

**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) **July 23, 2008**

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 July 23, 2008 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 July 23, 2008

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)

/s/ **STEVEN L. KELLER**

July 23, 2008

(Date)

Steven L. Keller
Vice President and Chief Financial Officer

Exhibit Index

99.1 Press release dated July 23, 2008

Rush Enterprises, Inc. Reports Second Quarter Results and Adopts Stock Repurchase Program

SAN ANTONIO, July 23, 2008 (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 second quarter ended June 30, 2008, and their intention to repurchase shares of the Company's common stock.

Second Quarter Results

In the second quarter, the Company's gross revenues totaled \$454.7 million, a 12.5% decrease from gross revenues of \$519.4 million reported for the second quarter ended June 30, 2007. Net income for the quarter was \$6.1 million, or \$0.16 per diluted share, compared with net income of \$13.0 million, or \$0.34 per diluted share, in the quarter ended June 30, 2007. These results included a \$5.4 million write-down of used truck inventory in the second quarter of 2008, which reduced earnings by \$.08 per share.

The Company's truck segment recorded revenues of \$425.2 million in the second quarter of 2008, compared to \$488.0 million in the second quarter of 2007. The Company delivered 1,665 new heavy-duty trucks, 979 new medium-duty trucks and 795 used trucks during the second quarter of 2008, compared to 1,869 new heavy-duty trucks, 1,324 new medium-duty trucks and 984 used trucks during the second quarter of 2007. Parts, service and body shop sales remained flat at \$111.9 million in the second quarter of 2008 compared to \$112.0 million in the second quarter of 2007.

The Company's construction equipment segment recorded revenues of \$24.7 million in the second quarter of 2008, compared to \$26.3 million in the second quarter of 2007. New and used construction equipment unit sales revenue decreased 8.4% to \$19.0 million in the second quarter of 2008 from \$20.7 million in the second quarter of 2007. Construction equipment parts and service sales increased 2.6% to \$5.5 million in the second quarter of 2008 from \$5.3 million in the second quarter of 2007.

In making the announcement, W. Marvin Rush, Chairman of Rush Enterprises, Inc., said "As expected, Class 8 and medium-duty new and used truck markets remained weak through the second quarter. We expect truck sales to remain slow through the remainder of 2008. We continue to believe, however, that replacement cycles of vehicles purchased between 2004 and 2006 combined with impending 2010 emissions regulations will create increased demand for Class 8 and medium-duty trucks in 2009."

W.M. "Rusty" Rush, President and Chief Executive Officer of Rush Enterprises, Inc., said "As expected given the current freight environment, record fuel prices, tightening credit and overall challenging general economic conditions throughout the country, our second quarter Class 8 and medium-duty truck sales are down as compared to the same time period in 2007."

"Used truck revenues were down 25.7% in the second quarter as compared to the second quarter of last year. Demand for used trucks has rapidly declined in the second quarter and valuations of used trucks have decreased approximately 15% to 20% since April. We have adjusted our used truck inventory values to better reflect these market conditions, which resulted in a reduction of earnings of \$.08 per share," said Rusty Rush.

"Despite overall soft Class 8 and medium-duty new and used truck sales in 2008, parts, service and body shop sales remained flat as compared to the second quarter of 2007. However, gross margins from these operations were down slightly from the prior year. This resulted in an absorption rate of 105.4% in the second quarter of 2008 compared to 109.0% in the second quarter of 2007. Our overall absorption rate for the first six months of 2008 was 105.1% compared to 105.4% for the same period of 2007. Our ability to maintain our absorption rate was primarily due to actions taken early in 2008 to reduce overhead expense to a level more reflective of anticipated declining business conditions. Our people have worked extremely hard during the first half of this year to contain spending without compromising customer service. These expense reduction efforts will continue as we do what is required to operate efficiently in a weak truck sales environment," Rusty Rush continued.

"We remain committed to our strategy to diversify our earnings base, expand our geographic network and focus on less cyclical niche markets and aftermarket business. We are confident our strategy and the continued efforts of our people will sustain our performance for the remainder of the year and beyond," Rusty Rush concluded.

Stock Repurchase Program

The Company's Board of Directors approved a stock repurchase program authorizing the Company to repurchase, from time to time, up to an aggregate of \$20,000,000 of its shares of Class A common stock, \$.01 par value per share, and/or Class B common stock, \$.01 par value per share. W. Marvin Rush, Chairman of the Board, stated, "We believe that the purchase of our common stock represents an attractive opportunity to benefit the long-term interests of the Company and its shareholders. Implementation of the stock repurchase program will also give the Company flexibility to issue additional equity securities in the future while complying with the ownership requirements in the dealership agreements with the various manufacturers it represents. Our dealership agreements with Peterbilt require certain members of the Rush family and certain executives of the Company to own, collectively, at least 30% of the aggregate voting power of the Company's stock."

Repurchases will be made at times and in amounts as the Company deems appropriate and will be made through open market transactions, privately negotiated transactions and other lawful means. The manner, timing and amount of any repurchases will be determined by the Company based on an evaluation of market conditions, stock price and other factors, including those related to

the ownership requirements of its dealership agreements with Peterbilt. The stock repurchase program has no expiration date and may be suspended or discontinued at any time. While the stock repurchase program does not obligate the Company to acquire any particular amount or class of common stock, the Company anticipates that it will be repurchasing primarily shares of its Class B common stock.

Conference Call Information

Rush Enterprises will host its quarterly conference call to discuss earnings for the second quarter of 2008 on Thursday, July 24, 2008, at 11 a.m. Eastern time / 10 a.m. Central time. The call can be heard live by dialing 877-397-0291 (U.S.) or 719-325-4932 (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 October 15, 2008. Listen to the audio replay until July 30, 2008, by dialing 888-203-1112 (U.S.) or 719-457-0820 (International) and entering the replay pass code 8463515.

About Rush Enterprises, Inc.

Rush Enterprises, Inc. 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. Its operations include a network of over 50 Rush Truck Centers located in Alabama, Arizona, California, Colorado, Florida, Georgia, New Mexico, North Carolina, Oklahoma, 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, the Company's prospects and anticipated results for 2008 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)

	June 30, 2008	December 31, 2007
	----- (Unaudited)	-----
Assets		

Current assets:		
Cash and cash equivalents	\$ 158,123	\$ 187,009
Investments	7,575	--
Accounts receivable, net	52,441	48,781
Inventories	366,466	365,947
Prepaid expenses and other	2,267	1,699
Deferred income taxes, net	8,277	7,028
	-----	-----
Total current assets	595,149	610,464
Property and equipment, net	307,333	299,013
Goodwill, net	141,898	120,582
Other assets, net	1,647	1,532
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Total assets	\$ 1,046,027	\$ 1,031,591
	=====	=====

Liabilities and shareholders' equity

Current liabilities:

Floor plan notes payable	\$ 285,225	\$ 273,653
Current maturities of long-term debt	36,558	33,593
Current maturities of capital lease obligations	3,935	4,444
Trade accounts payable	33,579	40,452
Accrued expenses	47,075	60,517
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Total current liabilities	406,372	412,659
Long-term debt, net of current maturities	161,884	165,352
Capital lease obligations, net of current maturities	12,189	13,099
Deferred income taxes, net	46,400	40,904
Shareholders' equity:		
Preferred stock, par value \$.01 per share; 1,000,000 shares authorized; 0 shares outstanding in 2008 and 2007	--	--
Common stock, par value \$.01 per share; 60,000,000 class A shares and 20,000,000 class B shares authorized; 26,222,178 class A shares and 12,279,987 class B shares outstanding in 2008; 26,070,595 class A shares and 12,265,437 class B shares outstanding in 2007	385	383
Additional paid-in capital	182,135	178,274
Retained earnings	236,662	220,920
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Total shareholders' equity	419,182	399,577
	-----	-----
Total liabilities and shareholders' equity	\$ 1,046,027	\$ 1,031,591
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RUSH ENTERPRISES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

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

	Three months ended June 30,		Six months ended June 30,	
	2008	2007	2008	2007
	-----	-----	-----	-----
Revenues:				
New and used truck sales	\$297,237	\$356,504	\$548,663	\$734,140
Parts and service	120,465	120,502	238,045	237,798
Construction equipment sales	18,960	20,690	35,899	37,424
Lease and rental	13,376	13,257	26,400	25,322
Finance and insurance	3,193	6,273	6,797	11,777
Other	1,487	2,178	2,772	4,201
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Total revenue	454,718	519,404	858,576	1,050,662
Cost of products sold:				
New and used truck sales	281,305	328,708	512,342	676,600
Parts and service	69,989	69,621	138,629	138,044
Construction equipment sales	17,192	18,386	32,372	33,382
Lease and rental	11,819	10,964	22,641	21,415
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Total cost of products sold	380,305	427,679	705,984	869,441
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Gross profit	74,413	91,725	152,592	181,221
Selling, general and administrative	59,012	62,539	115,957	122,987
Depreciation and				

amortization	3,927	3,675	7,802	7,277
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Operating income	11,474	25,511	28,833	50,957
Interest expense, net	1,773	4,533	3,700	9,061
Gain on sale of assets	5	68	54	156
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Income before taxes	9,706	21,046	25,187	42,052
Provision for income taxes	3,639	7,998	9,445	15,980
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Net income	\$ 6,067	\$ 13,048	\$ 15,742	\$ 26,072
	=====	=====	=====	=====
Earnings per common share:				
Basic	\$.16	\$.34	\$.41	\$.69
	=====	=====	=====	=====
Diluted	\$.16	\$.34	\$.40	\$.68
	=====	=====	=====	=====
Weighted average shares outstanding:				
Basic	38,458	38,029	38,415	37,898
	=====	=====	=====	=====
Diluted	38,971	38,341	38,951	38,207
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CONTACT: Rush Enterprises, Inc., San Antonio
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