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

FORM 10-Q

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

For the quarterly period ended September 30, 2006

[ ] 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**: 0-13611**

SPARTAN MOTORS, INC.
(Exact Name of Registrant as Specified in Its Charter)

Michigan (State or Other Jurisdiction of Incorporation or Organization)	**38-2078923** (I.R.S. Employer Identification No.)
1165 Reynolds Road **Charlotte, Michigan** (Address of Principal Executive Offices)	**48813** (Zip Code)

Registrant's Telephone Number, Including Area Code: **(517) 543-6400**

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 ____

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer" and "large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check One):

Large accelerated filer ____ Accelerated Filer X Non-accelerated filer ____

Indicate by check mark whether the registrant is a shell company (as defined in Exchange Act Rule 12b-2).

Yes ____ No X

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at November 2, 2006
Common stock, $.01 par value	13,991,392 shares

SPARTAN MOTORS, INC.

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FORWARD-LOOKING STATEMENTS

This Form 10-Q contains statements that are not historical facts. These statements are called "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These statements involve important known and unknown risks, uncertainties and other factors and can be identified by phrases using "estimate," "anticipate," "believe," "project," "expect," "intend," "predict," "potential," "future," "may," "should" and similar expressions or words. Our future results, performance or achievements may differ materially from the results, performance or achievements discussed in the forward-looking statements. There are numerous factors that could cause actual results to differ materially from the results discussed in forward-looking statements, including, among others:

- **Changes in existing products liability, tort or warranty laws or the introduction of new laws, regulations or policies that could affect our business practices.** These laws, regulations or policies could impact our industry as a whole, or could impact only those portions in which we are currently active, for example, laws regulating the design or manufacture of emergency vehicles or regulations issued by the National Fire Protection Association; in either case, our profitability could be injured due to an industry-wide market decline or due to our inability to compete with other companies that are unaffected by these laws, regulations or policies.

- **Changes in environmental regulations**. These regulations could have a negative impact on our earnings; for example, laws mandating improved emissions standards could increase our research and development costs, increase the cost of components and lead to the temporary unavailability of engines.

- **Rapidly rising material and component costs and the Company's ability to mitigate such cost increases based upon our supply contracts or to recover such cost increases with increases in selling prices of its products**. Such increases in costs could have a negative impact on our earnings.

- **Changes in economic conditions, including changes in interest rates, financial market performance and our industry**. These types of changes can impact the economy in general, resulting in a downward trend that impacts not only our business, but all companies with which we compete; or, the changes can impact only those parts of the economy upon which we rely in a unique fashion, including, by way of example:

    - Factors that impact our attempts to expand internationally, such as the introduction of trade barriers in the United States or abroad.

    - Increasing oil prices and the availability of oil may have an adverse impact on the RV market.

- **Changes in relationships with major customers**. An adverse change in our relationship with major customers would have a negative impact on our earnings and financial position.

Armed conflicts and other military actions. The considerable political and economic uncertainties resulting from these events could adversely affect our order intake and sales.

- **Factors that we have discussed in previous public reports and other documents filed with the Securities and Exchange Commission.**

This list provides examples of factors that could affect the results described by forward-looking statements contained in this Report. However, this list is not intended to be exhaustive; many other factors, including the risk factors disclosed in Item 1A "Risk Factors" of the Company's Annual Report on Form 10-K for the year ended December 31, 2005, could impact our business and it is impossible to predict with any accuracy which factors could adversely affect the Company. Although we believe that the forward-looking statements contained in this Report are reasonable, we cannot provide you with any guarantee that the anticipated results will be achieved. All forward-looking statements in this Report are expressly qualified in their entirety by the cautionary statements contained in this section and you are cautioned not to place undue reliance on the forward-looking statements contained in this Report. In addition to the risks listed above, other risks may arise in the future, and we disclaim any obligation to update information contained in any forward-looking statement.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements.

SPARTAN MOTORS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

	September 30, 2006	December 31, 2005
ASSETS		
Current assets:		
Cash and cash equivalents	$ 5,563,260	$ 9,702,059
Marketable securities	--	1,988,120
Accounts receivable, less allowance for doubtful accounts of $309,000 in 2006 and $202,000 in 2005	59,676,731	37,016,549
Inventories	55,437,530	44,265,389
Deferred income tax assets	3,745,396	3,745,396
Taxes receivable	236,439	989,896
Other current assets	11,186,864	1,948,796
Total current assets	135,846,220	99,656,205
Property, plant, and equipment, net	23,963,142	18,478,110
Goodwill	4,543,422	4,543,422
Other assets	500,575	530,533
Total assets	$ 164,853,359	$ 123,208,270

SPARTAN MOTORS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED) (Continued)

	September 30, 2006	December 31, 2005
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 34,334,563	$ 20,745,549
Accrued warranty	5,918,800	4,502,772
Accrued compensation and related taxes	5,465,265	4,241,293
Accrued vacation	1,352,728	1,188,692
Deposits from customers	9,149,908	13,640,197
Other current liabilities and accrued expenses	5,346,362	4,608,617
Current portion of long-term debt	54,029	52,831
Total current liabilities	61,621,655	48,979,951
Long-term debt, less current portion	5,776,354	1,317,003
Deferred income tax liabilities	309,000	309,000
Shareholders' equity:		
Preferred stock, no par value: 2,000,000 shares authorized (none issued)	--	--
Common stock, $.01 par value: 23,900,000 shares authorized, issued 13,774,472 and 12,636,658 shares in 2006 and 2005, respectively	137,745	126,367
Additional paid in capital	49,441,327	37,885,813
Retained earnings	47,567,278	35,447,985
Unearned compensation	--	(845,969)
Accumulated other comprehensive loss	--	(11,880)
Total shareholders' equity	97,146,350	72,602,316
Total liabilities and shareholders' equity	$ 164,853,359	$ 123,208,270

See Accompanying Notes to Condensed Consolidated Financial Statements.

SPARTAN MOTORS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

	Three Months Ended September 30,	
	2006	2005
Sales	$ 108,876,342	$ 89,314,540
Cost of products sold	91,709,696	75,795,083
Gross profit	17,166,646	13,519,457
Operating expenses:		
Research and development	3,091,788	2,386,320
Selling, general and administrative	7,851,664	6,809,626
Operating income	6,223,194	4,323,511
Other income (expense):		
Interest expense	(64,657)	(29,513)
Interest and other income	204,631	242,876
Earnings before taxes on income	6,363,168	4,536,874
Taxes on income	2,289,291	1,833,905
Net earnings	4,073,877	2,702,969
Basic net earnings per share	$ 0.31	$ 0.22
Diluted net earnings per share	$ 0.30	$ 0.21
Basic weighted average common shares outstanding	13,330,000	12,533,000
Diluted weighted average common shares outstanding	13,578,000	12,814,000

See Accompanying Notes to Condensed Consolidated Financial Statements.

SPARTAN MOTORS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

	Nine Months Ended September 30,	
	2006	2005
Sales	$ 321,769,458	$ 267,556,925
Cost of products sold	269,161,246	229,931,111
Gross profit	52,608,212	37,625,814
Operating expenses:		
Research and development	8,902,742	6,852,649
Selling, general and administrative	22,580,596	19,528,048
Operating income	21,124,874	11,245,117
Other income (expense):		
Interest expense	(150,871)	(106,432)
Interest and other income	720,063	582,785
Earnings before taxes on income	21,694,066	11,721,470
Taxes on income	8,145,911	4,415,503
Net earnings	13,548,155	7,305,967
Basic net earnings per share	$ 1.04	$ 0.58
Diluted net earnings per share	$ 1.03	$ 0.57
Basic weighted average common shares outstanding	12,973,000	12,515,000
Diluted weighted average common shares outstanding	13,173,000	12,778, 000
Cash dividends per common share	$ 0.11	$ 0.11

See Accompanying Notes to Condensed Consolidated Financial Statements.

SPARTAN MOTORS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(UNAUDITED)

	Number of Shares	Common Stock $0.01 Par Value	Additional Paid In Capital	Retained Earnings	Unearned Compensation	Accumulated Other Comprehensive Loss	Total Shareholders' Equity
Balance at January 1, 2006	12,636,658	$126,367	$37,885,813	$35,447,985	$(845,969)	$(11,880)	$72,602,316
Reclassification of unearned compensation upon adopting new stock based payment accounting principle	--	--	(845,969)	--	845,969	--	--
Issuance of common stock and the tax benefit of stock incentive plan transactions	1,019,029	10,190	12,043,467	--	--	--	12,053,657
Dividends declared ($0.11 per share)	--	--	--	(1,428,862)	--	--	(1,428,862)
Issuance of restricted stock net of cancellation	118,785	1,188	(1,188)	--	--	--	--
Amortization of unearned compensation	--	--	359,204	--	--	--	359,204
Comprehensive income:							
Net earnings	--	--	--	13,548,155	--	--	13,548,155
Change in unrealized loss on marketable securities	--	--	--	--	--	11,880	11,880
Total comprehensive income							13,560,035
Balance at September 30, 2006	13,774,472	$137,745	$49,441,327	$47,567,278	--	--	$97,146,350

See Accompanying Notes to Condensed Consolidated Financial Statements.

SPARTAN MOTORS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

	Nine Months Ended September 30,	
	2006	2005
Cash flows from operating activities:		
Net earnings	$ 13,548,155	$ 7,305,967
Adjustments to reconcile net earnings to net cash provided by (used in) operating activities:		
Depreciation	2,071,795	1,916,600
Loss on sale of assets	25,348	37,448
Taxes receivable	2,669,457	298,778
Excess tax benefit from stock options exercised	(1,916,000)	108,000
Amortization of unearned compensation	359,204	--
Deferred income taxes	--	382,000
Decrease (increase) in operating assets:		
Accounts receivable	(22,660,182)	(8,738,592)
Inventories	(11,172,141)	(7,269,057)
Other assets	(9,208,110)	365,130
Increase (decrease) in operating liabilities:		
Accounts payable	13,589,014	6,151,381
Accrued warranty	1,416,028	723,748
Accrued compensation and related taxes	1,223,972	775,673
Accrued vacation	164,036	26,962
Deposits from customers	(4,490,289)	4,501,474
Other current liabilities and accrued expenses	737,745	1,214,080
Total adjustments	(27,190,123)	493,625
Net cash (used in) provided by operating activities	(13,641,968)	7,799,592
Cash flows from investing activities:		
Purchases of property, plant and equipment	(7,929,837)	(2,048,453)
Proceeds from sales of property, plant and equipment	358,472	--
Purchases of marketable securities		(2,000,000)
Proceeds from sale of investments	1,989,190	1,492,800
Net cash used in investing activities	(5,582,175)	(2,555,653)
Cash flows from financing activities:		
Proceeds from long-term debt	4,500,000	1,250,000
Payments on long-term debt	(39,451)	(12,436)
Purchase and retirement of stock	--	(1,050,235)
Proceeds from the exercise of stock options	10,137,657	880,311
Excess tax benefit from stock options exercised	1,916,000	--
Payment of dividends	(1,428,862)	(1,371,822)
Net cash provided by (used in) financing activities	15,085,344	(304,182)
Net (decrease) increase in cash and cash equivalents	(4,138,799)	4,939,757
Cash and cash equivalents at beginning of period	9,702,059	10,463,454
Cash and cash equivalents at end of period	$ 5,563,260	$ 15,403,211

See Accompanying Notes to Condensed Consolidated Financial Statements.

Note 1

Deposits from Customers - The Company receives advance payments from customers for future product orders and records these amounts as liabilities. Such deposits are accepted by the Company when presented by customers seeking improved pricing in connection with orders that are placed for products to be manufactured and sold at a future date. Revenue associated with these deposits is deferred and recognized upon shipment of the related product to the customer.

For a description of other key accounting policies followed refer to the notes to the Spartan Motors, Inc. (the "Company") consolidated financial statements for the year ended December 31, 2005, included in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 16, 2006. There have been no changes in such accounting policies.

The accompanying unaudited interim condensed consolidated financial statements reflect all normal and recurring adjustments that are necessary for the fair presentation of the Company's financial position as of September 30, 2006 and the results of operations and cash flows for the three- and nine-months period ended September 30, 2006 and 2005.

The results of operations for the nine-months period ended September 30, 2006 are not necessarily indicative of the results to be expected for the full year.

Note 2

Inventories consist of raw materials and purchased components, work in process and finished goods and are summarized as follows:

	September 30, 2006		December 31, 2005	
Finished goods	$	6,655,265	$	9,369,658
Work in process		16,563,520		9,520,905
Raw materials and purchased components		34,739,002		27,447,857
Obsolescence reserve		(2,520,257)		(2,073,031)
	$	55,437,530	$	44,265,389

Note 3

The Company's products generally carry limited warranties, based on terms that are generally accepted in the marketplace. Some components included in the Company's end products (such as engines, transmissions, tires, etc.) may include manufacturers' warranties. These manufacturers' warranties are generally passed on to the end customer of the Company's products.

The Company's policy is to record a provision for the estimated cost of warranty-related claims at the time of the sale and periodically adjust the provision to reflect actual experience. The amount of warranty liability accrued reflects management's best estimate of the expected future cost of honoring the Company's obligations under the warranty agreements. Historically, the cost of fulfilling the Company's warranty obligations has principally involved replacement parts, labor and sometimes travel for field retrofit campaigns. The Company's estimates are based on historical experience, the number of units involved and the extent of features and components included in product models.

Certain warranty and other related claims involve matters of dispute that ultimately are resolved by negotiation, arbitration or litigation. Infrequently, a material warranty issue can arise which is beyond the scope of the Company's historical experience. The Company provides for any such warranty issues as they become known and are estimable. It is reasonably possible that additional warranty and other related claims could arise from disputes or other matters beyond the scope of the Company's historical experience.

Changes in the Company's warranty liability were as follows:

For the three months ended September 30:

	2006	2005
Balance of accrued warranty at July 1	$ 4,718,786	$ 4,235,334
Warranties issued during the period	976,543	821,253
Cash settlements made during the period	(1,348,472)	(1,036,287)
Changes in liability for pre-existing warranties during the period, including expirations	1,571,943	374,209
Balance of accrued warranty at September 30	$ 5,918,800	$ 4,394,509

For the nine months ended September 30:

	2006	2005
Balance of accrued warranty at January 1	$ 4,502,772	$ 3,670,761
Warranties issued during the period	2,881,399	2,118,778
Cash settlements made during the period	(3,468,398)	(2,578,008)
Changes in liability for pre-existing warranties during the period, including expirations	2,003,027	1,182,978
Balance of accrued warranty at September 30	$ 5,918,800	$ 4,394,509

Note 4

The Company has repurchase agreements with certain third-party lending institutions that provided floor plan financing to customers. These agreements provided for the repurchase of products from the lending institution in the event of the customer's default. There was no contingent liability as of September 30, 2006. Historically, losses under these agreements have not been significant and it is management's opinion that any future losses will not have a material effect on the Company's financial position or future operating results.

Note 5

The effective income tax rate was 36.0% in the third quarter of 2006 and 40.4% in the third quarter of 2005. The effective income tax rate was 37.5% in the first nine-months of 2006 and 37.7% in the first nine-months of 2005. The decreased rates reflect an anticipated state tax credit due to a job creation initiative.

Note 6

Spartan Motors is currently authorized to grant stock options, restricted stock, restricted stock units, stock appreciation rights and common stock under its various stock incentive plans which include its Non Qualified Stock Option Plan, 1994 Incentive Stock Option Plan, 1996 Stock Option and Restricted Stock Plan for Outside Market Advisors, Stock Option and Restricted Stock Plan of 1998, Stock Option and Restricted Stock Plan of 2003 and Stock Incentive Plan of 2005. Spartan Motors' stock incentive plans allow certain employees, officers, non-employee directors and outside market advisors to purchase common stock of Spartan Motors at a price established on the date of grant. Total shares remaining available for stock incentive grants under these plans totaled 352,825 at September 30, 2006. Options granted under the Stock Option and Restricted Stock Plan of 1998 to non-employee directors must have an exercise price equal to at least 85% of the fair market value of Spartan Motors common stock on the date of grant. (Options under these plans to date were granted with exercise prices at 100% of the fair market value on the date of grant.) Incentive stock options granted under the 1994 Incentive Stock Option Plan or the Stock Option and Restricted Stock Plan of 1998 must have an exercise price equal to at least 100% of the fair market value on the date of grant. The exercise price of stock options and the compensation value of restricted stock granted under the Stock Option and Restricted Stock Plan of 2003 or the Stock Incentive Plan of 2005 must be equal to or greater than 100% of the fair market value of Spartan Motors stock on the grant date. The options or Stock Appreciation Rights (SARs) granted are exercisable for a period of 10 years from the grant date. The exercise price for all options and SARs granted has been equal to the market price at the date of grant.

Effective January 1, 2006, the Company adopted SFAS No. 123 (revised), "Share-Based Payment" [SFAS 123(R)] utilizing the modified prospective approach. Prior to the adoption of SFAS 123(R), we accounted for stock option grants under the recognition and measurement principles of APB Opinion No. 25, "Accounting for Stock Issued to Employees", and related interpretations, and accordingly, recognized no compensation expense for stock option grants in net income because the exercise price of options granted was equal to the market price of the related common stock at the date of grant.

Under the modified prospective approach, compensation expense is recognized for all share-based payments granted prior to, but not yet vested as of December 31, 2005, based on the grant-date fair value estimated in accordance with the original provisions of SFAS 123, and compensation cost for all share-based payments granted subsequent to December 31, 2005, based on the grant-date fair value estimated in accordance with the provisions of SFAS 123(R). No options or SARs were granted during the nine-months ended September 30, 2006 and all outstanding options and SARs were vested as of December 31, 2005.

The Company's results for the three- and nine-months periods ended September 30, 2006 were not significantly affected as a result of adopting SFAS 123(R) on January 1, 2006.

We receive a tax deduction for certain stock option exercises during the period the options are exercised, generally for the excess of the price at which the options are sold over the exercise price of the options. Prior to the adoption of SFAS 123(R), we reported all tax benefits resulting from the exercise of stock options as operating cash flows in our consolidated statement of cash flows. Upon adoption of SFAS 123(R) any excess tax benefits are required to be shown in our consolidated statement of cash flows as financing cash flows. Excess tax benefits derive from the difference between the exercise price of a stock option and the fair market value of the option as determined by a valuation model which in our case is the Black-Scholes model.

Net cash proceeds from the exercise of stock options were $5,152,863 and $10,137,654 for the three- and nine-months periods ended September 30, 2006 respectively. The actual income tax benefits realized from stock option exercises were $1,145,000 and $1,916,000 for the same respective periods.

The following table illustrates the effect on net income and earnings per share if the Company had applied the fair value recognition provisions of Statement of Financial Accounting Standards (SFAS) No. 123, "Accounting for Stock-Based Compensation," to stock-based employee compensation for the three- and nine-months ended September 30, 2005:

	Three Months Ended September 30, 2005		Nine Months Ended September 30, 2005	
Net earnings				
As reported	$	2,702,969	$	7,305,967
Deduct: Compensation expense - fair value method				(37,192)
Add: Income tax benefit for disqualifying dispositions associated with incentive stock options previously expensed		26,176		158,456
Pro forma	$	2,729,145	$	$7,427,231
Basic net earnings per share				
As reported	$	0.22	$	0.58
Pro forma		0.22		0.59
Diluted net earnings per share				
As reported	$	0.21	$	0.57
Pro forma		0.21		0.58

The table below lists the weighted-average assumptions used in the Black-Scholes option-pricing model and the resulting estimated fair value of options in 2005.

	Dividend Yield	Expected Volatility	Risk Free Interest Rate	Expected Lives	Estimated Fair Value
2005	2%	54.4%	4.38%	5 years	$4.56

The following table summarizes information regarding the Company's stock options at December 31, 2005 and September 30, 2006:

Plan	Number Outstanding and Exercisable at 12/31/05	Weighted-Average Exercise Price	Number Exercised	Number Cancelled, Expired or Adjusted	Number Outstanding and Exercisable at 09/30/06	Weighted-Average Exercise Price
Non-Qualified Stock Option Plan	80,380	$6.28	59,380	--	21,000	$4.40
1994 Incentive Stock option Plan	430,389	$7.56	210,569	10,850	208,970	$6.95
1996 Stock Option and Restricted Stock Plan for Outside Market Advisors	48,000	$6.95	11,000	--	37,000	$6.46
Stock Option and Restricted Stock Plan of 1998	489,005	$9.31	183,605	4,700	300,700	$8.90
Stock Option and Restricted Stock Plan of 2003	777,425	$11.30	372,557	7,450	397,418	$11.35
Stock Incentive Plan of 2005	287,400	$10.29	174,075	2,900	110,425	$10.29
	2,112,599	$9.63	1,011,186	25,900	1,075,513	$9.40

All stock options vest on the date of grant. No stock options were granted in the nine months ended September 30, 2006. Based on the closing price of Spartan Motors, Inc. common stock on September 30, 2006, the aggregate intrinsic values of options outstanding and exercisable at September 30, 2006 and exercised during the nine months ended September 30, 2006 were $10,142,000 and $9,535,000, respectively.

On September 30, 2005, the Company issued restricted stock to directors, officers and key employees of the Company. Shares awarded entitle the shareholder to all rights of common stock ownership except that the shares may not be sold, transferred, pledged, exchanged or otherwise disposed of during the vesting period. The shares vest evenly over a three year period on the anniversary date of the grant commencing September 30, 2006. The Company had 83,100 of these restricted shares outstanding as of September 30, 2006.

On June 30 and July 14, 2006, 118,535 shares and 1,000 shares respectively of restricted common stock were issued to directors, officers, and key employees of the Company. Shares for non-officer grants vest evenly over a three year period and officer grants vest evenly over a five year period on the anniversary dates of the grants.

As of September 30, 2006, the company has unearned stock-based compensation of $2,309,528 associated with these restricted stock grants. The unearned stock-based compensation related to these grants is being amortized to compensation expense over the applicable vesting periods.

Note 7

Sales and other financial information by business segment are as follows:

Three Months Ended September 30, 2006
(amounts in thousands)

	Business Segments			
	Chassis	EVTeam	Other	Consolidated
Motorhome chassis sales	$ 43,800			$ 43,800
Fire truck chassis sales	31,106		$ (6,049)	25,057
EVTeam product sales	--	$ 21,414	--	21,414
Other sales	18,605	--	--	18,605
Total Net Sales	$ 93,511	$ 21,414	$ (6,049)	$ 108,876
Interest expense (income)	--	279	(214)	65
Depreciation expense	306	323	103	732
Income tax expense (credit)	2,753	(383)	(81)	2,289
Segment earnings (loss)	5,215	(743)	(398)	4,074
Segment assets	88,098	52,849	23,906	164,853

Three Months Ended September 30, 2005
(amounts in thousands)

	Business Segments			
	Chassis	EVTeam	Other	Consolidated
Motorhome chassis sales	$ 46,553			$ 46,553
Fire truck chassis sales	24,438		$ (4,377)	20,061
EVTeam product sales		$ 15,474		15,474
Other sales	7,227			7,227
Total Net Sales	$ 78,218	$ 15,474	$ (4,377)	$ 89,315
Interest expense (income)	--	223	(193)	30
Depreciation expense	291	292	100	683
Income tax expense (credit)	2,510	(721)	45	1,834
Segment earnings (loss)	4.670	(1,401)	(566)	2,703
Segment assets	48,685	49,507	29,231	127,423

Nine Months Ended September 30, 2006
(amounts in thousands)

	Business Segments			
	Chassis	EVTeam	Other	Consolidated
Motorhome chassis sales	$ 156,591			$ 156,591
Fire truck chassis sales	79,829		$ (17,038)	62,791
EVTeam product sales	--	$ 60,874	--	60,874
Other sales	41,513	--	--	41,513
Total Net Sales	$ 277,933	$ 60,874	$ (17,038)	$ 321,769
Interest expense (income)	1	635	(485)	151
Depreciation expense	792	961	319	2,072
Income tax expense (credit)	9,098	(1,207)	255	8,146
Segment earnings (loss)	17,225	(2,341)	(1,336)	13,548
Segment assets	88,098	52,849	23,906	164,853

Nine Months Ended September 30, 2005
(amounts in thousands)

	Business Segments			
	Chassis	EVTeam	Other	Consolidated
Motorhome chassis sales	$ 153,246			$ 153,246
Fire truck chassis sales	63,279		$ (10,941)	52,338
EVTeam product sales		$ 49,051		49,051
Other sales	12,922			12,922
Total Net Sales	$ 229,447	$ 49,051	$ (10,941)	$ 267,557
Interest expense (income)	--	672	(566)	106
Depreciation expense	741	863	313	1,917
Income tax expense (credit)	6,206	(1,683)	(108)	4,415
Segment earnings (loss)	11,437	(3,284)	(847)	7,306
Segment assets	48,685	49,507	29,231	127,423

Note 8

New and Pending Accounting Pronouncements. In July 2006, the Financial Accounting Standards Board (FASB) issued Interpretation No. 48, "Accounting for Uncertainty in Income Taxes." This interpretation clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements in accordance with FASB Statement No. 109, "Accounting for Income Taxes." Interpretation No. 48 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. This Interpretation also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. This Interpretation is effective for fiscal years beginning after December 15, 2006. The Company is in the process of assessing the effect of this interpretation on the Company's consolidated financial position and results of operations.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

OVERVIEW

Spartan Motors, Inc. (the "Company") was organized as a Michigan corporation on September 18, 1975, and is headquartered in Charlotte, Michigan. The Company began development of its first product that same year and shipped its first fire truck chassis in October 1975.

The Company is known as a world leading, niche market engineer and manufacturer in the heavy duty, custom vehicles marketplace. The Company has four wholly owned subsidiaries: Spartan Motors Chassis, Inc., located at the corporate headquarters in Charlotte, Michigan ("Spartan Chassis"); Crimson Fire, Inc., headquartered in Brandon, South Dakota ("Crimson"); Crimson Fire Aerials, Inc., located in Lancaster, Pennsylvania ("Crimson Aerials"); and Road Rescue, Inc., located in Marion, South Carolina ("Road Rescue"). Crimson, Crimson Aerials and Road Rescue make up the Company's EVTeam. The company's brand names, **Spartan™, Crimson Fire™** and **Road Rescue™,** are known for quality, value, service and innovation.

Spartan Chassis is a leading designer, engineer and manufacturer of custom heavy-duty chassis. The chassis consist of a frame assembly, engine, transmission, electrical system, running gear (wheels, tires, axles, suspension and brakes) and, for fire trucks and some specialty chassis applications, a cab. Chassis customers are original equipment manufacturers ("OEMs") who complete their heavy-duty vehicle product by mounting the body or apparatus on the Company's chassis. Crimson and Road Rescue engineer and manufacture emergency vehicles built on chassis platforms purchased from either Spartan Chassis or outside sources. Crimson Aerials engineers and manufactures aerial ladder components for fire trucks.

The Company's business strategy is to further diversify product lines and develop innovative design, engineering and manufacturing expertise in order to be the best value producer of custom vehicle products in the North American marketplace. Spartan Chassis sells its custom diesel chassis to three principal markets: fire truck, motorhome and specialty vehicles. Spartan Chassis believes that opportunities for growth remain strong for custom-built chassis and vehicles in each market.

The Company is an innovative team focused on building lasting relationships with its customers. This is accomplished by striving to deliver premium custom vehicles and services that inspire customer loyalty. The Company believes that it can best carry out its long-term business plan and obtain optimal financial flexibility by using a combination of borrowings under the Company's credit facilities, as well as equity capital, as sources of expansion capital. A key metric in measuring our success is our Return on Invested Capital (ROIC). We define ROIC as operating income, less taxes, on an annualized basis, divided by total shareholders' equity.

The Company recognizes that annual unit sales of motorhome chassis have been substantially greater than that of the Company's other two principal chassis markets. Thus, in the past few years, management has placed special emphasis on further market penetration in the fire truck market and diversification into the specialty chassis market.

The Company expects future growth and earnings to come from:

- The growing strength of the Spartan brands, including Spartan Chassis, Crimson Fire and Road Rescue.

- EVTeam operational improvements as processes are reengineered to lower costs by eliminating non-value added activities.

- Further market share gain in the Class A motorhome market as the Company's chassis continue to lead the way in design features such as stability, ride, durability and dependability. In 2005 Spartan was able to gain market share in motorhome sales by increasing the number of models riding on a Spartan chassis to 36 from 22 in 2004.

- Increased sales of Fire Truck chassis which incurred record orders in the first nine months of 2006.

- Opportunities in the areas of specialty vehicles and micro-niche markets. The Company's current backlog for specialty vehicles will support production through mid-2007. The Company will continue production of the current Iraqi Light Armored Vehicle (ILAV) order through mid-2007. The Company expects to complete its current Joint Explosive Rapid Response Vehicle (JERRV) orders in the first quarter of 2007. During the third quarter of 2006, the Company also received its first orders for a variant of the Cougar, the Mastiff, which will be ultimately delivered to the British Military. The Mastiff orders are under production and the current orders will be completed in the first quarter of 2007. The Company is guardedly optimistic about the potential for additional military business.

- The Company believes the major strength of its business model is market diversity and customization, with a growing foundation in emergency rescue. Geo-political events affect the recreational vehicle market more directly than the emergency rescue market, and it is in emergency rescue where the Company expects solid growth in the future.

The following is a discussion of the major elements impacting the Company's financial and operating results for the three-and nine-month periods ended September 30, 2006 compared to the three-and six-month periods ended September 30, 2005. The comments that follow should be read in conjunction with the Company's condensed consolidated financial statements and related notes contained in this Form 10-Q and in conjunction with the Company's annual report on Form 10-K filed with the Securities and exchange Commission on March 16, 2006.

RESULTS OF OPERATIONS

The following tables set forth, for the periods indicated, the components of the Company's business segment statements of operations, on an actual basis, as a percentage of sales:

Three months ended:	September 30, 2006			September 30, 2005		
	Business Segments			Business Segments		
	Chassis	EVTeam	Consolidated	Chassis	EVTeam	Consolidated
Sales	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of product sold	82.7%	95.2%	84.2%	82.4%	99.6%	84.9%
Gross profit	17.3%	4.8%	15.8%	17.6%	0.4%	15.1%
Operating expenses:						
Research and development	2.7%	2.7%	2.8%	2.3%	3.9%	2.7%
Selling, general, and administrative	6.1%	6.3%	7.3%	6.2%	9.4%	7.6%
Operating income	8.4%	-4.2%	5.7%	9.1%	-12.9%	4.8%
Other income (expense)	0.1%	-1.1%	0.1%	0.1%	-0.8%	0.3%
Earnings before taxes on income	8.5%	-5.3%	5.8%	9.2%	-13.7%	5.1%
Taxes on income	2.9%	-1.8%	2.1%	3.2%	-4.7%	2.1%
Net earnings	5.6%	-3.5%	3.7%	6.0%	-9.0%	3.0%

Nine months ended:	September 30, 2006			September 30, 2005		
	Business Segments			Business Segments		
	Chassis	EVTeam	Consolidated	Chassis	EVTeam	Consolidated
Sales	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of product sold	82.0%	95.7%	83.7%	84.1%	97.3%	85.9%
Gross profit	18.0%	4.3%	16.3%	15.9%	2.7%	14.1%
Operating expenses:						
Research and development	2.6%	2.7%	2.8%	2.3%	3.1%	2.6%
Selling, general, and administrative	6.0%	7.0%	7.0%	6.0%	8.8%	7.3%
Operating income	9.4%	-5.4%	6.5%	7.6%	-9.2%	4.2%
Other income (expense)	1.1%	-0.4%	0.2%	0.1%	-0.9%	0.2%
Earnings before taxes on income	10.5%	-5.8%	6.7%	7.7%	-10.1%	4.4%
Taxes on income	3.3%	-2.0%	2.5%	2.7%	-3.4%	1.7%
Net earnings	7.2%	-3.8%	4.2%	5.0%	-6.7%	2.7%

Quarter Ended September 30, 2006, Compared to the Quarter Ended September 30, 2005

For the three months ended September 30, 2006, consolidated sales increased $19.6 million (21.9%) to $108.9 million, from $89.3 million in the third quarter of 2005. Spartan Chassis sales for this period increased by $15.3 million (19.6%) to $93.5 million, from $78.2 million in the third quarter of 2005. Decreases in motor home chassis sales were offset by continued record fire truck chassis sales and increases in other sales categories. Fire truck chassis sales were $31.1 million in the third quarter of 2006, up $6.7 million (27.3%) from the third quarter of 2005. This increase reflects market share gains attributable to the high product flexibility and customer service provided by Spartan Chassis. It is also impacted to some extent by customers buying vehicles prior to the anticipated 2007 increase in cost related to the EPA changes. During the third quarter of 2006, motorhome chassis sales of $43.8 million reflected an $2.8 million (5.9%) decrease over the same period of last year. The decrease in motorhome chassis sales reflects the overall decrease in demand for that product but at a rate that is less than the overall motorhome chassis market decrease. Other sales were $18.6 million compared to $7.2 million in

2005. This increase is due to higher sales of military chassis for the Joint Explosive Ordnance Disposal Rapid Response Vehicle (JERRV) and ILAV (Iraqi Light Armored Vehicle) military subcontracts. The Cougar was first manufactured late in the second quarter of 2005 and the first ILAVs were produced in the third quarter of 2006. EVTeam sales increased 38.4% during the third quarter of 2006 compared with the prior year's third quarter due to higher sales at Crimson Fire and Crimson Aerials.

Gross margin increased from 15.1% for the quarter ended September 30, 2005 to 15.8% for the same period of 2006. This increase is due primarily to the improved gross margin of the EVTeam operating group, where improved labor efficiencies and higher unit pricing (as vehicles priced in the backlog at prior year pricing levels continue to decrease) led to margin improvements. Future sales of the military vehicle chassis are expected to continue into 2007. The financial impact of sales of the Cougar, ILAV and similar units in future quarters may not be as significant as the financial impact in the third quarter of 2006.

Operating expenses as a percentage of sales decreased from 10.3% for the third quarter of 2005 to 10.1% for the second quarter of 2006. Research and development expenses increased $0.7 million compared to the same period in 2005 due to additional expense incurred for testing of new federally mandated low-emission engines. SG&A expenses increased $1.0 million primarily due to:

- Increased sales staff and commission expense due to the higher sales volume
- Increases in support staff to support the higher sales volumes
- Increased payroll expense due to amortization of unearned compensation related to restricted stock grants issued is September 2005 and June 2006.

The effective income tax rate was 36.0% in the third quarter of 2006 and 40.4% in the third quarter of 2005. The decreased rate reflects an anticipated state tax credit due to a job creation initiative.

Net earnings increased to $4.1 million ($0.30 per diluted share) in the third quarter of 2006 from $2.7 million ($0.21 per diluted share) in the third quarter of 2005 as a result of the factors discussed above.

Total chassis orders received during the third quarter of 2006 increased 31.5% compared to the same period in 2005. Motorhome chassis increased 11.2% due to additional business that was secured from existing OEMs. Due to the timing of governmental contract awards speciality vehicle chassis orders showed an increase of 9,633.3%. This large percentage increase is a combination of lower startup orders in 2005 coupled with higher contract volume levels in 2006. The motorhome and specialty chassis increases were somewhat offset by a decrease of 69.7% in fire truck chassis orders due to customers placing orders in the second quarter in order to secure engines from the engine manufacturers in the fourth quarter. Engine manufacturers are in the process of switching production from engines meeting the 2005 engine emission standards to 2007 engine emissions standards and required engine orders to be placed earlier than usual for industries that do not typically provide order forecasts, due to their long order lead times. The long order lead times for fire trucks are usually sufficient for engine manufacturer planning processes, but the production switch required the acceleration of the timing of this information. EVTeam orders increased 1.1%.

At September 30, 2006, the Company had $230.9 million in backlog, compared with a backlog of $146.7 million at September 30, 2005. This reflects an increase in Chassis Group backlog of $79.7 million, or 92.7%, combined with an increase in EVTeam backlog of $4.5 million, or 7.5%. The company anticipates filling 35 to 40 percent of its current backlog orders by December 31, 2006.

While orders in the backlog are subject to modification, cancellation or rescheduling by customers, the Company has not experienced significant modification, cancellation or rescheduling of orders in the past. Although the backlog of unfilled orders is one of many indicators of market demand, several factors, such as changes in production rates, available capacity, new product introductions and competitive pricing actions, may affect actual sales. Accordingly, a comparison of backlog from period to period is not necessarily indicative of eventual actual shipments.

Nine Months Ended September 30, 2006, Compared to the Nine Months Ended September 30, 2005

For the nine months ended September 30, 2006, consolidated sales increased $54.2 million (20.3%) to $321.8 million, from $267.6 million in the third quarter of 2005. Spartan Chassis sales for this period increased by $48.5 million (21.1%) to $277.9 million, from $229.4 million in the first nine months of 2005. This increase was due to higher sales of all Spartan Chassis product lines. Motorhome chassis sales increased 2.2% from $153.2 million in the first nine months of 2005 to $156.6 million in the same period for 2006 due to improved product mix and higher prices. Spartan Chassis continues to build market share in a declining market due to its premium products and customer service. Fire truck chassis sales increased 26.2% from $63.3 million to $79.8 million reflecting market share gains due to the high product flexibility and customer service support provided by Spartan Chassis. Other sales were $28.6 million above prior year levels for the same period due primarily to Cougar and ILAV sales. EVTeam sales increased 24.1% during the first nine months of 2006 compared with same period in 2005. Crimson Fire's sales increased 48.2% and Crimson Aerials sales increased 180%. Road Rescue sales decreased 24.1%.

Gross margin increased from 14.1% for the nine months ended September 30, 2005 to 16.3% for the same period of 2006. Improvements in product sales mix due to the increased sales of fire truck chassis and the new sales of military vehicle chassis at Spartan Chassis were the major contributor to improved margins. The EVTeam margin increased due to improved labor efficiencies, leveraged overhead due to higher volumes, and higher unit pricing as vehicles priced in the backlog at prior year pricing levels continue to decrease.

Operating expenses as a percentage of sales declined 0.1% from 9.9% for the first nine months of 2005 compared to 9.8% for the same period in 2006.

The effective income tax rate was 37.5% in the first nine months of 2006 and 37.7% in the first nine months of 2005. The decreased rate reflects an anticipated state tax credit due to a job creation initiative.

Net earnings increased to $13.5 million ($1.03 per diluted share) in the first nine months of 2006 from $7.3 million ($0.57 per diluted share) in the first nine months of 2005 as a result of the factors discussed above.

Total chassis orders received during the first nine months of 2006 increased 17.6% compared to the same period in 2005. This reflects a 3.9% decrease in motorhome chassis orders, a 30.9% increase in fire truck chassis orders and an 326% increase in specialty vehicle chassis orders. EVTeam orders decreased 13.2% however the average price per order increased 21.3%.

LIQUIDITY AND CAPITAL RESOURCES

The Company generated an ROIC of 16.2 percent in the third quarter of 2006, a 19.1 percent increase compared to the ROIC of 13.6 percent for the same period in 2005. (The Company defines return on invested capital as operating income, less taxes, on an annualized basis, divided by total shareholders' equity.) The Company ended the quarter with $74.2 million in working capital, cash of $5.6 million and debt of 5.8 million. Shareholders' equity increased $24.5 million in the nine months ended September 30, 2006 to $97.1 million from $72.6 million at December 31, 2005. Retained earnings increased due to a net earnings increase of $13.5 million partially offset by a dividend of $1.4 million. The exercise of stock options and the amortization of unearned compensation generated an additional $12.4 million increase in shareholders' equity.

For the nine months ended September 30, 2006, cash used in operating activities was $13.6 million, which was a $21.4 million change from the $7.8 million of cash generated in operating activities for the nine months ended September 30, 2005. Please refer to the Condensed Consolidated Statements of Cash Flows contained in Item 1 of this Form 10-Q for further details. Net cash used in operating activities of $13.6 million was primarily due to increases in accounts receivable, inventory and other assets partially offset by an increase in accounts payable. The increase in working capital supported the increased sales volume. Purchases of fixed assets and payments of dividends were more than offset by funds generated from the exercise of stock options, the sale of marketable securities and borrowings on the company's line of credit. The above combined to generate a net decrease in cash of $4.1 million.

At its July 2006 meeting, the Board of Directors approved a $25.0 million primary line of credit (revolving note payable) with JP Morgan Chase Bank expiring on September 30, 2008. The line of credit includes three one-year automatic extensions unless the bank provides notice of non-renewal 14 months in advance of the expiration date. The company had borrowings of $4,500,000 under this line at September 30, 2006. The Company also has a secured line of credit for $0.2 million, which has an expiration date of May 31, 2007. This line of credit is secured by accounts receivable, inventory and equipment. There were no borrowings under this line at September 30, 2006. At September 30, 2006, the Company was in compliance with all debt covenants.

The Company also has a secured mortgage note for $150,000. The mortgage note carries an interest rate of 3.00% and is payable in monthly installments of $834 with the balance due March 1, 2009. This mortgage note is secured by land.

The Company also has a secured mortgage note for $1,250,000. The mortgage note carries an interest rate of 3.00% and is payable in monthly installments of $6,933 with the balance due July 1, 2010. This mortgage note is secured by a building.

In addition to previously approved building construction of $3.5 million, on May 24, 2006 the Board of Directors approved a capital expenditure request of $14.5 million to expand emergency vehicle manufacturing capacity in Charlotte, Michigan. The Company will be financing the construction of the emergency vehicle chassis manufacturing facility from a long-term loan and working capital.

At September 30, 2006, the Company had outstanding commitments to purchase $21.7 million of engines from its suppliers of which $9.5 million has been paid by the company and recorded as a prepaid expense included in other current assets. This commitment was made to ensure an adequate supply of 2006 engines during the transition to engines meeting the new 2007 emission requirements.

The Company believes it has sufficient resources from cash flows from operating activities and, if necessary, from borrowings under its existing lines of credit to satisfy ongoing cash requirements for the next 12 months. Proceeds from existing credit facilities, anticipated renewals and expanded credit facilities, along with cash flows from operations, are expected to be sufficient to meet capital needs in the foreseeable future.

CRITICAL ACCOUNTING POLICIES

The following discussion of accounting policies is intended to supplement Note 1, General and Summary of Accounting Policies, of the Notes to Consolidated Financial Statements included in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 16, 2006. These policies were selected because they are broadly applicable within the Company's operating units, and they involve additional management judgment due to the sensitivity of the methods, assumptions and estimates necessary in determining the related income statement, asset and/or liability amounts.

Revenue Recognition - The Company recognizes revenue in accordance with SEC Staff Accounting Bulletin (SAB) No. 104, Revenue Recognition. Accordingly, revenue is recognized when title to the product and risk of ownership passes to the buyer. This occurs when the unit has been completed in accordance with purchase order specifications and has been tendered for delivery to the customer. Sales are shown net of returns, discounts and sales incentives, which historically have not been significant. The collectibility of any related receivable is reasonably assured before revenue is recognized.

Inventory - Estimated inventory allowances for slow-moving and obsolete inventory are based upon current assessments about future demands and market conditions. If market conditions are less favorable than those projected by management, additional inventory allowances may be required.

Warranties - The Company's policy is to record a provision for the estimated cost of warranty-related claims at the time of the sale, and periodically adjust the provision to reflect actual experience. The amount of warranty liability accrued reflects management's best estimate of the expected future cost of honoring the Company's obligations under the warranty agreements. The Company's estimates are based on historical experience, the number of units involved and the extent of features and components included in product models. See also Note 5 to the condensed consolidated financial statements included in Item 1 of this Form 10-Q.

Equity Compensation - SFAS 123(R), Share-Based Payment, addresses the accounting for share-based employee compensation and was adopted by Spartan Motors, Inc. on January 1, 2006 utilizing the modified prospective approach. The effect of applying SFAS 123(R) and further information on Spartan Motors, Inc. equity compensation plans, including inputs used to determine fair value of options is disclosed in Note 8 to the financial statements, SFAS 123(R) requires that share options awarded to employees are recognized as compensation expense based on their fair value at grant date. The fair market value of options granted under the Company's stock option plans was estimated on the date of grant using the Black-Scholes option-pricing model using assumptions for inputs such as interest rates, expected dividends, volatility measures and specific employee exercise behavior patterns based on statistical data. Some of the inputs we use are not market-observable and have to be estimated or derived from available data. Use of different estimates would produce different option values, which in turn would result in higher or lower compensation expense recognized. We have not run the model with alternative inputs to quantify their effects on the fair value of the options.

To value options, several recognized valuation models exist. None of these models can be singled out as being the best or most correct one. The model we apply is able to handle some of the specific features included in the options we grant, which is the reason for its use. If we were to use a different model, the option values would differ despite using the same inputs. Accordingly, using different assumptions coupled with using a different valuation model could have a significant impact on the fair value of employee stock options. Fair value could be either higher or lower than the ones produced by the model we apply and the inputs we used.

NEW AND PENDING ACCOUNTING POLICIES

See note 10 to the condensed consolidated financial statements included in Item 1 of this Form 10-Q.

EFFECT OF INFLATION

Inflation affects the Company in two principal ways. First, the Company's debt, if any, is tied to the prime and LIBOR interest rates so that increases in those interest rates would be translated into additional interest expense. Second, general inflation impacts prices paid for labor, parts and supplies. Whenever possible, the Company attempts to cover increased costs of production and capital by adjusting the prices of its products. However, the Company generally does not attempt to negotiate inflation-based price adjustment provisions into its contracts. Since order lead times can be as much as six months, the Company has limited ability to pass on cost increases to its customers on a short-term basis. In addition, the markets the Company serves are competitive in nature, and competition limits the Company's ability to pass through cost increases in many cases. The Company strives to minimize the effects of inflation through cost reductions and improved productivity.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

The Company's primary market risk exposure is a change in interest rates in connection with its outstanding variable rate short-term and long-term debt. At September 30, 2006, the Company had no debt outstanding under its variable rate short-term and $4.5 million outstanding under its variable rate long-term debt agreements. The Company does not enter into market risk sensitive instruments for trading purposes.

Item 4. Controls and Procedures.

An evaluation of the effectiveness of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934) as of September 30, 2006 was performed under the supervision and with the participation of the Company's Management, including the Chief Executive Officer and Chief Financial Officer. Based on the evaluation required by Rule 13a-15(b), the Company's management, including the CEO and CFO, concluded that the Company's disclosure controls and procedures were adequate and effective as of September 30, 2006. During the Company's second fiscal quarter ended September 30, 2006, there was no change in the Company's internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Item 6. Exhibits.

(a) Exhibits. The following documents are filed as exhibits to this report on Form 10-Q:

Exhibit No.	Document
3.1	Spartan Motors, Inc. Restated Articles of Incorporation, as amended to date. Previously filed as an exhibit to the Company's Form 10-Q Quarterly Report for the period ended March 31, 2005, and incorporated herein by reference.
3.2	Spartan Motors, Inc. Bylaws, as amended to date. Previously filed as an exhibit to the Company's Form 10-Q Quarterly Report for the period ended March 31, 2003, and incorporated herein by reference.
10.1	Form of Restricted Stock Agreement. Previously filed as an exhibit to the Company's Form 10-Q Quarterly Report for the period ended June 30, 2005, and incorporated herein by reference.*
10.2	Form of Stock Appreciation Rights Agreement. Previously filed as an exhibit to the Company's Form 10-Q Quarterly Report for the period ended June 30, 2005, and incorporated herein by reference.*
10.3	Spartan Motors, Inc. Stock Incentive Plan of 2005. Previously filed as an exhibit to the Company's Form 10-Q Quarterly Report for the period ended September 30, 2005, and incorporated herein by reference.*
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act.
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act.
32	Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. § 1350.

*Management contract or compensatory plan or arrangement.

SIGNATURES

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

Date: November 9, 2006

SPARTAN MOTORS, INC.

By /s/ James W. Knapp

James W. Knapp
Senior Vice President, Chief Financial Officer,
Secretary and Treasurer
(Principal Accounting and Financial Officer and
duly authorized signatory for the registrant)

EXHIBIT INDEX

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*Management contract or compensatory plan or arrangement.

EXHIBIT 31.1

CERTIFICATION

I, John E. Sztykiel, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Spartan Motors, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 9, 2006

/s/ John E. Sztykiel

John E. Sztykiel
President and Chief Executive Officer
Spartan Motors, Inc.

EXHIBIT 31.2

CERTIFICATION

I, James W. Knapp, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Spartan Motors, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 9, 2006

/s/ James W. Knapp

James W. Knapp
Chief Financial Officer, Secretary and Treasurer
Spartan Motors, Inc.

EXHIBIT 32

CERTIFICATION

Each of the undersigned hereby certifies in his capacity as an officer of Spartan Motors, Inc. (the "Company"), pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350 that:

1. The Quarterly Report on Form 10-Q of the Company for the three month period ended September 30, 2006 (the "Report") fully complies with the requirements of Section 13(a) of the Securities and Exchange Act of 1934 (15 U.S.C. 78m); and

2. The information contained in the Report fairly presents, in all material respects, the financial condition at the end of such period and results of operations of the Company for such period.

Dated: November 9, 2006

/s/ John E. Sztykiel

John E. Sztykiel
President and Chief Executive Officer

Dated: November 9, 2006

/s/ James W. Knapp

James W. Knapp
Chief Financial Officer, Secretary and Treasurer