

ALLIANCE NATIONAL MUNICIPAL INCOME FUND
 Form N-Q
 September 27, 2006

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

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED
 MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number: 811-10573

ALLIANCE NATIONAL MUNICIPAL INCOME FUND, INC.

(Exact name of registrant as specified in charter)

1345 Avenue of the Americas, New York, New York 10105
 (Address of principal executive offices) (Zip code)

Mark R. Manley
 AllianceBernstein L.P.
 1345 Avenue of the Americas
 New York, New York 10105
 (Name and address of agent for service)

Registrant's telephone number, including area code: (800) 221-5672

Date of fiscal year end: October 31, 2006

Date of reporting period: July 31, 2006

ITEM 1. SCHEDULE OF INVESTMENTS.

Alliance National Municipal Income Fund
 Portfolio of Investments
 July 31, 2006 (unaudited)

| | Principal Amount (000) | U.S. \$ Value |
|---------------------------------------------------------------------------------|------------------------------|---------------|
| | ----- | ----- |
| MUNICIPAL OBLIGATIONS - 160.5% | | |
| Long-Term Municipal Bonds - 160.2% | | |
| Alabama - 7.5% | | |
| Huntsville Hlth Care Auth (Huntsville Hosp Sys) Ser 02B 5.75%, 6/01/32 | \$ 6,000 | \$ 6,379,020 |
| Jefferson Cnty Ltd Obligation Sch Warrants Ser 04A 5.25%, 1/01/23 | 1,275 | 1,331,380 |
| Jefferson Cnty Swr Rev FGIC Ser 99A 5.375%, 2/01/36 | 7,405 | 7,758,293 |
| Marshall Cnty Hlth Care Auth (Marshall Cnty Med Ctr) Ser 02A | | |

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| | | |
|-----------------------------------------------------------|-------|------------|
| 5.75%, 1/01/32 | 2,500 | 2,604,425 |
| Ser 02D | | |
| 5.75%, 1/01/32 | 3,000 | 3,116,970 |
| Montgomery Spl Care Facs Fin Auth Rev (Baptist Health) | | |
| Ser 04C | | |
| 5.125%, 11/15/24 | 1,500 | 1,519,575 |
| Ser 04C | | |
| 5.25%, 11/15/29 | 810 | 881,337 |
| | | ----- |
| | | 23,591,000 |
| | | ----- |
| Alaska - 1.8% | | |
| Alaska Intl Arpt Rev | | |
| MBIA Ser 03B | | |
| 5.00%, 10/01/26 | 1,000 | 1,030,880 |
| Alaska Mun Bd Bk Auth | | |
| MBIA Ser 04G | | |
| 5.00%, 2/15/24 | 1,345 | 1,389,277 |
| Anchorage Waste Wtr Rev | | |
| MBIA Ser 04 | | |
| 5.125%, 5/01/29 | 750 | 779,812 |
| Four Dam Pool Elec Rev | | |
| Ser 04 | | |
| 5.00%, 7/01/24 | 1,035 | 1,052,533 |
| Ser 04 | | |
| 5.25%, 7/01/26 | 1,385 | 1,414,584 |
| | | ----- |
| | | 5,667,086 |
| | | ----- |
| Arkansas - 1.3% | | |
| Arkansas Dev Fin Auth SFMR (Mtg Rev) | | |
| GNMA/FNMA Ser 02A | | |
| 5.30%, 7/01/34 | 4,035 | 4,095,606 |
| | | ----- |
| California - 8.4% | | |
| California GO | | |
| Ser 02 | | |
| 5.25%, 4/01/30 | 1,000 | 1,037,050 |
| California State GO | | |
| 5.25%, 4/01/29 | 2,000 | 2,090,900 |
| Chula Vista IDR (San Diego Gas) | | |
| Ser 96A | | |
| 5.30%, 7/01/21 | 4,000 | 4,200,280 |
| Coachella Valley Uni Sch Dist | | |
| MBIA Ser 03 | | |
| 5.00%, 9/01/31 | 1,000 | 1,026,930 |
| Hartnell Comm College | | |
| MBIA Ser 03A | | |
| 5.00%, 8/01/27 | 1,155 | 1,240,897 |
| La Quinta Fin Auth Loc Agy Rev | | |
| AMBAC Ser 04A | | |
| 5.25%, 9/01/24 | 2,000 | 2,124,220 |
| Los Angeles Cmty Redev Agy | | |
| Ser 04L | | |
| 5.00%, 3/01/18 | 1,715 | 1,716,835 |
| Los Angeles Regl Arpts (Laxfuel Corp) Amt | | |
| AMBAC Ser 01 | | |
| 5.50%, 1/01/32 | 9,500 | 9,854,350 |

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| | | |
|--------------------------------------------------------------|--------|------------|
| FGIC Ser 02 5.375%, 10/01/32 | 6,040 | 6,278,399 |
| Florida Ed & Athletic Fac (FSU Finl Assist) | | |
| AMBAC Ser 02 5.00%, 10/01/31 | 5,000 | 5,146,450 |
| Florida Hsg Fin Corp MFHR (Westminster Apts) AMT | | |
| FSA Ser 02E-1 5.40%, 4/01/42 | 3,000 | 3,059,790 |
| Hamal CDD (Hamal) | | |
| Ser 01 6.75%, 5/01/31 | 2,460 | 2,782,432 |
| Jacksonville Elec Auth MBIA Ser 02A | | |
| 5.50%, 10/01/41 (a) | 20,000 | 20,211,000 |
| Lee Cnty Arpt Rev (Southwest Fl Intl) AMT | | |
| FSA Ser 00A 5.75%, 10/01/22 - 10/01/25 | 9,500 | 10,123,550 |
| Lee Cnty CDD (Miromar Lakes) | | |
| Ser 00A 7.25%, 5/01/12 | 1,490 | 1,558,525 |
| Lee Cnty Hlth Facs Auth Rev (Shell Point) | | |
| Ser 99A 5.50%, 11/15/29 | 2,500 | 2,528,150 |
| Lee Cnty Transn Fac (Sanibel Brdgs & Causeway) | | |
| CIFG Ser 05B 5.00%, 10/01/30 | 1,700 | 1,763,138 |
| Miami Beach Hlth Facs Auth Hosp Rev (Mount Sinai Med Ctr) | | |
| Ser 04 6.75%, 11/15/24 | 2,000 | 2,221,200 |
| Midtown Miami CDD Ser 04A | | |
| 6.00%, 5/01/24 | 2,500 | 2,682,325 |
| Orange Cnty Hospital Rev (Orlando Regional) | | |
| Ser 02 5.75%, 12/01/32 | 1,400 | 1,545,558 |
| Pinellas Cnty HFA SFMR (Mtg Rev) AMT | | |
| GNMA/FNMA Ser 02A 5.40%, 3/01/32 | 830 | 839,910 |
| Village CDD Ser 03A | | |
| 6.00%, 5/01/22 | 875 | 911,225 |
| | | ----- |
| | | 73,882,779 |
| | | ----- |
| Georgia - 2.3% | | |
| Cartersville Dev Auth AMT (Anheuser Busch Proj) | | |
| Ser 02 5.95%, 2/01/32 | 2,510 | 2,712,030 |
| Georgia HFA SFMR (Mtg Rev) AMT | | |
| Ser 02A-02 | | |

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| | | |
|-----------------------------------------|--------|------------|
| 5.60%, 12/01/32 | 4,425 | 4,555,847 |
| | | ----- |
| | | 7,267,877 |
| | | ----- |
| Hawaii - 0.6% | | |
| Hawaii St Elec Rev | | |
| XLCA Ser 03B | | |
| 5.00%, 12/01/22 | 2,000 | 2,039,580 |
| | | ----- |
| Illinois - 20.2% | | |
| Bolingbrook Go | | |
| FGIC Ser 02A | | |
| 5.375%, 1/01/38 | 5,000 | 5,374,150 |
| Chicago Arpt Rev | | |
| (O'Hare Int'l Arpt) | | |
| XLCA Ser 03B-1 | | |
| 5.25%, 1/01/34 | 1,760 | 1,832,195 |
| Chicago Arpt Rev | | |
| (O'Hare Int'l Arpt) AMT | | |
| MBIA | | |
| 5.375%, 1/01/32 | 15,000 | 15,514,350 |
| Chicago Go Prerefunded | | |
| FGIC Ser 00C | | |
| 5.50%, 1/01/40 | 9,135 | 9,783,311 |
| Chicago Go Unrefunded | | |
| FGIC Ser 00C | | |
| 5.50%, 1/01/40 | 5,450 | 5,731,056 |
| Chicago Parking Rev | | |
| (Lakefront Millenium) | | |
| MBIA Ser 98 | | |
| 5.125%, 1/01/28 | 8,600 | 8,829,878 |
| Chicago Sales Tax Rev | | |
| FGIC Ser 98 | | |
| 5.25%, 1/01/28 | 5,710 | 5,901,057 |
| Cook Cnty Sch Dist | | |
| FSA Ser 04 | | |
| Zero Coupon, 12/01/20 (b) | 1,000 | 961,500 |
| Gilberts Special Service Area No 15 Spl | | |
| Tax | | |
| (Gilberts Town Ctr Proj) | | |
| Ser 03 | | |
| 6.00%, 3/01/28 | 2,766 | 2,755,600 |
| Illinois Fin Auth Rev | | |
| (Inst of Technology) | | |
| Ser 06A | | |
| 5.00%, 4/01/31 | 885 | 891,691 |
| Manhattan | | |
| (No 04-1 Brookstone Springs Proj) | | |
| Ser 05 | | |
| 5.875%, 3/01/28 | 1,875 | 1,893,037 |
| Met Pier & Expo Auth | | |
| (McCormick Place) | | |
| MBIA Ser 02A | | |
| 5.25%, 6/15/42 | 3,750 | 3,900,863 |
| | | ----- |
| | | 63,368,688 |
| | | ----- |
| Indiana - 5.2% | | |
| Hendricks Cnty Ind Bldg Facs Corp | | |
| (First Mtg) | | |
| Ser 04 | | |
| 5.50%, 7/15/22 | 1,105 | 1,197,643 |

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|------------------------------------------------------------------------------------------------------------|--------|------------|
| Indiana HFA SFMR (Mtg Rev) AMT GNMA/FNMA Ser 02 5.55%, 7/01/32 | 2,160 | 2,199,226 |
| Indiana St Dev Fin Auth Rev (Exempt Facs Inland Steel) Ser 97 5.75%, 10/01/11 | 2,060 | 2,098,851 |
| Indianapolis Pub Impov Bd MBIA Ser 2A 5.25%, 7/01/33 | 10,000 | 10,744,400 |
| | | ----- |
| | | 16,240,120 |
| | | ----- |
| Iowa - 0.2% Iowa Fin Auth SFMR (Mtg Rev) AMT GNMA/FNMA Ser 02 5.40%, 7/01/32 | 505 | 510,176 |
| | | ----- |
| Louisiana - 1.5% Calcasieu Parish SFMR (Mtg Rev) GNMA/FNMA Ser 02A 6.05%, 4/01/33 (c) | 400 | 415,896 |
| Louisiana HFA SFMR (Mtg Rev) Amt GNMA/FNMA Ser 02C 5.60%, 6/01/33 (c) | 1,445 | 1,464,060 |
| New Orleans GO MBIA Ser 05 5.00%, 12/01/29 | 2,700 | 2,735,991 |
| | | ----- |
| | | 4,615,947 |
| | | ----- |
| Massachusetts - 3.1% Massachusetts GO Ser 02C 5.25%, 11/01/30 | 1,780 | 1,908,872 |
| Massachusetts GO Prerefunded Ser 02 5.25%, 11/01/30 | 3,220 | 3,453,128 |
| Massachusetts Hlth & Ed Fac Hosp Rev (Berkshire Hlth Sys) RADIANT Ser 01E 5.70%, 10/01/25 | 2,000 | 2,150,060 |
| Massachusetts Hlth & Ed Fac Hosp Rev (Cape Cod Healthcare) RADIANT Ser 01C 5.25%, 11/15/31 | 2,100 | 2,186,772 |
| | | ----- |
| | | 9,698,832 |
| | | ----- |
| Michigan - 5.0% Detroit Tax Increment (Diamler/Chrysler Assembly Plant) Ser 98A 5.50%, 5/01/21 | 1,615 | 1,508,491 |
| Kent Hosp Fin Auth Rev (Metropolitan Hospital Proj) Ser 05A 5.75%, 7/01/25 | 770 | 813,913 |

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|-----------------------------------------------------------------------------------------------------------------|--------|------------------------------|
| Michigan State Hosp Fin Auth (Marquette Gen Hosp Oblig Grp) Ser 05A 5.00%, 5/15/26 | 1,215 | 1,207,357 |
| Michigan Strategic Fund (Detroit Edison) AMT XLCA Ser 02C 5.45%, 12/15/32 | 5,000 | 5,248,850 |
| Plymouth Ed Ctr Charter Sch Pub Sch Academy Rev Ref Ser 05 5.125%, 11/01/23 | 2,140 | 2,099,597 |
| Saginaw Hosp Fin Auth (Covenant Med Ctr) Ser 00F 6.50%, 7/01/30 | 4,410 | 4,809,590 |
| | | ----- 15,687,798 ----- |
| Minnesota - 0.2% St. Paul Hsg & Redev Auth Hosp Rev (Healtheast Proj) Ser 05 6.00%, 11/15/25 | 500 | 538,135 |
| Missouri - 0.5% Missouri SFMR (Mortgage Rev) AMT GNMA/FNMA Ser 02A-1 5.58%, 9/01/32 (c) | 1,470 | 1,491,271 |
| Nevada - 15.5% Carson City Hosp Rev (Carson-Tahoe Hosp Proj) RADIANT Ser 03A 5.00%, 9/01/23 | 2,600 | 2,629,250 |
| Clark Cnty Arpt Rev FGIC Ser 01B 5.25%, 7/01/34 | 11,920 | 12,676,324 |
| Nevada Dept Bus & Ind (Las Vegas Monorail Proj) AMBAC Ser 00 5.625%, 1/01/32 | 11,720 | 12,529,852 |
| Reno Cap Improvement Rev FGIC Ser 02 5.375%, 6/01/32 | 4,710 | 5,078,934 |
| Reno Cap Improvement Rev Unrefunded FGIC Ser 02 5.375%, 6/01/32 | 2,790 | 2,942,446 |
| Truckee Meadows Wtr Auth FSA Ser 01A 5.25%, 7/01/34 | 12,000 | 12,761,400 |
| | | ----- 48,618,206 ----- |
| New Hampshire - 1.4% New Hampshire Hlth & Ed Fac Hosp Rev (Covenant Med Ctr) Ser 02 6.125%, 7/01/31 | 4,200 | 4,517,562 |
| New Jersey - 1.9% | | |

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|------------------------------------|-------|------------|
| Morris Union Jointure Commn COP | | |
| RADIANT Ser 04 | | |
| 5.00%, 5/01/24 | 5,185 | 5,310,062 |
| New Jersey Eco Dev Auth Rev | | |
| (Sch Facs Constr) | | |
| Ser 0 | | |
| 5.25%, 3/01/25 | 500 | 528,610 |
| | | ----- |
| | | 5,838,672 |
| | | ----- |
| New York - 2.1% | | |
| Erie Cnty IDA | | |
| (City of Buffalo Proj) | | |
| FSA Ser 04 | | |
| 5.75%, 5/01/23 | 4,100 | 4,556,207 |
| New York City GO | | |
| Ser 04G | | |
| 5.00%, 12/01/23 | 1,600 | 1,649,344 |
| New York State HFA | | |
| (Eco Dev & Hsg) | | |
| FGIC Ser 05A | | |
| 5.00%, 9/15/25 | 300 | 312,123 |
| | | ----- |
| | | 6,517,674 |
| | | ----- |
| North Carolina - 0.6% | | |
| Charlotte NC Arpt Rev | | |
| MBIA Ser 04A | | |
| 5.25%, 7/01/24 | 1,895 | 2,008,056 |
| | | ----- |
| North Dakota - 0.5% | | |
| North Dakota HFA SFMR | | |
| (Mtg Rev) AMT | | |
| Ser 02 | | |
| 5.65%, 1/01/34 | 1,495 | 1,522,777 |
| | | ----- |
| Ohio - 3.4% | | |
| Cleveland Cuyahoga Port Auth | | |
| Ser 01 | | |
| 7.35%, 12/01/31 | 5,000 | 5,216,700 |
| Fairfield Cnty Hosp Rev | | |
| (Fairfield Med Ctr Proj) | | |
| RADIANT Ser 03 | | |
| 5.00%, 6/15/22 - 6/15/24 | 3,955 | 4,018,482 |
| Port Auth of Columbiana Cnty SWR | | |
| (Apex Environmental LLC) AMT | | |
| Ser 04A | | |
| 7.125%, 8/01/25 | 1,340 | 1,338,539 |
| | | ----- |
| | | 10,573,721 |
| | | ----- |
| Oregon - 1.1% | | |
| Forest Grove Rev | | |
| (Ref & Campus Impt Pacific Proj A) | | |
| RADIANT Ser 05A | | |
| 5.00%, 5/01/28 | 3,340 | 3,406,132 |
| | | ----- |
| Pennsylvania - 3.8% | | |
| Alleghany Cnty IDA | | |
| (Residential Res. Inc.) | | |
| 5.00%, 9/01/21 (d) | 500 | 498,940 |
| Montgomery Cnty IDA Rev | | |

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|--------------------------------------|-------|------------|
| (Whitemarsh Continuing Care) | | |
| 6.00%, 2/01/21 | 875 | 924,700 |
| Pennsylvania Eco Dev Auth | | |
| (30th St Station) AMT | | |
| ACA Ser 02 | | |
| 5.875%, 6/01/33 | 2,050 | 2,190,732 |
| Pennsylvania Trpk Transp Rev | | |
| AMBAC Ser 01 | | |
| 5.00%, 7/15/41 | 2,000 | 2,124,860 |
| Philadelphia Auth IDR | | |
| (Leadership Learning Partners) | | |
| Ser 05A | | |
| 5.25%, 7/01/24 | 1,150 | 1,127,426 |
| Philadelphia Hosp Rev | | |
| (Temple Univ Hosp) | | |
| Ser 93A | | |
| 6.625%, 11/15/23 | 3,000 | 3,045,000 |
| Pittsburgh Pub Pkg Auth Pkg Rev | | |
| FGIC Ser 05A | | |
| 5.00%, 12/01/25 | 2,000 | 2,067,660 |
| | | ----- |
| | | 11,979,318 |
| | | ----- |
| Puerto Rico - 0.6% | | |
| Puerto Rico Comwlth | | |
| (Pub Impt) | | |
| Ser 01A | | |
| 5.50%, 7/01/19 | 1,205 | 1,297,460 |
| Puerto Rico Comwlth Govt Dev Bank | | |
| (Sr Notes) | | |
| Ser 06B | | |
| 5.00%, 12/01/15 | 500 | 519,230 |
| | | ----- |
| | | 1,816,690 |
| | | ----- |
| Rhode Island - 1.3% | | |
| Rhode Island Hlth & Ed Bldg Corp Rev | | |
| (Times2 Academy) | | |
| Ser 04 | | |
| 5.00%, 12/15/24 | 4,100 | 4,127,634 |
| | | ----- |
| South Carolina - 1.7% | | |
| Dorchester Cnty Sch Dist No 2 | | |
| ASSURED GTY | | |
| 5.00%, 12/01/29 | 800 | 820,728 |
| Newberry Investing In Childrens Ed | | |
| ASSURED GTY | | |
| 5.00%, 12/01/27 | 3,890 | 3,982,971 |
| Newberry Investing In Childrens Ed | | |
| (Newberry Cnty Sch Dist Proj) | | |
| Ser 05 | | |
| 5.00%, 12/01/30 | 385 | 384,434 |
| | | ----- |
| | | 5,188,133 |
| | | ----- |
| Tennessee - 0.5% | | |
| Johnson City Hlth & Ed Facs Hosp Rev | | |
| (First Mtg-MTN Sts Hlth) | | |
| Ser 06A | | |
| 5.50%, 7/01/31 | 1,500 | 1,562,745 |
| | | ----- |
| Texas - 23.0% | | |

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|------------------------------------------------------------------------------------------------------------------|----------------|------------------------------|
| Bexar Cnty Hsg Fin Corp MFHR (Doral Club & Sutton House Apts) MBIA Ser 01A 5.55%, 10/01/36 | 14,995 | 15,521,775 |
| Brownwood ISD (Schl Bldg) FGIC Ser 05 5.25%, 2/15/22 - 2/15/24 | 3,510 | 3,735,332 |
| Dallas-Fort Worth Arpt Rev (Int'l Arpt) FGIC Ser 01 5.50%, 11/01/35 | 6,500 | 6,754,020 |
| Garza Cnty Pub Fac Corp 5.50%, 10/01/19 | 610 | 629,215 |
| Gulf Coast Waste Disp Auth (Anheuser-Busch Proj) AMT Ser 02 5.90%, 4/01/36 | 9,000 | 9,549,090 |
| Harris Cnty (Flood Ctl) Ser 03B 5.00%, 10/01/23 | 2,600 | 2,680,288 |
| Harris Cnty Toll Road Rev FSA Ser 02 5.125%, 8/15/32 | 2,500 | 2,583,050 |
| Hidalgo Cnty Health Svcs (Mission Hosp Inc Proj) Ser 05 5.00%, 8/15/14 - 8/15/19 | 765 | 767,835 |
| Houston (Northeast Wtr Purification Proj) FGIC Ser 02 5.125%, 3/01/32 | 7,000 | 7,182,210 |
| Lewisville Combination Contract (Spl Assmt Cap Impt Dist No 2) ACA Ser 05 6.00%, 10/01/25 | 550 | 595,870 |
| Matagorda Cnty Rev (Centerpoint Energy Houston Electric LLC) Ser 04 5.60%, 3/01/27 | 1,000 | 1,033,250 |
| Richardson Hosp Auth Rev (Richardson Regional) FSA Ser 04 5.875%, 12/01/24 Ser 04 6.00%, 12/01/19 | 2,310 1,830 | 2,416,699 1,960,680 |
| San Antonio Arpt Rev AMT FGIC Ser 02A 5.25%, 7/01/27 | 5,250 | 5,405,505 |
| Seguin High Ed Fac Rev (Texas Lutheran University Proj) Ser 04 5.25%, 9/01/33 | 1,250 | 1,254,025 |
| Texas GO AMT Ser 02A 5.50%, 8/01/41 | 9,470 | 9,952,591 |
| | | ----- 72,021,435 ----- |
| Utah - 0.8% | | |

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|------------------------------------------------------------------------------------------------------------|----------------|------------------------|
| Davis Cnty Sales Tax Rev AMBAC Ser 03B 5.25%, 10/01/23 | 1,000 | 1,053,380 |
| Utah Hsg Corp MFHR (Bluffs Apts Proj) AMT GNMA Ser 02A 5.60%, 7/20/30 | 1,480 | 1,542,648 |
| | | ----- |
| | | 2,596,028 |
| | | ----- |
| Virginia - 3.3% | | |
| Fauquier Cnty IDA Hosp Rev (Fauquier Hospital) Asset Gty RADIANT Ser 02 5.25%, 10/01/31 | 8,500 | 8,790,020 |
| Pocahontas Pkwy Assoc Toll Rd Rev (Cap Appreciation) Sr Ser 98B Zero Coupon, 8/15/15 | 2,250 | 1,429,875 |
| | | ----- |
| | | 10,219,895 |
| | | ----- |
| Washington - 4.2% | | |
| King Cnty Swr Rev FSA Ser 02A 5.25%, 1/01/32 | 3,000 | 3,102,510 |
| Twenty-Fifth Ave Pptys (University of WA) MBIA Ser 02 5.25%, 6/01/33 | 9,750 | 10,105,388 |
| | | ----- |
| | | 13,207,898 |
| | | ----- |
| Wisconsin - 7.1% | | |
| Wisconsin Hlth & Ed Fac Auth Rev (Bell Tower Residence Proj) Ser 05 5.00%, 7/01/20 - 7/01/25 | 1,485 | 1,494,730 |
| Wisconsin Hlth & Ed Fac Hosp Rev (Ministry Hlth Care) MBIA Ser 02A 5.25%, 2/15/32 | 13,615 | 14,148,163 |
| Wisconsin Hsg Auth SFMR (Mtg Rev) AMT Ser 02A 5.50%, 9/01/32 MBIA 5.60%, 5/01/33 | 1,590 4,885 | 1,606,981 5,083,771 |
| | | ----- |
| | | 22,333,645 |
| | | ----- |
| Total Long-Term Municipal Bonds (cost \$479,184,220) | | 501,693,542 |
| | | ----- |
| Short-Term Municipal Notes - 0.3% | | |
| New York - 0.3% | | |
| New York City Municipal Water Finance Authority FGIC 3.64%, 6/15/24 (c) (e) (cost \$1,000,000) | 1,000 | 1,000,000 |
| | | ----- |

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| | |
|-----------------------------------------------|----------------|
| Total Investments - 160.5% | 502,693,542 |
| (cost \$480,184,220) | |
| Other assets less liabilities - 1.8% | 5,467,432 |
| Preferred Stock at redemption value - (62.3)% | (195,000,000) |
| | ----- |
| Net Assets Applicable to | |
| Common Shareholders - 100.0% (f) | \$ 313,160,974 |
| | ----- |

INTEREST RATE SWAP TRANSACTIONS

| Swap Counterparty | Notional Amount (000) | Termination Date | Rate Type ----- Payments made by the Portfolio | Payments received by the Portfolio | Unrealized Appreciation/ (Depreciation) |
|-------------------|--------------------------|------------------|---------------------------------------------------------|---------------------------------------|--------------------------------------------|
| Merrill Lynch | \$7,100 | 11/15/26 | 4.377 | BMA | \$ (65,498) |
| Merrill Lynch (g) | 6,500 | 8/9/2026 | 4.063 | BMA | 169,585 |
| Merrill Lynch | 3,000 | 7/30/2026 | 4.090 | BMA | 66,424 |

- (a) Position, or a portion thereof, has been segregated to collateralize interest rate swaps.
- (b) Indicates a security that has a zero coupon that remains in effect until a predetermined date at which time the stated coupon rate becomes effective until final maturity.
- (c) Variable rate coupon, rate shown as of July 31, 2006.
- (d) When-Issued Security.
- (e) Position, or a portion thereof, has been segregated to collateralize when issued securities.
- (f) Portfolio percentages are calculated based on net assets applicable to common shareholders
- (g) Represents a forward interest rate swap whose effective date for the exchange of cash flows is August 9, 2006

Glossary:

| | | |
|-------------|---|---------------------------------------------------------|
| ACA | - | American Capital Access Financial Guarantee Corporation |
| AMBAC | - | American Bond Assurance Corporation |
| AMT | - | Alternative Minimum Tax (subject to) |
| ASSURED GTY | - | Assured Guaranty |
| BMA | - | Bond Market Association |
| CDD | - | Community Development District |
| CFD | - | Community Facilities District |
| CIFG | - | CIFG Assurance North America, Inc. |
| COP | - | Certificate of Participation |
| FGIC | - | Financial Guarantee Insurance Company |
| FNMA | - | Federal National Mortgage Association |
| FSA | - | Financial Security Assurance Inc. |
| GNMA | - | Government National Mortgage Association |
| GO | - | General Obligation |
| HFA | - | Housing Finance Authority |

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IDA - Industrial Development Authority/Agency
IDR - Industrial Development Revenue
ISD - Independent School District
MBIA - Municipal Bond Investors Assurance
MFHR - Multi-Family Housing Revenue
RADIAN - Radian Group, Inc.
SFMR - Single Family Mortgage Revenue
SWR - Solid Waste Revenue
XLCA - XL Capital Assurance Inc.

ITEM 2. CONTROLS AND PROCEDURES.

(a) The registrant's principal executive officer and principal financial officer 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) are effective at the reasonable assurance level based on their evaluation of these controls and procedures as of a date within 90 days of the filing date of this document.

(b) There were no changes in the registrant's internal controls over financial reporting that occurred during the second fiscal quarter of the period that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

ITEM 3. EXHIBITS.

The following exhibits are attached to this Form N-Q:

| EXHIBIT NO. | DESCRIPTION OF EXHIBIT |
|-------------|--------------------------------------------------------------------------------------------------------|
| 3(a)(1) | Certification of Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 3(a)(2) | Certification of Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |

SIGNATURES

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.

(Registrant): Alliance National Municipal Income Fund, Inc.

By: /s/ Marc O. Mayer

Marc O. Mayer
President

Date: September 20, 2006

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/ Marc O. Mayer

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Marc O. Mayer
President

Date: September 20, 2006

By: /s/ Joseph J. Mantineo

Joseph J. Mantineo
Treasurer and Chief Financial Officer

Date: September 20, 2006