterprises will host its quarterly conference call to discuss earnings for the fourth quarter and year ended December 31, 2006 on Tuesday, February 13, 2007 at 2 p.m. EST/ 1 p.m. CST. Earnings will be reported on Tuesday, February 13, 2007 before open of market. The call can be heard live by dialing 800-289-0533 (US) or 913-981-5525 (International) or via the Internet at <http://investor.rushenterprises.com/events.cfm>. For those cannot listen to the live broadcast, the webcast will be available until April 17, 2007 at the above link and the audio replay will be available until April 17, 2007, by dialing 888-203-1112 (US) or 719-457-0820 (International) and entering the replay pass code 1729940.

About Rush Enterprises, Inc.

Rush Enterprises, Inc. operates the largest network of heavy-duty truck and medium-duty dealerships in North America and a John Deere construction equipment dealership in Houston, Texas. Its operations include a network of over 50 Rush Truck Centers located in Alabama, Arizona, California, Colorado, Florida, Georgia, Oklahoma, New Mexico, Tennessee and Texas. The Company has developed its Rush Truck Centers and its Rush Equipment Center as "one-stop centers" where, at one convenient location, its customers can purchase new or used trucks or construction equipment, purchase insurance products, purchase aftermarket parts and accessories and have service performed by certified technicians. For additional information on Rush Enterprises, Inc., please visit www.rushenterprises.com

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

Certain statements contained herein, including those concerning current and projected truck industry and market conditions, sales and delivery forecasts, projections regarding the Company's absorption rates, growth of the Company's medium-duty market, ability to properly manage inventories, the Company's prospects and anticipated results for 2007 and the impact of diesel emissions standards on the truck market, 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 relations, 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)

	December 31,	
	2006	2005
	-----	-----
Assets		
Current assets:		
Cash and cash equivalents	\$ 161,558	\$ 133,069
Accounts receivable, net	74,441	63,473
Inventories	484,696	338,212
Prepaid expenses and other	2,128	1,829
Deferred income taxes, net	7,496	3,856
	-----	-----
Total current assets	730,319	540,439
Property and equipment, net	278,690	196,161
Goodwill, net	117,071	100,725
Other assets, net	2,330	2,909
	-----	-----
Total assets	\$1,128,410	\$ 840,234
	=====	=====
Liabilities and shareholders' equity		
Current liabilities:		
Floor plan notes payable	\$ 446,354	\$ 315,985
Current maturities of long-term		

debt	25,999	18,807
Current maturities of capital lease obligations	2,933	2,277
Advances outstanding under lines of credit	--	2,755
Trade accounts payable	37,449	23,327
Accrued expenses	61,287	51,151
	-----	-----
Total current liabilities	574,022	414,302
Long-term debt, net of current maturities	166,125	114,345
Capital lease obligations, net of current maturities	14,799	14,628
Deferred income taxes, net	33,856	23,339
Shareholders' equity:		
Preferred stock, par value \$.01 per share; 1,000,000 shares authorized; 0 shares outstanding in 2006 and 2005	--	--
Common stock, par value \$.01 per share; 40,000,000 class A shares and 10,000,000 class B shares authorized; 17,069,494 class A shares and 8,072,226 class B shares outstanding in 2006; 16,770,060 class A shares and 7,895,863 class B shares outstanding in 2005	251	247
Additional paid-in capital	169,801	162,603
Retained earnings	169,556	110,770
	-----	-----
Total shareholders' equity	339,608	273,620
	-----	-----
Total liabilities and shareholders' equity	\$1,128,410	\$ 840,234
	=====	=====

RUSH ENTERPRISES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS
(In Thousands, Except Per Share Amounts)
(Unaudited)

	Three months ended December 31,		Year ended December 31,	
	2006	2005	2006	2005
	-----	-----	-----	-----
Revenues:				
New and used truck sales	\$489,073	\$392,079	\$1,780,418	\$1,400,736
Parts and service	110,925	96,483	441,424	365,908
Construction equipment sales	13,466	11,809	59,545	41,692
Lease and rental	11,230	9,150	41,776	33,975
Finance and insurance	5,410	3,864	19,197	15,356
Other	2,026	2,098	8,163	7,103
	-----	-----	-----	-----
Total revenue	632,130	515,483	2,350,523	1,864,770
Cost of products sold:				
New and used truck sales	455,235	366,532	1,652,913	1,304,290
Parts and service	66,124	57,647	259,801	215,419
Construction equipment sales	11,593	10,605	52,527	36,509
Lease and rental	9,109	7,063	32,615	25,860
	-----	-----	-----	-----
Total cost of products sold	542,061	441,847	1,997,856	1,582,078
	-----	-----	-----	-----

Gross profit	90,069	73,636	352,667	282,692
Selling, general and administrative	56,738	47,583	230,056	188,667
Depreciation and amortization	3,522	2,800	12,889	10,487
	-----	-----	-----	-----
Operating income	29,809	23,253	109,722	83,538
Interest expense, net	4,419	3,552	15,718	12,895
Gain on sale of assets	97	40	54	495
	-----	-----	-----	-----
Income before taxes	25,487	19,741	94,058	71,138
Provision for income taxes	9,558	7,189	35,272	26,513
	-----	-----	-----	-----
Net income	\$ 15,929	\$ 12,552	\$ 58,786	\$ 44,625
	=====	=====	=====	=====
Earnings per share:				
Earnings per common share - Basic	\$.63	\$.51	\$ 2.35	\$ 1.84
	=====	=====	=====	=====
Earnings per common share - Diluted	\$.63	\$.50	\$ 2.33	\$ 1.79
	=====	=====	=====	=====
Weighted average shares outstanding:				
Basic	25,125	24,504	24,984	24,202
	=====	=====	=====	=====
Diluted	25,326	25,126	25,260	24,957
	=====	=====	=====	=====

CONTACT: Rush Enterprises Inc.
Martin A. Naegelin, Jr.
(830) 626-5230