

BLACKROCK MUNICIPAL INCOME TRUST

Form N-Q

September 25, 2008

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: Donald C. Burke, Chief Executive Officer, BlackRock Municipal Income Trust, 800 Scudders Mill Road, Plainsboro, NJ, 08536. Mailing address: P.O. Box 9011, Princeton, NJ, 08543-9011

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

Date of fiscal year end: 10/31/2008

Date of reporting period: 05/01/2008  07/31/2008

---

Item 1 □ Schedule of Investments

**BlackRock Municipal Income Trust**

<b>Schedule of Investments July 31, 2008 (Unaudited)</b>		<b>(Percentages shown are based on Net Assets)</b>	
<b>State</b>	<b>Municipal Bonds</b>	<b>Par (000)</b>	<b>Value</b>
<b>Alabama - 2.9%</b>	Huntsville, Alabama, Health Care Authority Revenue Bonds, Series B, 5.75%, 6/01/12 (a)	\$ 15,000	\$ 16,551,450
	<b>Arizona - 6.7%</b>		
	Phoenix and Pima County, Arizona, IDA, S/F Mortgage Revenue Refunding Bonds, AMT, Series 2007-1, 5.25%, 8/01/38 (b)(c)	5,213	5,135,002
	Pima County, Arizona, IDA, Education Revenue Bonds (American Charter Schools Foundation), Series A, 5.625%, 7/01/38	4,590	4,038,466
	Salt Verde Financial Corporation, Arizona, Senior Gas Revenue Bonds, 5%, 12/01/32	10,280	8,739,748
	Salt Verde Financial Corporation, Arizona, Senior Gas Revenue Bonds, 5%, 12/01/37	14,395	11,971,458
	Scottsdale, Arizona, IDA, Hospital Revenue Bonds (Scottsdale Healthcare), 5.80%, 12/01/11 (a)	7,000	7,711,620
			37,596,294
<b>California - 17.1%</b>	California County Tobacco Securitization Agency, Tobacco Revenue Bonds (Stanislaus County Tobacco Funding Corporation), Sub-Series C, 6.30%, 6/01/55 (d)	17,855	349,244
	California State, GO, Refunding, 5%, 6/01/32	11,670	11,430,415
	California State, GO, Refunding, 5%, 6/01/34	7,000	6,817,300
	California Statewide Communities Development Authority, Health Facility Revenue Bonds (Memorial Health Services), Series A, 5.50%, 10/01/33	5,000	4,925,900
	Foothill/Eastern Corridor Agency, California, Toll Road Revenue Refunding Bonds, 6.09%, 1/15/32 (d)	54,635	11,645,450
	Foothill/Eastern Corridor Agency, California, Toll Road Revenue Refunding Bonds, 6.019%, 1/15/34 (d)	20,535	3,836,554
	Foothill/Eastern Corridor Agency, California, Toll Road Revenue Refunding Bonds, 6.09%, 1/15/38 (d)	75,000	10,492,500
	Golden State Tobacco Securitization Corporation of California, Tobacco Settlement Revenue Bonds, Series A-1, 6.625%, 6/01/13 (a)	10,000	11,371,700
	Lincoln, California, Special Tax Bonds (Community Facilities District Number 2003-1), 6%, 9/01/13 (a)	3,115	3,558,763

Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST - Form N-Q

Los Angeles, California, Regional Airports Improvement Corporation, Facilities Lease Revenue Refunding Bonds (LAXFUEL Corporation - Los Angeles International Airport), AMT, 5.50%, 1/01/32 (e)	13,320	13,044,675
Murrieta, California, Community Facilities District Number 2, Special Special Tax Bonds (The Oaks Improvement Area Project), Series A, 6%, 9/01/34	5,000	4,833,600

**Portfolio Abbreviations**

To simplify the listings of portfolio holdings in the Schedule of Investments, the names of many of the securities have been abbreviated according to the list below.

<b>AMT</b>	Alternative Minimum Tax (subject to)	<b>IDA</b>	Industrial Development Authority
<b>EDA</b>	Economic Development Authority	<b>IDR</b>	Industrial Development Revenue Bonds
<b>EDR</b>	Economic Development Revenue Bonds	<b>M/F</b>	Multi-Family
<b>GO</b>	General Obligation Bonds	<b>PCR</b>	Pollution Control Revenue Bonds
<b>HFA</b>	Housing Finance Authority	<b>S/F</b>	Single-Family
<b>HDA</b>	Housing Development Authority	<b>SIFMA</b>	Securities Industry and Financial Markets Association

**BlackRock Municipal Income Trust****Schedule of Investments July 31, 2008 (Unaudited)**

<b>State</b>	<b>Municipal Bonds</b>	<b>(Percent based on Par (000))</b>
	University of California Revenue Bonds, Series B, 4.75%, 5/15/38	\$ 10,565
	West Valley Mission Community College District, California, GO (Election of 2004), Series A, 4.75%, 8/01/30 (f)	4,015
<b>Colorado - 1.8%</b>	Colorado Health Facilities Authority, Revenue Refunding Bonds (Poudre Valley Health Care), 5.20%, 3/01/31 (f)	1,440
	Colorado Springs, Colorado, Utilities System Improvement Revenue Bonds, Subordinate Lien, Series C, 5%, 11/15/45 (f)	2,545
	Denver, Colorado, Health and Hospital Authority, Healthcare Revenue Bonds, Series A, 6%, 12/01/11 (a)	3,500
	Park Creek Metropolitan District, Colorado, Senior Limited Tax Supported Revenue Refunding Bonds, 5.50%, 12/01/37	2,530
<b>District of Columbia - 7.2%</b>	District of Columbia Revenue Bonds (Georgetown University), Series A, 6.013%, 4/01/11 (a)(d)(g)	15,600
	District of Columbia Revenue Bonds (Georgetown University), Series A, 6.015%, 4/01/11 (a)(d)(g)	51,185
	District of Columbia, Revenue Refunding Bonds (Friendship Public Charter School, Inc.), 5.25%, 6/01/33 (h)	2,390
	District of Columbia Tobacco Settlement Financing Corporation, Asset-Backed Revenue Refunding Bonds, 6.75%, 5/15/40	25,535
<b>Florida - 9.8%</b>	Heritage Isle at Viera Community Development District, Florida, Special Assessment Bonds, Series A, 6%, 5/01/35	1,905
	Highlands County, Florida, Health Facilities Authority, Hospital Revenue Bonds (Adventist Health System), Series A, 6%, 11/15/11 (a)	9,670
	Martin County, Florida, IDA, IDR, Refunding (Indiantown Cogeneration Project), AMT, Series A, 7.875%, 12/15/25	9,000
	Miami Beach, Florida, Health Facilities Authority, Hospital Revenue Refunding Bonds (Mount Sinai Medical Center of Florida), 6.75%, 11/15/21	11,685
	Orange County, Florida, Tourist Development, Tax Revenue Refunding Bonds, 4.75%, 10/01/32 (i)	10,830
	Stevens Plantation Community Development District, Florida, Special Assessment Revenue Bonds, Series A, 7.10%, 5/01/35	3,830
	Village Community Development District Number 5, Florida, Special Assessment Bonds, 5.625%, 5/01/22	7,965
<b>Georgia - 1.2%</b>	Main Street Natural Gas, Inc., Georgia, Gas Project Revenue Bonds, Series A, 6.375%, 7/15/38	3,500
	Richmond County, Georgia, Development Authority, Environmental Improvement Revenue Refunding Bonds (International Paper Co. Projects), AMT, Series A, 6%, 2/01/25	4,000
<b>Idaho - 3.2%</b>	University of Idaho, Student Fee Revenue Bonds (University Housing	

Improvement Projects), 5.40%, 4/01/11 (a)(j)

16,970

2

---

**BlackRock Municipal Income Trust****Schedule of Investments as of July 31, 2008 (Unaudited)**

<b>State</b>	<b>Municipal Bonds</b>	<b>Par (000)</b>	<b>(Perce ba</b>
<b>Illinois - 8.5%</b>	Bolingbrook, Illinois, GO, Refunding, Series B, 6%, 1/01/33 (d)(j)	\$ 7,12	
	Bolingbrook, Illinois, GO, Refunding, Series B, 6%, 1/01/34 (d)(j)	14,08	
	Centerpoint Intermodal Center Program Trust, Illinois, Tax Allocation Bonds, Class A, 8%, 6/15/23 (k)	4,63	
	Illinois Educational Facilities Authority, Revenue Refunding Bonds (University of Chicago), Series A, 5.25%, 7/01/41	76	
	Illinois Educational Facilities Authority, Student Housing Revenue Bonds (Education Advancement Fund - University Center Project at DePaul), 6.25%, 5/01/12 (a)	10,00	
	Illinois Health Facilities Authority, Revenue Refunding Bonds (Elmhurst Memorial Healthcare), 5.50%, 1/01/22	5,00	
	Illinois Health Facilities Authority, Revenue Refunding Bonds (Elmhurst Memorial Healthcare), 5.625%, 1/01/28	6,00	
	Illinois Municipal Electric Agency, Power Supply Revenue Bonds, 4.50%, 2/01/35 (j)	7,97	
	Illinois State Finance Authority Revenue Bonds (Friendship Village of Schaumburg), Series A, 5.625%, 2/15/37	1,68	
	Illinois State Finance Authority Revenue Bonds (Monarch Landing, Inc. Project), Series A, 7%, 12/01/37	2,88	
	Illinois State Finance Authority Revenue Bonds (Northwestern Memorial Hospital), Series A, 5.50%, 8/15/14 (a)	3,70	
	Illinois State Finance Authority, Student Housing Revenue Bonds (MJH Education Assistance IV LLC), Sub-Series B, 5.375%, 6/01/35	1,67	
	<b>Indiana - 6.1%</b>	Indiana Health Facilities Financing Authority, Hospital Revenue Refunding Bonds (Methodist Hospital, Inc.), 5.50%, 9/15/31	9,00
Petersburg, Indiana, PCR, Refunding (Indianapolis Power & Light Co. Project), AMT, 5.90%, 12/01/24		10,00	
Petersburg, Indiana, PCR, Refunding (Indianapolis Power & Light Co. Project), AMT, 5.95%, 12/01/29		16,00	
Vincennes, Indiana, EDR, Refunding, 6.25%, 1/01/24		2,30	
<b>Kentucky - 0.2%</b>	Kentucky Housing Corporation, Housing Revenue Bonds, AMT, Series F, 5.45%, 1/01/32 (l)(m)	1,36	
<b>Louisiana - 2.1%</b>	Louisiana Local Government Environmental Facilities and Community Development Authority, Revenue Bonds (Capital Projects and Equipment Acquisition Program), 6.55%, 9/01/25 (h)	9,21	
	Saint Tammany Parish, Louisiana, Financing Authority, S/F Mortgage Revenue Bonds (Home Ownership Program), Series A, 5.25%, 12/01/39 (b)(c)	3,18	
<b>Maryland - 0.6%</b>	Maryland State Community Development Administration, Department of Housing and Community Development, Residential Revenue Refunding Bonds, AMT, Series A, 4.65%, 9/01/32	2,66	
	Maryland State Health and Higher Educational Facilities Authority, Revenue Refunding Bonds (MedStar Health, Inc.), 5.50%, 8/15/33	1,20	



**BlackRock Municipal Income Trust****Schedule of Investments July 31, 2008 (Unaudited)**

<b>State</b>	<b>Municipal Bonds</b>	<b>(Perce base Par (000)</b>
<b>Michigan - 0.7%</b>	Michigan State Hospital Finance Authority, Revenue Refunding Bonds (Henry Ford Health System), Series A, 5.25%, 11/15/46	\$ 4,230
<b>Mississippi - 3.3%</b>	Gulfport, Mississippi, Hospital Facility Revenue Bonds (Memorial Hospital at Gulfport Project), Series A, 5.75%, 7/01/31	18,680
<b>Missouri - 0.1%</b>	Missouri Joint Municipal Electric Utility Commission, Power Project Revenue Bonds (Plum Point Project), 4.60%, 1/01/36	695
<b>Nebraska - 1.2%</b>	Omaha Public Power District, Nebraska, Electric System Revenue Bonds, Series A, 4.75%, 2/01/44	6,990
<b>Nevada - 0.9%</b>	Clark County, Nevada, EDR, Refunding (Alexander Dawson School of Nevada Project), 5%, 5/15/29	5,260
<b>New Hampshire - 1.3%</b>	New Hampshire Health and Education Facilities Authority Revenue Bonds (Exeter Hospital Obligated Group), 5.75%, 10/01/31	3,500
	New Hampshire State Business Finance Authority, PCR, Refunding (Public Service Company Project), AMT, Series B, 4.75%, 5/01/21 (g)	4,000
<b>New Jersey - 7.9%</b>	Middlesex County, New Jersey, Improvement Authority, Subordinate Revenue Bonds (Heldrich Center Hotel/Conference Project), Series B, 6.25%, 1/01/37	3,680
	New Jersey EDA, Cigarette Tax Revenue Bonds, 5.75%, 6/15/29	18,500
	New Jersey EDA, EDR, Refunding (Kapkowski Road Landfill Reclamation Improvement District Project), 6.50%, 4/01/28	8,000
	New Jersey EDA, Special Facility Revenue Bonds (Continental Airlines Inc. Project), AMT, 7%, 11/15/30	15,410
	Tobacco Settlement Financing Corporation of New Jersey, Asset-Backed Revenue Refunding Bonds, Series 1A, 4.50%, 6/01/23	4,620
<b>New York - 4.5%</b>	Albany, New York, IDA, Civic Facility Revenue Bonds (New Covenant Charter School Project), Series A, 7%, 5/01/35	1,820
	New York City, New York, City IDA, Special Facility Revenue Bonds (American Airlines, Inc. - JFK International Airport), AMT, 8%, 8/01/28	5,000
	New York City, New York, City IDA, Special Facility Revenue Bonds (Continental Airlines Inc. Project), AMT, 7.75%, 8/01/31	22,140
	New York Liberty Development Corporation Revenue Bonds (Goldman Sachs Headquarters), 5.25%, 10/01/35	675
<b>North Carolina - 3.5%</b>	Gaston County, North Carolina, Industrial Facilities and Pollution Control Financing Authority, Revenue Bonds (National Gypsum Company Project), AMT, 5.75%, 8/01/35	12,130
	North Carolina Capital Facilities Finance Agency, Revenue Refunding Bonds (Duke University Project), Series B, 4.25%, 7/01/42	12,550
<b>Ohio - 2.3%</b>	American Municipal Power, Inc., Ohio, Revenue Refunding Bonds (Prairie State Energy Campus Project), Series A, 5%, 2/15/38	7,150



**BlackRock Municipal Income Trust****Schedule of Investments July 31, 2008 (Unaudited)**

<b>State</b>	<b>Municipal Bonds</b>	<b>(Percentages based on M Par (000))</b>	
	Buckeye Tobacco Settlement Financing Authority, Ohio, Tobacco Settlement Asset-Backed Bonds, Series A-2, 6.50%, 6/01/47	\$	3,120
	Pinnacle Community Infrastructure Financing Authority, Ohio, Revenue Bonds, Series A, 6.25%, 12/01/36		3,760
<b>Oklahoma - 1.7%</b>	Oklahoma State Development Finance Authority, Revenue Refunding Bonds (Saint John Health System), 5%, 2/15/42		3,505
	Tulsa, Oklahoma, Municipal Airport Trust, Revenue Refunding Bonds, Series A, 7.75%, 6/01/35		7,175
<b>Pennsylvania - 4.3%</b>	Pennsylvania Economic Development Financing Authority, Exempt Facilities Revenue Bonds (Amtrak Project), AMT, Series A, 6.375%, 11/01/41		6,500
	Pennsylvania Economic Development Financing Authority, Exempt Facilities Revenue Bonds (Reliant Energy), AMT, Series A, 6.75%, 12/01/36		15,580
	Pennsylvania HFA, S/F Mortgage Revenue Refunding Bonds, AMT, Series 97A, 4.60%, 10/01/27		2,500
<b>South Carolina - 6.8%</b>	Lexington County, South Carolina, Health Services District Inc., Hospital Revenue Refunding and Improvement Bonds, 5.50%, 11/01/13 (a)		5,000
	Lexington County, South Carolina, Health Services District Inc., Hospital Revenue Refunding and Improvement Bonds, 5.75%, 11/01/13 (a)		10,000
	Scago Education Facilities Corporation for Chesterfield County School District, South Carolina, Revenue Refunding Bonds, 5%, 12/01/29 (o)		6,345
	South Carolina Jobs EDA, Hospital Facilities Revenue Refunding Bonds (Palmetto Health Alliance), Series A, 6.25%, 8/01/31		5,075
	South Carolina Jobs EDA, Hospital Facilities Revenue Refunding Bonds (Palmetto Health Alliance), Series C, 6.875%, 8/01/13 (a)		9,000
<b>Tennessee - 2.6%</b>	Knox County, Tennessee, Health, Educational and Housing Facilities Board, Hospital Facilities Revenue Refunding Bonds (Covenant Health), Series A, 5.70%, 1/01/20 (d)(f)		20,825
	Shelby County, Tennessee, Health, Educational and Housing Facility Board, Hospital Revenue Refunding Bonds (Saint Jude Children's Research Hospital), 5%, 7/01/25		3,475
<b>Texas - 15.2%</b>	Brazos River Authority, Texas, PCR, Refunding (TXU Energy Company LLC Project), AMT, Series A, 8.25%, 10/01/30		4,370
	Harris County-Houston Sports Authority, Texas, Revenue Refunding Bonds, Junior Lien, Series H, 6.065%, 11/15/35 (d)(g)		5,000



**BlackRock Municipal Income Trust****Schedule of Investments July 31, 2008 (Unaudited)****(Percentages shown are based on Net Assets)**

<b>State</b>	<b>Municipal Bonds</b>	<b>Par (000)</b>	<b>Value</b>
	Harris County-Houston Sports Authority, Texas, Revenue Refunding Bonds, Senior Lien, Series A, 5.832%, 11/15/38 (d)(g)	\$ 12,580	\$ 1,871,904
	Harris County-Houston Sports Authority, Texas, Revenue Refunding Bonds, Third Lien, Series A-3, 5.97%, 11/15/37 (d)(g)	26,120	4,089,870
	Lower Colorado River Authority, Texas, Revenue Refunding Bonds, 5%, 5/15/13 (a)(g)	50	54,122
	Lower Colorado River Authority, Texas, Revenue Refunding Bonds, 5%, 5/15/31 (g)	2,345	2,301,031
	Lower Colorado River Authority, Texas, Revenue Refunding Bonds, Series A, 5%, 5/15/13 (a)(g)	5	5,412
	Lower Colorado River Authority, Texas, Transmission Contract Revenue Refunding Bonds (LCRA Transmission Services Corp. Project), 4.75%, 5/15/34 (e)	13,305	12,459,068
	Montgomery County, Texas, Municipal Utility District Number 46, Waterworks and Sewer System, GO, 4.75%, 3/01/30 (g)	1,700	1,616,207
	North Texas Tollway Authority, System Revenue Refunding Bonds, Second Tier, Series F, 6.125%, 1/01/31	12,180	12,327,378
	SA Energy Acquisition Public Facilities Corporation, Texas, Gas Supply Revenue Bonds, 5.50%, 8/01/25	6,540	6,214,504
	Texas State Affordable Housing Corporation, M/F Housing Revenue Bonds (Amern Opportunity Housing Portfolio), Series B, 8%, 3/01/32 (p)	4,435	443,766
	Texas State Turnpike Authority, Central Texas Turnpike System Revenue Bonds, 6.07%, 8/15/32 (d)(e)	35,000	8,009,050
	Texas State Turnpike Authority, Central Texas Turnpike System Revenue Bonds, 6.08%, 8/15/33 (d)(e)	62,325	13,315,736
	Texas State Turnpike Authority, Central Texas Turnpike System Revenue Bonds, 6.08%, 8/15/34 (d)(e)	65,040	13,065,235
	Texas State Turnpike Authority, Central Texas Turnpike System Revenue Bonds, First Tier, Series A, 5%, 8/15/42 (e)	5,000	4,774,400
			85,747,991
<b>Virginia - 0.4%</b>	Virginia Commonwealth Transportation Board, Transportation Contract Revenue Refunding Bonds (U.S. Route 28 Project), 5.287%, 4/01/32 (d)	8,105	2,173,113
<b>Washington - 0.8%</b>	Washington State Health Care Facilities Authority, Revenue		

Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST - Form N-Q

	Refunding Bonds (Providence Health System), Series A, 4.625%, 10/01/34 (j)	5,095	4,569,094
<b>West Virginia - 0.4%</b>	West Virginia EDA, Lease Revenue Bonds (Correctional, Juvenile and Public Safety Facilities), Series A, 5%, 6/01/29 (g)	2,070	2,033,051
<b>Wisconsin - 6.9%</b>	Wisconsin State Health and Educational Facilities Authority Revenue Bonds (Aurora Health Care, Inc.), 6.40%, 4/15/33	7,500	7,625,475
	Wisconsin State Health and Educational Facilities Authority, Revenue Refunding Bonds (Froedtert and Community Health), 5.375%, 10/01/11 (a)	12,545	13,647,706

**BlackRock Municipal Income Trust****Schedule of Investments July 31, 2008 (Unaudited)****(Percentages shown are based on Net Assets)**

<b>State</b>	<b>Municipal Bonds</b>	<b>Par (000)</b>	<b>Value</b>
	Wisconsin State Health and Educational Facilities Authority, Revenue Refunding Bonds (Froedtert and Community Health), 5.375%, 10/01/30	\$ 1,205	\$ 1,220,810
	Wisconsin State Health and Educational Facilities Authority, Revenue Refunding Bonds (Wheaton Franciscan Services, Inc.), 5.75%, 2/15/12 (a)	15,000	16,552,650
			39,046,641
<b>Wyoming - 0.8%</b>	Wyoming Community Development Authority, Housing Revenue Bonds, AMT, Series 3, 4.65%, 12/01/27	2,765	2,356,250
	Wyoming Community Development Authority, Housing Revenue Bonds, AMT, Series 3, 4.70%, 12/01/32	2,605	2,143,186
			4,499,436
<b>Multi-State - 8.0%</b>	Charter Mac Equity Issuer Trust, 6.30%, 6/30/49 (k)(q)	11,000	11,336,050
	Charter Mac Equity Issuer Trust, 6.625%, 6/30/49 (k)(q)	1,000	1,032,720
	Charter Mac Equity Issuer Trust, 6.80%, 11/30/50 (k)(q)	6,500	6,960,395
	Charter Mac Equity Issuer Trust, 6.80%, 10/31/52 (k)(q)	16,000	17,746,400
	MuniMae TE Bond Subsidiary LLC, 6.875%, 6/30/49 (k)(q)	8,000	8,213,120
			45,288,685
<b>Puerto Rico - 1.0%</b>	Puerto Rico Commonwealth Highway and Transportation Authority, Transportation Revenue Refunding Bonds, Series N, 5.25%, 7/01/36 (o)	5,000	5,118,300
	<b>Total Municipal Bonds - 142.0%</b>		800,372,813
	<b>Municipal Bonds Transferred to Tender Option Bond Trusts (r)</b>		
<b>Alabama - 0.8%</b>	Birmingham, Alabama, Special Care Facilities Financing Authority, Revenue Refunding Bonds (Ascension Health Credit), Series C-2, 5%, 11/15/36	4,548	4,387,472
<b>California - 1.9%</b>	Sacramento County, California, Airport System Revenue Bonds, AMT, Senior Series B, 5.25%, 7/01/39 (f)	6,223	5,957,051
	University of California Revenue Bonds, Series C, 4.75%, 5/15/37 (g)	5,000	4,722,600
			10,679,651
<b>Colorado -3.5 %</b>	Colorado Health Facilities Authority Revenue Bonds (Catholic Health), Series C-3, 5.10%, 10/01/41 (f)	7,604	7,531,422
	Colorado Health Facilities Authority Revenue Bonds (Catholic Health), Series C-7, 5%, 9/01/36 (f)	4,859	4,786,663
	Colorado Health Facilities Authority, Revenue Refunding Bonds (Poudre Valley Health Care), Series B, 5.25%, 3/01/36 (f)	2,878	2,885,215

Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST - Form N-Q

	Colorado Health Facilities Authority, Revenue Refunding Bonds (Poudre Valley Health Care), Series C, 5.25%, 3/01/40 (f)	4,994	4,992,194
			20,195,494
<b>Connecticut - 3.3%</b>	Connecticut State Health and Educational Facilities Authority Revenue Bonds (Yale University), Series T-1, 4.70%, 7/01/29	9,404	9,400,862
	Connecticut State Health and Educational Facilities Authority Revenue Bonds (Yale University), Series X-3, 4.85%, 7/01/37	9,358	9,378,236
			18,779,098

**BlackRock Municipal Income Trust****Schedule of Investments July 31, 2008 (Unaudited)**

<b>State</b>	<b>Municipal Bonds Transferred to Tender Option Bond Trusts (r)</b>	<b>Par (000)</b>	<b>(Percentage based on)</b>
<b>Illinois - 2.8%</b>	Chicago, Illinois, Housing Authority, Capital Program Revenue Refunding Bonds, 5%, 7/01/24 (f)	\$ 8,234	\$
	Chicago, Illinois, O'Hare International Airport Revenue Refunding Bonds, Third Lien, AMT, Series C-2, 5.25%, 1/01/30 (f)	7,648	
<b>Massachusetts - 1.2%</b>	Massachusetts State Water Resource Authority, General Revenue Refunding Bonds, Series A, 5%, 8/01/41	6,763	
<b>New York - 1.0%</b>	New York State Environmental Facilities Corporation, State Clean Water and Drinking Revenue Bonds (New York City Water Project), Series B, 5%, 6/15/31	5,370	
<b>Ohio - 3.2%</b>	Ohio State Air Quality Development Authority, Revenue Refunding Bonds (Dayton Power and Light Company Project), Series B, 4.80%, 1/01/34 (j)(s)	18,818	
<b>Virginia - 3.2%</b>	University of Virginia, Revenue Refunding Bonds, 5%, 6/01/40	10,755	
	Virginia State, HDA, Commonwealth Mortgage Revenue Bonds, Series H, Sub-Series H-1, 5.35%, 7/01/31 (g)	6,810	
<b>Washington - 1.6%</b>	Central Puget Sound Regional Transportation Authority, Washington, Sales and Use Tax Revenue Bonds, Series A, 5%, 11/01/32 (f)	5,460	
	King County, Washington, Sewer Revenue Refunding Bonds, 5%, 1/01/36 (f)	3,613	
<b>Total Municipal Bonds Transferred to Tender Option Bond Trusts - 22.5%</b>			
<b>Total Long-Term Investments (Cost - \$955,993,376) - 164.5%</b>			
<b>Short-Term Securities</b>			<b>Shares</b>
	Merrill Lynch Institutional Tax-Exempt Fund, 2.08% (n)(t)	5,500,000	
<b>Total Short-Term Securities (Cost - \$5,500,000) - 1.0%</b>			
<b>Total Investments (Cost - \$961,493,376*) - 165.5%</b>			
<b>Other Assets Less Liabilities - 1.1%</b>			
<b>Liability for Trust Certificates, Including Interest Expense and Fees Payable - (14.6)%</b>			
<b>Preferred Shares, at Redemption Value - (52.0)%</b>			
<b>Net Assets Applicable to Common Shares - 100.0%</b>			\$

\* The cost and unrealized appreciation (depreciation) of investments as of July 31, 2008, as computed for federal income tax purposes, were as follows:

Aggregate cost	\$ 879,243,906
Gross unrealized appreciation	\$ 22,720,305
Gross unrealized depreciation	(51,184,617)
Net unrealized depreciation	\$ (28,464,312)

(a)

Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST - Form N-Q

U.S. 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.

- (b) FHLMC Collateralized.
- (c) FNMA/GNMA Collateralized.
- (d) Represents a zero-coupon bond. Rate shown reflects the effective yield at time of purchase.
- (e) AMBAC Insured.
- (f) FSA Insured.

## BlackRock Municipal Income Trust

### Schedule of Investments July 31, 2008 (Unaudited)

- (g) MBIA Insured.
- (h) ACA Insured.
- (i) XL Capital Insured.
- (j) FGIC Insured.
- (k) 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. Unless otherwise indicated, these securities are considered to be liquid.
- (l) FHA Insured.
- (m) FNMA Collateralized.
- (n) Represents the current yield as of report date.
- (o) Assured Guaranty Insured.
- (p) Issuer filed for bankruptcy or is in default of interest payments.
- (q) 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, and is subject to mandatory redemption at maturity.
- (r) Securities represent underlying bonds transferred to a tender option bond trust in exchange for which the the Fund acquired the residual interest certificates. These securities serve as collateral in a financing transaction.
- (s) BHAC Insured.
- (t) Investments in companies considered to be an affiliate of the Trust, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, were as follows:

<b>Affiliate</b>	<b>Net Activity</b>	<b>Income</b>
Merrill Lynch Institutional Tax-Exempt Fund	2,900,000	\$ 340,576

- Forward interest rate swaps outstanding as of July 31, 2008 were as follows:

	<b>Notional Amount (000)</b>	<b>Unrealized (Depreciation)</b>
Pay a fixed rate of 3.639% and receive a floating rate based on 1-week SIFMA Municipal Swap Index Rate Broker, JPMorgan Chase Expires September 2018	\$ 48,310	\$ (793,009)

Pay a fixed rate of 3.762% and receive a floating rate

Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST - Form N-Q

based on 1-week SIFMA Municipal Swap Index Rate

Broker, JPMorgan Chase

Expires October 2023 \$ 50,000 (475,500)

Pay a fixed rate of 3.919% and receive a floating rate

based on 1-week SIFMA Municipal Swap Index Rate

Broker, Citibank NA

Expires September 2028 \$ 17,160 (308,605)

**Total** \$ (1,577,114)

Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST - Form N-Q

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/ Donald C. Burke  
Donald C. Burke  
Chief Executive Officer of  
BlackRock Municipal Income Trust

Date: September 19, 2008

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/ Donald C. Burke  
Donald C. Burke  
Chief Executive Officer (principal executive officer) of  
BlackRock Municipal Income Trust

Date: September 19, 2008

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

Date: September 19, 2008

---