

BLACKROCK MUNICIPAL INCOME TRUST

Form N-Q

September 28, 2011

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**FORM N-Q**

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED MANAGEMENT INVESTMENT COMPANY**

Investment Company Act file number 811-10339

Name of Fund: BlackRock Municipal Income Trust (BFK)

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

Name and address of agent for service: John M. Perlowski, Chief Executive Officer, BlackRock Municipal Income Trust, 55 East 52<sup>nd</sup> Street, New York, NY 10055

Registrant's telephone number, including area code: (800) 882-0052, Option 4

Date of fiscal year end: 04/30/2012

Date of reporting period: 07/31/2011

Item 1 – Schedule of Investments

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Schedule of Investments July 31, 2011 (Unaudited)

**BlackRock Municipal Income Trust (BFK)**  
(Percentages shown are based on Net Assets)

|  | Par<br>(000)         | Value        |
|--|----------------------|--------------|
| <b>Municipal Bonds</b>   |                      |              |
| <b>Alabama 0.7%</b>  |                      |              |
| Alabama State Docks Department,<br>Refunding RB, 6.00%, 10/01/40   | \$ 4,080             | \$ 4,186,610 |
| <b>Arizona 3.7%</b>  |                      |              |
| Salt River Project Agricultural<br>Improvement & Power District, RB,<br>Series A, 5.00%, 1/01/38   | 3,860                | 3,947,043    |
| Salt Verde Financial Corp., RB:<br>5.00%, 12/01/32   | 10,030               | 9,076,949    |
| 5.00%, 12/01/37  | 9,460                | 8,467,268    |
|  |                      | 21,491,260   |
| <b>Arkansas 0.5%</b>   |                      |              |
| County of Little River Arkansas,<br>Refunding RB, Georgia-Pacific Corp.<br>Project, AMT, 5.60%, 10/01/26                                 | 3,255                | 3,151,361    |
| <b>California 28.8%</b>  |                      |              |
| Bay Area Toll Authority, Refunding RB,<br>San Francisco Bay Area, Series F-1,<br>5.63%, 4/01/44  | 4,445                | 4,683,563    |
| California County Tobacco Securitization<br>Agency, RB, CAB, Stanislaus, Sub-<br>Series C, 6.30%, 6/01/55 (a)                            | 17,855               | 179,443      |
| California Health Facilities Financing<br>Authority, Refunding RB, Sutter<br>Health, Series B, 6.00%, 8/15/42                            | 6,230                | 6,636,694    |
| California HFA, RB, AMT, Home<br>Mortgage, Series G, 5.50%, 8/01/42  | 5,260                | 5,242,326    |
| California State Public Works Board, RB,<br>Various Capital Projects, Sub-Series 1,<br>6.38%, 11/01/34                                   | 2,315                | 2,457,974    |
| California Statewide Communities<br>Development Authority, RB, Health<br>Facility Memorial Health Services,<br>Series A, 5.50%, 10/01/33 | 5,000                | 5,036,850    |
| City of Lincoln California, Special Tax<br>Bonds, Community Facilities District<br>No. 2003-1, 6.00%, 9/01/13 (b)                        | 3,115                | 3,512,038    |
| Foothill-De Anza Community College<br>District, GO, Series C, 5.00%,<br>8/01/40  | \$ 7,000             | \$ 7,171,710 |
|  | <b>Par<br/>(000)</b> | <b>Value</b> |
| <b>Municipal Bonds</b>   |                      |              |
| <b>California (concluded)</b>  |                      |              |
| Foothill Eastern Transportation Corridor<br>Agency California, Refunding RB,<br>CAB (a):<br>6.09%, 1/15/32                               | 54,635               | 13,528,172   |
| 6.09%, 1/15/38   | 75,000               | 11,248,500   |
| Golden State Tobacco Securitization<br>Corp. California, RB, Series 2003-A-1,<br>6.63%, 6/01/13 (b)                                      | 5,000                | 5,566,000    |
| Los Angeles Department of Airports, RB,<br>Series A, 5.25%, 5/15/39  | 1,560                | 1,606,114    |

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|   |        |             |
|---|--------|-------------|
| Los Angeles Department of Airports,<br>Refunding RB, Senior Los Angeles<br>International Airport, Series A, 5.00%,<br>5/15/40                                 | 11,690 | 11,855,297  |
| Los Angeles Regional Airports<br>Improvement Corp. California,<br>Refunding RB, Facilities LAXFUEL<br>Corp., LA International, AMT (AMBAC),<br>5.50%, 1/01/32 | 13,320 | 12,349,239  |
| Los Angeles Unified School District<br>California, GO, Series D:<br>5.25%, 7/01/24  | 5,000  | 5,520,600   |
| 5.25%, 7/01/25  | 3,490  | 3,784,835   |
| 5.00%, 7/01/26  | 1,305  | 1,384,631   |
| Murrieta Community Facilities District<br>Special Tax California, Special Tax<br>Bonds, District No. 2, The Oaks<br>Improvement Area A, 6.00%, 9/01/34        | 5,000  | 4,602,300   |
| San Francisco City & County Public<br>Utilities Commission, RB, Series B,<br>5.00%, 11/01/39  | 18,550 | 18,786,513  |
| State of California, GO, Various Purpose:<br>6.00%, 3/01/33   | 4,970  | 5,429,377   |
| 6.50%, 4/01/33  | 20,410 | 22,849,403  |
| University of California, RB, Limited<br>Project, Series B, 4.75%, 5/15/38  | 9,840  | 9,311,690   |
| West Valley-Mission Community College<br>District, GO, Election of 2004, Series<br>A (AGM), 4.75%, 8/01/30  | 4,015  | 4,023,833   |
|   |        | 166,767,102 |
| <b>Colorado 2.2%</b>  |        |             |
| City of Colorado Springs Colorado, RB,<br>Subordinate Lien, Improvement,<br>Series C (AGM), 5.00%, 11/15/45   | 2,115  | 2,135,177   |

**Portfolio Abbreviations**

To simplify the listings of portfolio holdings in the Schedule of Investments, the names and descriptions of many of the securities have been abbreviated according to the following list:

|       |   |
|-------|---|
| ACA   | American Capital Access Corp.           |
| AGC   | Assured Guaranty Corp.                  |
| AGM   | Assured Guaranty Municipal Corp.        |
| AMBAC | American Municipal Bond Assurance Corp. |
| AMT   | Alternative Minimum Tax (subject to)    |
| CAB   | Capital Appreciation Bonds              |
| EDA   | Economic Development Authority          |
| EDC   | Economic Development Corp.              |
| ERB   | Education Revenue Bonds                 |
| GO    | General Obligation Bonds                |
| HDA   | Housing Development Authority           |
| HFA   | Housing Finance Agency                  |
| NPFGC | National Public Finance Guarantee Corp. |
| RB    | Revenue Bonds                           |
| SAN   | State Aid Notes                         |



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Schedule of Investments (continued)

**BlackRock Municipal Income Trust (BFK)**  
(Percentages shown are based on Net Assets)

|   | Par<br>(000) | Value        |
|---|--------------|--------------|
| <b>Municipal Bonds</b>  |              |              |
| <b>Colorado (concluded)</b>   |              |              |
| Colorado Health Facilities Authority,<br>Refunding RB:  |              |              |
| Catholic Health, Series A,<br>5.50%, 7/01/34  | \$ 4,205     | \$ 4,338,172 |
| Sisters of Leavenworth,<br>Series A, 5.00%, 1/01/40   | 4,310        | 4,170,141    |
| Park Creek Metropolitan District<br>Colorado, Refunding RB, Senior,<br>Limited Tax Property Tax, 5.50%,<br>12/01/37     | 2,530        | 2,313,533    |
|   |              | 12,957,023   |
| <b>Connecticut 0.5%</b>   |              |              |
| Connecticut State Health & Educational<br>Facility Authority, RB, Ascension<br>Health Senior Credit, 5.00%,<br>11/15/40 | 2,710        | 2,735,447    |
| <b>Delaware 1.6%</b>  |              |              |
| County of Sussex Delaware, RB, NRG<br>Energy, Inc., Indian River Project,<br>6.00%, 10/01/40                            | 2,225        | 2,242,244    |
| Delaware State EDA, RB, Exempt<br>Facilities, Indian River Power, 5.38%,<br>10/01/45                                    | 7,950        | 7,170,661    |
|   |              | 9,412,905    |
| <b>District Of Columbia 4.7%</b>  |              |              |
| District of Columbia, Refunding RB,<br>Friendship Public Charter School Inc.<br>(ACA), 5.25%, 6/01/33                   | 2,390        | 1,948,161    |
| District of Columbia Tobacco Settlement<br>Financing Corp., Refunding RB, Asset-<br>Backed, 6.75%, 5/15/40              | 23,035       | 22,405,914   |
| Metropolitan Washington Airports<br>Authority, RB, First Senior Lien,<br>Series A:                                      |              |              |
| 5.00%, 10/01/39   | 990          | 991,911      |
| 5.25%, 10/01/44   | 1,545        | 1,553,034    |
|   |              | 26,899,020   |
| <b>Florida 5.2%</b>   |              |              |
| County of Miami-Dade Florida, RB,<br>Water & Sewer System, 5.00%,<br>10/01/34   | 6,625        | 6,736,697    |
| County of Miami-Dade Florida,<br>Refunding RB, Miami International<br>Airport, Series A-1, 5.38%, 10/01/41              | 2,280        | 2,293,771    |
| Miami Beach Health Facilities Authority,<br>RB, Mount Sinai Medical Center of<br>Florida, 6.75%, 11/15/21               | 7,045        | 7,244,444    |
| Mid-Bay Bridge Authority, RB, Series A,<br>7.25%, 10/01/40  | 4,450        | 4,531,302    |

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|  | Par<br>(000) | Value        |
|--|--------------|--------------|
| <b>Municipal Bonds</b>   |              |              |
| <b>Florida (concluded)</b>   |              |              |
| Stevens Plantation Community<br>Development District, Special<br>Assessment Bonds, Series A, 7.10%,<br>5/01/35               | \$ 3,650     | \$ 2,891,238 |
| Village Community Development District<br>No. 6, Special Assessment Bonds,<br>5.63%, 5/01/22                                 | 6,215        | 6,232,402    |
|  |              | 29,929,854   |
| <b>Georgia 2.4%</b>  |              |              |
| DeKalb Private Hospital Authority,<br>Refunding RB, Childrens Healthcare,<br>5.25%, 11/15/39                                 | 1,650        | 1,674,239    |
| Metropolitan Atlanta Rapid Transit<br>Authority, RB, Third Series, 5.00%,<br>7/01/39   | 5,000        | 4,992,300    |
| Private Colleges & Universities Authority,<br>Refunding RB, Emory University,<br>Series C, 5.00%, 9/01/38                    | 2,990        | 3,070,640    |
| Richmond County Development<br>Authority, Refunding RB, International<br>Paper Co. Project, Series A, AMT,<br>6.00%, 2/01/25 | 4,000        | 4,046,920    |
|  |              | 13,784,099   |
| <b>Guam 0.8%</b>   |              |              |
| Territory of Guam, GO, Series A:<br>6.00%, 11/15/19  | 1,245        | 1,236,609    |
| 6.75%, 11/15/29  | 1,775        | 1,806,293    |
| 7.00%, 11/15/39  | 1,255        | 1,294,746    |
|  |              | 4,337,648    |
| <b>Hawaii 0.5%</b>   |              |              |
| State of Hawaii, Refunding RB, Series A,<br>5.25%, 7/01/30   | 2,660        | 2,751,797    |
| <b>Illinois 9.6%</b>   |              |              |
| City of Chicago Illinois, Refunding RB,<br>General, Third Lien, Series C, 6.50%,<br>1/01/41                                  | 11,385       | 12,529,306   |
| Illinois Finance Authority, RB:<br>Advocate Health Care,<br>Series C, 5.38%, 4/01/44   | 10,630       | 10,692,186   |
| MJH Education Assistance IV<br>LLC, Sub-Series B, 5.38%,<br>6/01/35 (c)(d)   | 1,675        | 335,067      |
| Navistar International<br>Recovery Zone, 6.50%,<br>10/15/40  | 3,010        | 3,093,528    |
| Illinois Finance Authority, Refunding RB:<br>Central Dupage Health,<br>Series B, 5.50%, 11/01/39                             | 3,160        | 3,205,757    |
| Elmhurst Memorial<br>Healthcare, 5.63%, 1/01/28  | 3,000        | 2,892,450    |
| Friendship Village<br>Schaumburg, Series A, 5.63%,<br>2/15/37  | 845          | 670,727      |
| Series 05-A, 5.25%, 7/01/41  | 760          | 769,728      |



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Schedule of Investments (continued)

**BlackRock Municipal Income Trust (BFK)**  
(Percentages shown are based on Net Assets)

|   | Par<br>(000) | Value        |
|---|--------------|--------------|
| <b>Municipal Bonds</b>  |              |              |
| <b>Illinois (concluded)</b>   |              |              |
| Metropolitan Pier & Exposition Authority,<br>Refunding RB, AGM, McCormick Place<br>Expansion Project:   |              |              |
| Series B-2, 5.00%, 6/15/50  | \$ 6,155     | \$ 5,653,737 |
| Series B, 5.00%, 6/15/50  | 4,885        | 4,487,166    |
| Railsplitter Tobacco Settlement<br>Authority, RB:   |              |              |
| 5.50%, 6/01/23  | 2,625        | 2,719,631    |
| 6.00%, 6/01/28  | 2,245        | 2,312,013    |
| State of Illinois, RB, Build Illinois,<br>Series B, 5.25%, 6/15/34  | 1,240        | 1,258,290    |
| Village of Bolingbrook Illinois, GO,<br>Refunding, Series B (NPFGC) (a):  |              |              |
| 6.01%, 1/01/33  | 6,820        | 1,658,692    |
| 6.01%, 1/01/34  | 14,085       | 3,199,830    |
|   |              | 55,478,108   |
| <b>Indiana 3.2%</b>   |              |              |
| City of Vincennes Indiana, Refunding<br>RB, Southwest Indiana Regional Youth<br>Village, 6.25%, 1/01/24   | 2,030        | 1,770,688    |
| Indiana Finance Authority, RB, Sisters of<br>St. Francis Health, 5.25%, 11/01/39  | 1,655        | 1,662,563    |
| Indiana Health Facility Financing<br>Authority, Refunding RB, Methodist<br>Hospital Inc., 5.50%, 9/15/31  | 9,000        | 7,674,030    |
| Indiana Municipal Power Agency, RB,<br>Series B, 6.00%, 1/01/39   | 2,150        | 2,281,860    |
| Petersburg Indiana, RB, Indiana Power<br>& Light, AMT, 5.90%, 12/01/24  | 5,000        | 5,103,100    |
|   |              | 18,492,241   |
| <b>Kansas 0.6%</b>  |              |              |
| Kansas Development Finance Authority,<br>Refunding RB, Sisters of Leavenworth,<br>Series A, 5.00%, 1/01/40  | 3,275        | 3,303,984    |
| <b>Kentucky 0.3%</b>  |              |              |
| Kentucky Economic Development<br>Finance Authority, Refunding RB,<br>Owensboro Medical Health System,<br>Series A, 6.38%, 6/01/40                           | 1,490        | 1,518,548    |
| <b>Louisiana 1.2%</b>   |              |              |
| Louisiana Local Government<br>Environmental Facilities & Community<br>Development Authority, RB, Westlake<br>Chemical Corp., Series A-1, 6.50%,<br>11/01/35 | 6,535        | 6,763,268    |
| <b>Municipal Bonds</b>  |              |              |
| <b>Maryland 1.8%</b>  |              |              |
| Maryland Community Development<br>Administration, Refunding RB,   | \$ 2,465     | \$ 2,322,597 |



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|   |        |            |
|---|--------|------------|
| Residential, Series A, AMT, 4.65%,<br>9/01/32   |        |            |
| Maryland EDC, RB, Transportation<br>Facilities Project, Series A, 5.75%,<br>6/01/35   | 855    | 837,874    |
| Maryland EDC, Refunding RB, CNX<br>Marine Terminals, Inc., 5.75%,<br>9/01/25  | 1,760  | 1,736,522  |
| Maryland Health & Higher Educational<br>Facilities Authority, Refunding RB,<br>Charlestown Community, 6.25%,<br>1/01/41               | 4,295  | 4,395,975  |
| Montgomery County Housing<br>Opportunities Commission, RB,<br>Series D, AMT, 5.50%, 1/01/38   | 920    | 962,734    |
|   |        | 10,255,702 |
| <b>Massachusetts 0.6%</b>   |        |            |
| Massachusetts Health & Educational<br>Facilities Authority, Refunding RB,<br>Partners Healthcare, Series J1,<br>5.00%, 7/01/39        | 3,535  | 3,546,312  |
| <b>Michigan 1.7%</b>  |        |            |
| Kalamazoo Hospital Finance Authority,<br>Refunding RB, Bronson Methodist<br>Hospital, 5.50%, 5/15/36                                  | 2,700  | 2,692,521  |
| Lansing Board of Water & Light, RB,<br>Series A, 5.50%, 7/01/41   | 2,870  | 3,040,937  |
| Michigan State Hospital Finance<br>Authority, Refunding RB, Henry Ford<br>Health System, Series A, 5.25%,<br>11/15/46                 | 4,230  | 3,793,676  |
|   |        | 9,527,134  |
| <b>Mississippi 2.4%</b>   |        |            |
| City of Gulfport Mississippi, RB,<br>Memorial Hospital at Gulfport Project,<br>Series A, 5.75%, 7/01/31                               | 14,025 | 14,027,384 |
| <b>Missouri 0.3%</b>  |        |            |
| Missouri State Health & Educational<br>Facilities Authority, RB, Senior Living<br>Facilities, Lutheran Senior Home,<br>5.50%, 2/01/42 | 2,035  | 1,856,388  |
| <b>Multi-State 3.0%</b>   |        |            |
| Centerline Equity Issuer Trust, 6.80%,<br>10/31/52 (e)(f)   | 16,000 | 17,416,160 |
| <b>Nebraska 0.7%</b>  |        |            |
| Douglas County Hospital Authority No. 2,<br>RB, Health Facilities, Immanuel<br>Obligation Group, 5.63%, 1/01/40                       | 3,280  | 3,315,982  |
| Lancaster County Hospital Authority<br>No. 1, RB, Immanuel Obligation Group,<br>5.63%, 1/01/40  | 600    | 596,178    |
|   |        | 3,912,160  |

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Schedule of Investments (continued)

**BlackRock Municipal Income Trust (BFK)**  
(Percentages shown are based on Net Assets)

| Municipal Bonds  | Par<br>(000) | Value        |
|--|--------------|--------------|
| <b>Nevada 0.8%</b>   |              |              |
| County of Clark Nevada, Refunding RB,<br>Alexander Dawson School Nevada<br>Project, 5.00%, 5/15/29   | \$ 4,550     | \$ 4,565,060 |
| <b>New Hampshire 0.6%</b>  |              |              |
| New Hampshire Health & Education<br>Facilities Authority, RB, Exeter Project,<br>5.75%, 10/01/31   | 3,500        | 3,540,145    |
| <b>New Jersey 9.2%</b>   |              |              |
| Middlesex County Improvement<br>Authority, RB, Heldrich Center Hotel,<br>Series B, 6.25%, 1/01/37 (c)(d)                                     | 3,680        | 331,200      |
| New Jersey EDA, RB:<br>Cigarette Tax, 5.75%,<br>6/15/29  | 15,500       | 15,362,205   |
| Continental Airlines Inc.<br>Project, 6.25%, 9/15/29   | 3,000        | 2,863,770    |
| Continental Airlines Inc.<br>Project, AMT, 7.00%,<br>11/15/30 (g)  | 15,410       | 15,417,859   |
| New Jersey EDA, Special Assessment<br>Bonds, Refunding, Kapkowski Road<br>Landfill Project, 6.50%, 4/01/28                                   | 8,000        | 8,201,040    |
| New Jersey Transportation Trust Fund<br>Authority, RB, Transportation System,<br>Series A, 5.50%, 6/15/41                                    | 8,000        | 8,352,720    |
| Tobacco Settlement Financing Corp.<br>New Jersey, Refunding RB, Series 1A,<br>4.50%, 6/01/23   | 3,135        | 2,841,752    |
|  |              | 53,370,546   |
| <b>New York 7.6%</b>   |              |              |
| Albany Industrial Development Agency,<br>RB, New Covenant Charter School<br>Project, Series A, 7.00%, 5/01/35<br>(c)(d)                      | 1,820        | 455,200      |
| Metropolitan Transportation Authority,<br>Refunding RB, Transportation,<br>Series D, 5.25%, 11/15/40   | 2,375        | 2,404,426    |
| New York City Industrial Development<br>Agency, RB, American Airlines Inc.,<br>JFK International Airport, AMT (g):<br>8.00%, 8/01/28         | 5,000        | 5,210,300    |
| 7.75%, 8/01/31   | 22,140       | 22,841,617   |
| New York Liberty Development Corp.,<br>Refunding RB, Second Priority, Bank<br>of America Tower at One Bryant Park<br>Project, 6.38%, 7/15/49 | 2,400        | 2,468,568    |
| New York State Environmental Facilities<br>Corp., RB, Revolving Funds, New York<br>City Municipal Water Project, Series B,<br>5.00%, 6/15/31 | 5,375        | 5,421,117    |

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|   |       |            |
|---|-------|------------|
| Port Authority of New York & New Jersey,<br>RB, JFK International Air Terminal: |       |            |
| 6.00%, 12/01/36   | 2,525 | 2,565,526  |
| 6.00%, 12/01/42   | 2,460 | 2,488,684  |
|   |       | 43,855,438 |

|  | Par<br>(000) | Value        |
|--|--------------|--------------|
| <b>Municipal Bonds</b>   |              |              |
| <b>North Carolina 4.4%</b>   |              |              |
| Gaston County Industrial Facilities &<br>Pollution Control Financing Authority<br>North Carolina, RB, Exempt Facilities<br>National Gypsum Co. Project, AMT,<br>5.75%, 8/01/35 | \$ 12,130    | \$ 9,247,791 |
| North Carolina Capital Facilities Finance<br>Agency, RB, Duke University Project,<br>Series B, 5.00%, 10/01/38   | 10,000       | 10,360,100   |
| North Carolina Capital Facilities Finance<br>Agency, Refunding RB, Duke<br>University Project, Series B, 4.25%,<br>7/01/42   | 3,335        | 3,112,088    |
| North Carolina Medical Care<br>Commission, RB, Duke University<br>Health System, Series A, 5.00%,<br>6/01/42   | 2,750        | 2,772,880    |
|  |              | 25,492,859   |
| <b>Ohio 2.5%</b>   |              |              |
| County of Allen Ohio, Refunding RB,<br>Catholic Healthcare, Series A, 5.25%,<br>6/01/38  | 6,125        | 6,146,009    |
| County of Montgomery Ohio, Refunding<br>RB, Catholic Healthcare, Series A,<br>5.00%, 5/01/39   | 5,450        | 5,425,257    |
| Pinnacle Community Infrastructure<br>Financing Authority, RB, Facilities,<br>Series A, 6.25%, 12/01/36   | 3,760        | 2,965,474    |
|  |              | 14,536,740   |
| <b>Oklahoma 1.3%</b>   |              |              |
| Tulsa Airports Improvement Trust, RB,<br>Series A, Mandatory Put Bonds, AMT,<br>7.75%, 6/01/35 (g)   | 7,175        | 7,414,645    |
| <b>Pennsylvania 2.2%</b>   |              |              |
| Allegheny County Hospital Development<br>Authority, Refunding RB, Health<br>System, West Penn, Series A, 5.38%,<br>11/15/40  | 3,000        | 2,522,580    |
| Pennsylvania Economic Development<br>Financing Authority, RB:<br>Amtrak Project, Series A, AMT,<br>6.38%, 11/01/41   | 6,500        | 6,524,115    |
| Aqua Pennsylvania Inc.<br>Project, 5.00%, 11/15/40   | 3,725        | 3,782,849    |
|  |              | 12,829,544   |
| <b>Puerto Rico 3.9%</b>  |              |              |
| Puerto Rico Sales Tax Financing Corp.,<br>RB, Series A:  |              |              |
| CAB, 6.66%, 8/01/33 (a)  | 12,670       | 3,015,967    |
| CAB, 6.67%, 8/01/36 (a)  | 40,000       | 7,514,000    |
| First Sub, 6.50%, 8/01/44  | 10,900       | 11,781,265   |
|  |              | 22,311,232   |



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Schedule of Investments (continued)

**BlackRock Municipal Income Trust (BFK)**  
(Percentages shown are based on Net Assets)

|   | Par<br>(000) | Value        |
|---|--------------|--------------|
| <b>Municipal Bonds</b>  |              |              |
| <b>South Carolina 2.0%</b>  |              |              |
| South Carolina Jobs-EDA, Refunding RB,<br>Palmetto Health Alliance, Series A,<br>6.25%, 8/01/31                                     | \$ 5,075     | \$ 5,124,329 |
| South Carolina State Ports Authority, RB,<br>5.25%, 7/01/40   | 6,455        | 6,569,770    |
|   |              | 11,694,099   |
| <b>Tennessee 0.6%</b>   |              |              |
| Knox County Health Educational &<br>Housing Facilities Board Tennessee,<br>Refunding RB, CAB, Series A (AGM),<br>5.70%, 1/01/20 (a) | 5,055        | 3,219,530    |
| <b>Texas 16.0%</b>  |              |              |
| Brazos River Authority, RB, TXU Electric,<br>Series A, AMT, 8.25%, 10/01/30   | 4,370        | 1,661,474    |
| Brazos River Authority, Refunding RB,<br>TXU Electric Co. Project, Series C,<br>Mandatory Put Bonds, AMT, 5.75%,<br>5/01/36 (g)     | 3,625        | 3,568,051    |
| Central Texas Regional Mobility<br>Authority, RB, Senior Lien, 6.25%,<br>1/01/46  | 4,210        | 4,194,970    |
| City of Dallas Texas, Refunding RB,<br>5.00%, 10/01/35  | 2,970        | 3,126,044    |
| City of Houston Texas, RB, Senior Lien,<br>Series A, 5.50%, 7/01/39   | 3,000        | 3,099,120    |
| City of Houston Texas, Refunding RB,<br>Series A:<br>Combined First Lien, AGC, 6.00%,<br>11/15/35                                   | 16,425       | 18,279,383   |
| Refunding Sub Lien, AMT,<br>5.00%, 7/01/22  | 6,020        | 6,243,884    |
| Harris County-Houston Sports Authority,<br>Refunding RB (NPFGC) (a):<br>CAB, Junior Lien, Series H,<br>6.12%, 11/15/35              | 5,000        | 829,600      |
| CAB, Senior Lien, Series A,<br>5.96%, 11/15/38  | 12,580       | 1,805,607    |
| Third Lien, Series A-3, 5.97%,<br>11/15/37  | 26,120       | 3,609,784    |
| Lower Colorado River Authority,<br>Refunding RB:<br>(NPFGC), 5.00%, 5/15/13   | 50           | 54,062       |
| (NPFGC), 5.00%, 5/15/13   | 70           | 75,621       |
| (NPFGC), 5.00%, 5/15/31   | 1,150        | 1,159,338    |
| LCRA Transmission Services Project<br>(AMBAC), 4.75%, 5/15/34   | 140          | 137,693      |
| Series A (NPFGC), 5.00%, 5/15/13  | 5            | 5,406        |
| North Texas Tollway Authority, RB, Toll<br>Second Tier, Series F, 6.13%,<br>1/01/31   | 12,180       | 12,575,728   |

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|  |                  |                    |
|--|------------------|--------------------|
| San Antonio Energy Acquisition Public Facility Corp., RB, Gas Supply, 5.50%, 8/01/25   | 6,540            | 6,733,453          |
|  | <b>Par (000)</b> | <b>Value</b>       |
| <b>Municipal Bonds</b>   |                  |                    |
| <b>Texas (concluded)</b>   |                  |                    |
| Tarrant County Cultural Education Facilities Finance Corp., RB, Scott & White Healthcare, 6.00%, 8/15/45   | \$ 7,930         | \$ 8,312,940       |
| Texas Private Activity Bond Surface Transportation Corp., RB, Senior Lien: LBJ Infrastructure Group LLC, LBJ Freeway Managed Lanes Project, 7.00%, 6/30/40 | 7,975            | 8,479,499          |
| NTE Mobility Partners LLC, North Tarrant Express Managed Lanes Project, 6.88%, 12/31/39  | 7,590            | 7,997,887          |
| Texas State Affordable Housing Corp., RB, American Opportunity Housing Portfolio, Junior Series B, 8.00%, 3/01/32 (c)                                      | 4,435            | 206,183            |
| Texas State Turnpike Authority, RB, First Tier, Series A (AMBAC), 5.00%, 8/15/42   | 640              | 585,510            |
|  |                  | 92,741,237         |
| <b>Utah 1.2%</b>   |                  |                    |
| City of Riverton Utah, RB, IHC Health Services Inc., 5.00%, 8/15/41  | 7,150            | 7,154,504          |
| <b>Virginia 1.6%</b>   |                  |                    |
| City of Norfolk Virginia, Refunding RB, Series B (AMBAC), 5.50%, 2/01/31   | 2,240            | 2,221,475          |
| Virginia Commonwealth Transportation Board, RB, CAB, Contract, Route 28 (NPFGC), 5.30%, 4/01/32 (a)  | 8,105            | 2,740,949          |
| Virginia HDA, RB, Sub-Series H-1 (NPFGC), 5.35%, 7/01/31   | 4,520            | 4,521,672          |
|  |                  | 9,484,096          |
| <b>Washington 0.7%</b>   |                  |                    |
| Washington Health Care Facilities Authority, RB, Swedish Health Services, Series A, 6.75%, 11/15/41  | 3,900            | 4,173,468          |
| <b>Wisconsin 2.4%</b>  |                  |                    |
| Wisconsin Health & Educational Facilities Authority, RB: Ascension Health Senior Care Group, 5.00%, 11/15/30   | 3,210            | 3,273,077          |
| Ascension Health Senior Care Group, 5.00%, 11/15/33  | 1,640            | 1,655,400          |
| Aurora Health Care, 6.40%, 4/15/33   | 7,500            | 7,616,550          |
| Wisconsin Health & Educational Facilities Authority, Refunding RB, Froedtert & Community Health Inc., 5.38%, 10/01/30                                      | 1,205            | 1,212,579          |
|  |                  | 13,757,606         |
| <b>Total Municipal Bonds 134.0%</b>  |                  | <b>774,642,264</b> |



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Schedule of Investments (continued)

**BlackRock Municipal Income Trust (BFK)**  
(Percentages shown are based on Net Assets)

| Municipal Bonds Transferred to Tender<br>Option Bond (TOB) Trusts (h)   | Par<br>(000) | Value        |
|---|--------------|--------------|
| <b>Alabama 0.8%</b>   |              |              |
| Alabama Special Care Facilities<br>Financing Authority-Birmingham,<br>Refunding RB, Ascension Health<br>Senior Credit, Series C-2, 5.00%,<br>11/15/36 | \$ 4,548     | \$ 4,573,048 |
| <b>California 3.1%</b>  |              |              |
| California Educational Facilities<br>Authority, RB, University of Southern<br>California, Series B, 5.25%, 10/01/39                                   | 5,115        | 5,357,195    |
| Los Angeles Community College District<br>California, GO, Election of 2001,<br>Series A (AGM), 5.00%, 8/01/32   | 4,500        | 4,612,500    |
| San Diego Community College District<br>California, GO, Election of 2002,<br>5.25%, 8/01/33   | 3,260        | 3,434,474    |
| University of California, RB, Series C<br>(NPFGC), 4.75%, 5/15/37   | 5,000        | 4,743,250    |
|   |              | 18,147,419   |
| <b>Colorado 2.2%</b>  |              |              |
| Colorado Health Facilities Authority, RB,<br>Catholic Health, (AGM):<br>Series C-3, 5.10%, 10/01/41   | 7,600        | 7,553,108    |
| Series C-7, 5.00%, 9/01/36  | 4,860        | 4,832,249    |
|   |              | 12,385,357   |
| <b>Connecticut 3.4%</b>   |              |              |
| Connecticut State Health & Educational<br>Facility Authority, RB, Yale University:<br>Series T-1, 4.70%, 7/01/29                                      | 9,400        | 9,895,568    |
| Series X-3, 4.85%, 7/01/37  | 9,360        | 9,520,524    |
|   |              | 19,416,092   |
| <b>Massachusetts 1.2%</b>   |              |              |
| Massachusetts Water Resources<br>Authority, Refunding RB, General,<br>Series A, 5.00%, 8/01/41  | 6,770        | 6,895,922    |
| <b>New Hampshire 0.7%</b>   |              |              |
| New Hampshire Health & Education<br>Facilities Authority, Refunding RB,<br>Dartmouth College, 5.25%, 6/01/39  | 3,988        | 4,224,133    |
| <b>New York 6.5%</b>  |              |              |
| New York City Municipal Water Finance<br>Authority, RB, Series FF-2, 5.50%,<br>6/15/40  | 3,074        | 3,288,659    |
| New York City Municipal Water Finance<br>Authority, Water & Sewer RB, Second<br>General Resolution, Series HH,<br>5.00%, 6/15/31                      | 16,393       | 17,402,719   |
| New York State Dormitory Authority,<br>ERB, Series F, 5.00%, 3/15/35  | 16,708       | 17,028,220   |
|   |              | 37,719,598   |



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| Municipal Bonds Transferred to Tender<br>Option Bond (TOB) Trusts (h)                                | Par<br>(000)         | Value          |
|--|----------------------|----------------|
| <b>Virginia 1.9%</b>   |                      |                |
| University of Virginia, Refunding RB,<br>General, 5.00%, 6/01/40                                     | \$ 10,750            | \$ 11,158,930  |
| <b>Washington 3.6%</b>   |                      |                |
| Central Puget Sound Regional Transit<br>Authority, RB, Series A (AGM), 5.00%,<br>11/01/32            | 5,459                | 5,651,093      |
| State of Washington, GO, Various<br>Purpose, Series E, 5.00%, 2/01/34                                | 14,487               | 15,103,506     |
|  |                      | 20,754,599     |
| <b>Total Municipal Bonds Transferred to<br/>Tender Option Bond (TOB) Trusts 23.4%</b>                |                      | 135,275,098    |
| <b>Total Long-Term Investments<br/>(Cost \$923,547,489) 157.4%</b>                                   |                      | 909,917,362    |
| <b>Short-Term Securities</b>   | <b>Shares</b>        |                |
| FFI Institutional Tax-Exempt Fund,<br>0.01% (i)(j)   | 189,590              | 189,590        |
|  | <b>Par<br/>(000)</b> |                |
| Michigan Finance Authority, RB, SAN,<br>Detroit Schools, Series A-1,<br>6.45%, 2/20/12               | \$ 6,375             | 6,484,331      |
| <b>Total Short-Term Securities<br/>(Cost \$6,564,589) 1.1%</b>                                       |                      | 6,673,921      |
| <b>Total Investments<br/>(Cost \$930,112,078*) 158.5%</b>  |                      | 916,591,283    |
| <b>Other Assets Less Liabilities 1.7%</b>  |                      | 9,613,347      |
| <b>Liability for TOB Trust Certificates, Including Interest<br/>Expense and Fees Payable (13.3)%</b> |                      | (77,071,651)   |
| <b>Preferred Shares, at Redemption Value (46.9)%</b>   |                      | (270,879,269)  |
| <b>Net Assets Applicable to Common Shares 100.0%</b>   |                      | \$ 578,253,710 |

\* The cost and unrealized appreciation (depreciation) of investments as of July 31, 2011, as computed for federal income tax purposes, were as follows:

|                               |                |
|-------------------------------|----------------|
| Aggregate cost                | \$ 853,659,791 |
| Gross unrealized appreciation | \$ 101,607,135 |
| Gross unrealized depreciation | (38,675,643)   |
| Net unrealized appreciation   | \$ 62,931,492  |

- (a) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.
- (b) US government securities, held in escrow, are used to pay interest on this security as well as to retire the bond in full at the date indicated, typically at a premium to par.
- (c) Issuer filed for bankruptcy and/or is in default of interest payments.
- (d) Non-income producing security.



Schedule of Investments (continued)

**BlackRock Municipal Income Trust (BFK)**

- (e) Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration to qualified institutional investors.
- (f) Security represents a beneficial interest in a trust. The collateral deposited into the trust is federally tax-exempt revenue bonds issued by various state or local governments, or their respective agencies or authorities. The security is subject to remarketing prior to its stated maturity.
- (g) Variable rate security. Rate shown is as of report date.
- (h) Securities represent bonds transferred to a TOB trust in exchange for which the Trust acquired residual interest certificates. These securities serve as collateral in a financing transaction.
- (i) Investments in companies considered to be an affiliate of the Trust during the period, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

| Affiliate                               | Shares<br>Held at<br>April 30, 2011 | Net<br>Activity | Shares<br>Held at<br>July 31, 2011 | Income   |
|---|-------------------------------------|-----------------|------------------------------------|----------|
| FFI Institutional<br>Tax-Exempt<br>Fund | 30,616,864                          | (30,427,274)    | 189,590                            | \$ 4,211 |

- (j) Represents the current yield as of report date.

Financial futures contracts sold as of July 31, 2011 were as follows:

| Contracts | Issue                       | Exchange<br>Chicago<br>Board of<br>Trade | Expiration        | Notional<br>Value | Unrealized<br>Depreciation |
|-----------|-----------------------------|--|-------------------|-------------------|----------------------------|
| 242       | 10-Year US<br>Treasury Note |  | September<br>2011 | \$ 30,416,375     | \$ (797,022)               |

Fair Value Measurements Various inputs are used in determining the fair value of investments and derivative financial instruments. These inputs are categorized in three broad levels for financial reporting purposes as follows:

Level 1 price quotations in active markets/exchanges for identical assets and liabilities

Level 2 other observable inputs (including, but not limited to: quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market-corroborated inputs)

Level 3 unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including the Trust's own assumptions used in determining the fair value of investments and derivative financial instruments)

The categorization of a value determined for investments and derivative financial instruments is based on the pricing transparency of the investment and derivative financial instrument and does not necessarily correspond to the Trust's perceived risk of investing in those securities. For information about the Trust's policy regarding valuation of investments and derivative financial instruments and other significant accounting policies, please refer to the Trust's most recent financial statements as contained in its annual report.



## Schedule of Investments (concluded)

## BlackRock Municipal Income Trust (BFK)

The following tables summarize the inputs used as of July 31, 2011 in determining the fair valuation of the Trust's investments and derivative financial instruments:

| Valuation Inputs                   | Level 1    | Level 2        | Level 3 | Total          |
|------------------------------------|------------|----------------|---------|----------------|
| <b>Assets:</b>                     |            |                |         |                |
| Investments:                       |            |                |         |                |
| Long-Term Investments <sup>1</sup> |            | \$ 909,917,362 |         | \$ 909,917,362 |
| Short-Term Securities              | \$ 189,590 | 6,484,331      |         | 6,673,921      |
| <b>Total</b>                       | \$ 189,590 | \$ 916,401,693 |         | \$ 916,591,283 |

<sup>1</sup> See above Schedule of Investments for value in each state or political subdivision.

| Valuation Inputs                              | Level 1      | Level 2 | Level 3 | Total        |
|---|--------------|---------|---------|--------------|
| Derivative Financial Instruments <sup>2</sup> |              |         |         |              |
| <b>Liabilities:</b>                           |              |         |         |              |
| Interest rate contracts                       | \$ (797,022) |         |         | \$ (797,022) |

<sup>2</sup> Derivative financial instruments are financial futures contracts, which are valued at the unrealized appreciation/depreciation on the instrument.

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### Item 2 – Controls and Procedures

2(a) – The registrant’s principal executive and principal financial officers, or persons performing similar functions, have concluded that the registrant’s disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the “1940 Act”)) are effective as of a date within 90 days of the filing of this report based on the evaluation of these controls and procedures required by Rule 30a-3(b) under the 1940 Act and Rule 13a-15(b) under the Securities Exchange Act of 1934, as amended.

2(b) – There were no changes in the registrant’s internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act) that occurred during the registrant’s last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the registrant’s internal control over financial reporting.

### Item 3 – Exhibits

Certifications – Attached hereto

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BlackRock Municipal Income Trust

By: /s/ John M. Perlowski  
John M. Perlowski  
Chief Executive Officer (principal executive officer) of  
BlackRock Municipal Income Trust

Date: September 26, 2011

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ John M. Perlowski  
John M. Perlowski  
Chief Executive Officer (principal executive officer) of  
BlackRock Municipal Income Trust

Date: September 26, 2011

By: /s/ Neal J. Andrews  
Neal J. Andrews  
Chief Financial Officer (principal financial officer) of  
BlackRock Municipal Income Trust

Date: September 26, 2011

