

BLACKROCK MUNICIPAL INCOME TRUST  
Form N-Q  
September 29, 2006

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

BlackRock Municipal Income Trust  
(Exact name of registrant as specified in charter)

100 Bellevue Parkway, Wilmington, DE  
(Address of principal executive offices)

19809  
(Zip code)

Robert S. Kapito, President  
**BlackRock Municipal Income Trust**

40 East 52nd Street, New York, NY 10022  
(Name and address of agent for service)

Registrant's telephone number, including area code: 888-825-2257

Date of fiscal year end: October 31, 2006

Date of reporting period: July 31, 2006

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**Item 1. Schedule of Investments.**

The Registrant's unaudited schedule of investments as of the close of the reporting period pursuant to Rule 30b1-5 under the Investment Company Act of 1940 is as follows:

**PORTFOLIO OF INVESTMENTS (unaudited)**  
**JULY 31, 2006**

**BlackRock Municipal Income Trust (BFK)**

Rating <sup>1</sup>	Principal Amount (000)	Description	Option Call Provisions <sup>2</sup>	Value
<b>LONG-TERM INVESTMENTS 153.8%</b>				
		<b>Alabama 2.7%</b>		
		AAA\$ 1,865 Birmingham Wtr. Wks. & Swr. Brd. RB, Ser. A, 4.50%, 1/01/35, FSA01/16 @ 100 \$ 1,812,463		
		A215,000 Huntsville Hlth. Care Auth. RB, Ser. B, 5.75%, 6/01/3206/12 @ 101		15,947,550
				17,760,013
		<b>Arizona 1.2%</b>		
		A37,000 <sup>3</sup> Scottsdale Ind. Dev. Auth. RB, Scottsdale Hlth. Care Proj., 5.80%, 12/01/11N/A 7,712,110		
		<b>California 16.9%</b>		
		A+7,000 California St. GO, 5.00%, 6/01/3412/14 @ 100 7,142,870		
		Cnty. Tobacco Sec. Agcy. RB, BBB-3,385 Ser. B, Zero Coupon, 6/01/4606/16 @ 17.602 290,636		
		BB17,855 Ser. C, Zero Coupon, 6/01/5506/16 @ 8.9 694,917		
		NR22,825 Stanislaus Cnty., Ser. D, Zero Coupon, 6/01/5506/16 @ 6.219 595,048		
		Foothill/Eastn. Transp. Corridor Agcy. RB, BBB54,635 Toll Road, Zero Coupon, 1/15/3201/10 @ 27.37 12,179,780		
		BBB20,535 Toll Road, Zero Coupon, 1/15/3401/10 @ 24.228 4,048,680		
		BBB75,000 Toll Road, Zero Coupon, 1/15/3801/10 @ 19.014 11,585,250		
		Golden St. Tobacco Sec. Corp. RB, AAA10,180 5.00%, 6/01/45, AMBAC06/15 @ 100 10,383,193		
		A5,000 Ser. A, 5.00%, 6/01/4506/15 @ 100 5,023,400		
		BBB10,000 Ser. A-1, 6.625%, 6/01/4006/13 @ 100 11,143,100		
		NR3,500 Lincoln ST, Cmnty. Facs. Dist., 6.00%, 9/01/3409/13 @ 102 3,704,645		
		AAA13,320 Los Angeles Regl. Arpt. Impvt. Corp. Lease RB, Facs. Laxfuel Corp., L.A. Intl., 5.50%, 1/01/32, AMBAC01/12 @ 100 13,816,836		
		NR5,000 Murrieta Cmnty. Facs. Dist. ST, No. 2, The Oaks Impvt. Area A, 6.00%, 9/01/3409/14 @ 100 5,191,500		
		A+5,000 Statewide Cmnty. Dev. Auth. RB Mem. Hlth. Svcs. Proj., Ser. A, 5.50%, 10/01/3304/13 @ 100 5,226,150		
		Univ. of California RB, AA-10,565 Ltd. Proj., Ser. B, 4.75%, 5/15/3805/13 @ 101 10,571,128		
		AAA5,000 Ser. C, 4.75%, 5/15/37, MBIA05/13 @ 101 5,022,300		
		AAA4,015 West Valley-Mission Cmnty. Coll. Dist. GO, Election 2004 A, 4.75%, 8/01/30, FSA08/16 @ 100 4,034,031		
				110,653,464
		<b>Colorado 1.3%</b>		
		AAA2,545 Colorado Springs Utils. RB Sub., Ser. C, 5.00%, 11/15/45, FSA11/15 @ 100 2,592,134		
		BBB3,500 Denver Hlth. & Hosp. Auth., Hlth. Care RB, Ser. A, 6.00%, 12/01/3112/11 @ 100 3,636,780		
		Baa22,530 Park Creek Met. Dist. RB, Ppty. Tax,		

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5.50%, 12/01/3712/15 @ 101 2,583,484

8,812,398

**District of Columbia 6.3%** District of Columbia RB, A2,390 Friendship Pub. Charter Sch. Income Proj., 5.25%, 6/01/33, ACA06/14 @ 100 2,412,729 AAA15,600 Georgetown Univ. Proj., Ser. A, Zero Coupon, 4/01/36, MBIA04/11 @ 22.875 2,812,992 AAA51,185 Georgetown Univ. Proj., Ser. A, Zero Coupon, 4/01/37, MBIA04/11 @ 21.546 8,689,677 BBB25,535 Tobacco Settlement Fin. Corp. RB, 6.75%, 5/15/4005/11 @ 101 27,525,964

41,441,362

**Florida 13.9%** NR3,945 Bellalago Edu. Fac. Benefit Dist. SA, Ser. B, 5.80%, 5/01/3405/14 @ 100 3,998,652 Baa34,600 Escambia Cnty. PCRB, Champion Intl. Corp. Proj., 6.40%, 9/01/3009/06 @ 102 4,703,546 NR1,975 Heritage Isle at Viera Cmnty. Dev. Dist. SA, Ser. A, 6.00%, 5/01/3505/12 @ 101 2,015,962 A+9,670<sup>3</sup>Highlands Cnty. Hlth. Facs. Auth. RB, Adventist/Sunbelt Hosp. Proj., Ser. A, 6.00%, 11/15/11N/A 10,738,632 JEA RB, AAA11,035 Elec. Sys., Ser. 3A, 4.75%, 10/01/34, FSA04/10 @ 100 11,037,979 AAA3,070 Wtr. & Swr. Sys., Ser. A, 4.75%, 10/01/36, MBIA04/11 @ 100 3,060,053 AAA2,900 Wtr. & Swr. Sys., Ser. A, 4.75%, 10/01/41, MBIA04/11 @ 100 2,889,995 BB+9,000 Martin Cnty. Incl. Dev. Auth. RB, Indiantown Cogeneration Proj., Ser. A, 7.875%, 12/15/2508/06 @ 101 9,136,350 BB+11,685 Miami Beach Hlth. Facs. Auth. RB, Mt. Sinai Med. Ctr. Proj., 6.75%, 11/15/2111/14 @ 100 13,052,846 NR6,000 New Port Tampa Bay Cmnty. Dev. Dist. SA, Ser. A, 5.875%, 5/01/3805/16 @ 100 6,039,720 AAA10,830 Orange Cnty. Tourist Dev. Tax RB, 4.75%, 10/01/32, XLCA10/16 @ 100 10,872,670 NR3,925 Stevens Plantation Cmnty. Dev. Dist. SA, Ser. A, 7.10%, 5/01/3505/14 @ 100 4,082,824 NR9,545 Vlg. Cmnty. Dev. Dist. No. 6 SA, 5.625%, 5/01/2205/13 @ 100 9,656,486

91,285,715

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**BlackRock Municipal Income Trust (BFK) (continued)**

Rating <sup>1</sup>	Principal Amount (000)	Description	Option Call Provisions <sup>2</sup>	Value
		<b>Georgia 0.6%</b> BBB\$ 4,000 Richmond Cnty. Dev. Auth. RB, Env. Impvt., Intl. Paper Co. Proj., Ser. A, 6.00%, 2/01/2502/12 @ 101 \$ 4,194,640		
		<b>Idaho 2.7%</b> AAA16,970 Univ. of Idaho RB, Student Fee Hsg. Impvt. Proj., 5.40%, 4/01/41, FGIC04/11 @ 100 17,626,400		
		<b>Illinois 12.9%</b> NR4,630 <sup>4</sup> Centerpoint Intermodal Ctr. Prog. Trust TA, Ser. A, 8.00%, 6/15/23No Opt. Call 4,643,288 Edl. Facs. Auth. RB, AA+760 Bal Union Chicago Proj., Ser. A, 5.25%, 7/01/4107/11 @ 101 792,467 BBB10,000 Student Hsg., Edl. Advancement Fund Univ. Ctr. Proj., 6.25%, 5/01/3005/12 @ 101 10,791,600 BBB7,000 Student Hsg., Edl. Advancement Fund Univ.		

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Ctr. Proj., 6.25%, 5/01/3405/07 @ 100 7,110,180 Fin. Auth. RB, A+7,145<sup>3</sup> Adventist Hlth. Sys.  
Sunbelt Oblig. Proj., 5.65%, 11/15/09N/A 7,591,634 BB+1,685 Evangelical Retirement Homes  
Proj., Ser. A, 5.625%, 2/15/3702/15 @ 100 1,697,570 AA+3,700 Northwestern Mem. Hosp. Proj.,  
Ser. A, 5.50%, 8/15/4308/14 @ 100 3,906,201 Baa22,100 Student Hsg., MJH Ed. Asst. Living Proj.,  
Ser. A, 5.125%, 6/01/3506/14 @ 100 2,106,300 Baa31,675 Student Hsg., MJH Ed. Asst. Living  
Proj., Ser. B, 5.375%, 6/01/3506/14 @ 100 1,679,707 Hlth. Facs. Auth. RB, Elmhurst Mem. Hosp.  
Proj., A5,000 5.50%, 1/01/2201/13 @ 100 5,190,950 A6,000 5.625%, 1/01/2801/13 @  
100 6,246,600 AAA40,000 Met. Pier & Exposition Auth. RB, Dedicated St. Tax, McCormick Place  
Expansion Proj., Ser. A, Zero Coupon, 12/15/34, MBIANo Opt.  
Call 9,909,600 AAA10,090 Mun. Elec. Agcy. Pwr. Sply. RB, 4.50%, 2/01/35, FGIC02/16 @  
100 9,683,070 AAA7,645 O Hare Intl. Arpt. RB, Ser. C-2, 5.25%, 1/01/30, FSA01/14 @  
100 7,900,420 Vlg. of Bolingbrook GO, AAA7,120 Ser. B, Zero Coupon, 1/01/33, FGICNo Opt.  
Call 1,932,083 AAA14,085 Ser. B, Zero Coupon, 1/01/34, FGICNo Opt. Call 3,637,874

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84,819,544

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**Indiana 7.1%** A-9,000 Hlth. Fac. Fin. Auth. RB, Methodist Hosp., Inc. Proj., 5.50%, 9/15/3109/11  
@ 100 9,216,720 AAA7,750 Mun. Pwr. Agcy., Pwr. Sply. Sys. RB, Ser. A, 4.50%, 1/01/32,  
AMBAC01/16 @ 100 7,454,493 Petersburg PCRB, Indianapolis Pwr. & Lt.  
Conv., BBB+10,000 5.90%, 12/01/2408/11 @ 102 10,584,000 BBB+16,000 5.95%,  
12/01/2908/11 @ 102 16,932,960 NR2,470 Vincennes Econ. Dev. RB, Southwest Indiana Regl. Youth  
Proj., 6.25%, 1/01/2401/09 @ 102 2,412,424

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46,600,597

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**Kentucky 1.4%** AAA9,060 Hsg. Corp. RB, Ser. F, 5.45%, 1/01/3207/11 @ 100 9,275,900

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**Louisiana 1.8%** A10,510 Local Gov t. Env. Facs. & Cmnty. Dev. Auth. RB, Cap. Projs. & Equip.  
Acquisition, 6.55%, 9/01/25, ACANo Opt. Call 11,527,263

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**Maryland 0.7%** BBB+4,205 Hlth. & Higher Edl. Facs. Auth. RB, Medstar Hlth., Inc. Proj., 5.50%,  
8/15/3308/14 @ 100 4,365,168

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**Massachusetts 1.1%** AA6,770 Wtr. Res. Auth. RB, Ser. A, 5.00%, 8/01/4108/16 @ 100 6,946,765

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**Michigan 1.6%** AAA1,680 Detroit Wtr. Sply. Sys. RB, Ser. C, 5.00%, 7/01/33, FSA07/16 @  
100 1,734,281 St. Hosp. Fin. Auth. RB, Henry Ford Hlth. Sys. Proj., A14,230 Ser. A, 5.00%,  
11/15/3811/16 @ 100 4,266,928 A14,230 Ser. A, 5.25%, 11/15/4611/16 @ 100 4,344,717

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10,345,926

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**Mississippi 2.9%** A18,680 Gulfport Hosp. Fac. RB, Mem. Hosp. at Gulfport Proj., Ser. A, 5.75%,  
7/01/3107/11 @ 100 19,103,102

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**Missouri 0.1%** AAA695 Joint Mun. Elec. Util. Comm. RB, Plum Point Proj., 4.60%, 1/01/36,  
MBIA01/16 @ 100 694,972

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**BlackRock Municipal Income Trust (BFK) (continued)**

Rating <sup>1</sup>	Principal Amount (000)	Description	Option Call Provisions <sup>2</sup>	Value	
	<b>Multi-State 7.0%</b>	Charter Mac Equity Issuer Trust, A3\$ 1,000 <sup>4</sup> Ser. A, 6.625%, 6/30/49No Opt. Call \$ 1,057,830 A311,000 <sup>4</sup> Ser. A-2, 6.30%, 6/30/49No Opt. Call 11,539,660 A316,000 <sup>4</sup> Ser. A-3, 6.80%, 10/01/52No Opt. Call 17,924,800 Baa16,500 <sup>4</sup> Ser. B-1, 6.80%, 11/30/50No Opt. Call 6,910,475 A38,000 <sup>4</sup> MuniMae TE Bond Subsidiary LLC, Ser. A, 6.875%, 6/30/4906/09 @ 100 8,516,640			45,949,405
	<b>Nebraska 1.1%</b>	AA6,990 Omaha Pub. Pwr. Dist. RB, Elec. Sys., Ser. A, 4.75%, 2/01/4402/14 @ 100 6,869,772			
	<b>Nevada 1.6%</b>	AAA5,000 Clark Cnty. Arpt. RB, Jet Aviation Fuel Tax, Ser. C, 5.00%, 7/01/40, AMBAC07/15 @ 100 5,122,600 A+5,260 Clark Cnty. Econ. Dev. RB, Alexander Dawson Sch. Proj., 5.00%, 5/15/2905/16 @ 100 5,308,234			10,430,834
	<b>New Hampshire 1.2%</b>	Aaa4,000 Bus. Fin. Auth. PCRB, Pub. Svc. Co. Proj., Ser. B, 4.75%, 5/01/21, MBIA06/13 @ 102 4,019,960 A+3,500 Hlth. & Edl. Facs. Auth. RB, Exeter Hosp. Proj., 5.75%, 10/01/3110/11 @ 101 3,675,910			7,695,870
	<b>New Jersey 7.4%</b>	Econ. Dev. Auth. RB, BBB18,500 Cigarette Tax, 5.75%, 6/15/2906/14 @ 100 19,553,760 B15,410 Continental Airlines, Inc. Proj., 7.00%, 11/15/3011/10 @ 101 15,938,717 Baa38,000 Econ. Dev. Auth. SA, Kapkowski Rd. Landfill Proj., 6.50%, 4/01/28No Opt. Call 9,462,960 NR3,680 Middlesex Cnty. Impvt. Auth. RB, Heldrich Ctr. Hotel Proj., Ser. B, 6.25%, 1/01/3701/15 @ 100 3,742,781			48,698,218
	<b>New York 15.1%</b>	NR1,820 Albany Incl. Dev. Agcy. RB, New Covenant Charter Sch. Proj., Ser. A, 7.00%, 5/01/3505/15 @ 102 1,773,390 AA-43,015 Liberty Dev. Corp. RB, 5.25%, 10/01/35No Opt. Call 47,110,028 AAA7,115 Met. Transp. Auth. RB Svc. Contract, Ser. A, 5.00%, 7/01/30, AMBAC07/12 @ 100 7,312,441 New York City Incl. Dev. Agcy. RB, B27,400 American Airlines, JFK Intl. Arpt. Proj., 7.75%, 8/01/3108/16 @ 101 31,518,494 B5,000 American Airlines, JFK Intl. Arpt. Proj., 8.00%, 8/01/2808/16 @ 101 5,866,300 AAA5,375 St. Env. Facs. Corp., St. Clean Wtr. & Drinking Wtr. RB, NYC Mun. Wtr. Proj., Ser. B, 5.00%, 6/15/3106/12 @ 100 5,537,056			99,117,709
	<b>North Carolina 1.9%</b>	NR12,130 Gaston Cnty. Incl. Facs. Fin. Auth. PCRB, 5.75%, 8/01/3508/15 @ 100 12,711,876			
	<b>Ohio 7.9%</b>	Air Qual. Dev. Auth. PCRB, BBB14,500 Cleveland Elec. Illuminating Co. Proj., Ser. B, 6.00%, 8/01/2008/07 @ 102 14,999,525 AAA23,820 Dayton Pwr. & Lt. Co. Proj., 4.80%, 1/01/34, FGIC07/15 @ 100 23,819,047 NR3,760 Pinnacle Cmnty. Infrastructure Fin. Auth. RB, Ohio Facs., Ser. A, 6.25%, 12/01/3612/14 @ 101 3,914,837 AAA9,000 St. Wtr. Dev. Auth. PCRB, Dayton Pwr. & Lt. Co. Proj., Ser. A, 4.80%, 1/01/34, FGIC07/15 @ 100 9,032,040			51,765,449

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**Oklahoma 1.2%** B7,175 Tulsa Mun. Arpt. Trust RB, Ser. A, 7.75%, 6/01/35 No Opt. Call 7,920,195

**Pennsylvania 4.9%** Econ. Dev. Fin. Auth. RB, A36,500 Amtrak Proj., Ser. A, 6.375%, 11/01/4105/11 @ 101 6,995,430 BB-19,750 Exempt Facs., Reliant Energy Conv. Proj., Ser. A, 6.75%, 12/01/3612/09 @ 103 21,184,640 BBB+4,000 Higher Edl. Facs. Auth. RB, La Salle Univ. Proj., 5.50%, 5/01/3405/13 @ 100 4,171,080

32,351,150

**South Carolina 4.9%** Jobs Econ. Dev. Auth., Hosp. Facs. RB, BBB+8,010<sup>3</sup> Palmetto Hlth. Alliance Proj., 6.875%, 8/01/13N/A 9,413,672 BBB+990 Palmetto Hlth. Alliance Proj., 6.875%, 8/01/2708/13 @ 100 1,124,670 BBB+5,075 Palmetto Hlth. Alliance Proj., Ser. A, 6.25%, 8/01/3108/13 @ 100 5,454,864 Lexington Cnty. Hlth. Svcs. Dist., Hosp. RB, A5,000 5.50%, 11/01/3211/13 @ 100 5,249,050 A10,000 5.75%, 11/01/2811/13 @ 100 10,707,300

31,949,556

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**BlackRock Municipal Income Trust (BFK) (continued)**

Rating <sup>1</sup>	Principal Amount (000)	Description	Option Call Provisions <sup>2</sup>	Value
<b>Tennessee 1.5%</b>	AAA\$ 20,825	Knox Cnty. Hlth. Edl. & Hsg. Facs. Brd., Hosp. Facs. RB, Ser. A, Zero Coupon, 1/01/20, FSA01/13 @ 67.474 \$		10,129,905
<b>Texas 14.3%</b>	Affordable Hsg. Corp., Multi-Fam. Hsg. RB, NR4,435 <sup>5</sup>	Amer. Oppty. Hsg. Portfolio, Ser. B, 8.00%, 3/01/3209/12 @ 102 665,250 B6,375 <sup>5</sup>		So. Texas Pptys. Corp., Ser. B, 8.00%, 3/01/3209/12 @ 102 5,661,128 AAA3,805
	Dallas Area Rapid Trans. RB, 5.00%, 12/01/31, AMBAC12/11 @ 100 3,875,963	Harris Cnty. Houston Sports Auth. RB, AAA12,580	Ser. A, Zero Coupon, 11/15/38, MBIA11/30 @	61.166 2,206,909 AAA26,120
	Ser. A-3, Zero Coupon, 11/15/37, MBIA11/24 @	46.545 4,755,930 AAA5,000	Ser. H, Zero Coupon, 11/15/35, MBIA11/31 @	78.178 1,072,800
	Lower Colorado River Auth. RB, AAA5 <sup>3</sup>	Ser. A, 5.00%, 5/15/13, MBIAN/A 5,331 AAA2,395	Ser. A, 5.00%, 5/15/31, MBIA05/13 @	100 2,454,324 AAA13,305
	Lower Colorado River Auth. RB, Transm. Svcs. Proj., 4.75%, 5/15/34, AMBAC05/11 @ 100 13,304,069	AAA1,700 Montgomery Cnty. Mun. Util. Dist. No. 46, Wtr. Wks. & Swr. Sys. GO, 4.75%, 3/01/30, MBIA03/14 @		100 1,692,775 AAA9,085
	North Texas Tollway Auth. RB, 5.00%, 1/01/40, FSA01/15 @	100 9,272,151 AAA5,060	Pearland GO, 4.75%, 3/01/29, FGIC03/16 @ 100 5,075,281	St. Tpk. Auth. RB, Central Sys., AAA35,000
	Zero Coupon, 8/15/32, AMBAC08/12 @	30.846 8,098,650 AAA62,325	Zero Coupon, 8/15/33, AMBAC08/12 @	28.997 13,548,209 AAA65,040
	Zero Coupon, 8/15/34, AMBAC08/12 @	27.31 13,305,883 AAA8,390	Ser. A, 5.00%, 8/15/42, AMBAC08/12 @ 100 8,520,716	
				93,515,369

**Virginia 0.4%** AAA8,105 Comnwlth. Transp. Brd. RB, Zero Coupon, 4/01/32, MBIA04/12 @ 34.99 2,101,464 NR425 Suffolk Inld. Dev. Auth. RB, Lake Prince Ctr. Proj.,

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5.30%, 9/01/3109/16 @ 100 420,929

2,522,393

**Washington 2.0%** A-2,190<sup>3</sup> Energy Northwest RB, Wind Proj., Ser. B, 6.00%,  
1/01/07N/A 2,274,009 AAA680 King Cnty. Swr. GO, 5.00%, 1/01/35, FGIC01/15 @  
100 696,381 AAA3,615 King Cnty. Swr. RB, 5.00%, 1/01/36, FSA01/16 @  
100 3,710,400 AAA6,730 St. Hlth. Care Facs. Auth. RB, Providence Hlth. Care Svcs. Proj.,  
Ser. A, 4.625%, 10/01/34,  
FGIC  
10/16 @ 100  
6,599,707

13,280,497

**West Virginia 0.3%** AAA2,070 Econ. Dev. Auth. RB, Correctional Juvenile Safety, Ser.  
A, 5.00%, 6/01/29, MBIA06/14 @ 100 2,137,523

**Wisconsin 5.9%** Hlth. & Edl. Facs. Auth. RB, A-7,500 Aurora Hlth. Care Proj.,  
6.40%, 4/15/3304/13 @ 100 8,243,025 AA-12,545<sup>3</sup> Froedtert & Cmnty. Hlth. Oblig. Grp.,  
5.375%, 10/01/11N/A 13,571,808 AA-1,205 Froedtert & Cmnty. Hlth. Oblig. Grp.,  
5.375%, 10/01/3010/11 @ 101 1,249,296 A15,000<sup>3</sup> Wheaton Franciscan Svcs., 5.75%,  
8/15/3002/12 @ 101 15,867,750

38,931,879

**Total Long-Term Investments (cost \$960,712,537) 1,009,142,939**

**SHORT-TERM INVESTMENTS 2.1%** **Puerto Rico 0.0%** A-1+100<sup>6</sup> Gov t. Dev.  
Bank RB, 3.53%, 8/02/06, MBIA, FRWDN/A 100,000

**Texas 0.0%** A-1+50<sup>6</sup> Wtr. Dev. Board RB, 3.67%, 8/01/06, FRDDN/A 50,000

**Shares (000)**

**Money Market Fund 2.1%** NR13,900 AIM Tax Free Investment Co. Cash Reserve  
PortfolioN/A 13,900,000

**Total Short-Term Investments (cost \$14,050,000) 14,050,000**

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**BlackRock Municipal Income Trust (BFK) (continued)**

Description	Value
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**Total Investments 155.9% (cost**  
**\$974,762,537<sup>7</sup>)** \$1,023,192,939 Other assets in excess of  
liabilities 1.3%8,249,274 Preferred shares at redemption value, including  
dividends payable (57.2%)(375,290,321)

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**Net Assets 100%**\$ 656,151,892

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- <sup>1</sup> Using the highest of Standard & Poor's, Moody's Investment Services or Fitch's ratings.
- <sup>2</sup> Date (month/year) and price of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates.
- <sup>3</sup> This bond is prerefunded. U.S. government securities, held in escrow, are used to pay interest on this security, as well as retire the bond in full at the date indicated, typically at a premium to par.
- <sup>4</sup> Security is not registered under the Securities Act of 1933. These securities may be resold in transactions in accordance with Rule 144A under that Act, to qualified institutional buyers. As of July 31, 2006, the Trust held 7.7% of its net assets, with a current market value of \$50,592,693, in securities restricted as to resale.
- <sup>5</sup> Illiquid security. As of July 31, 2006, the Trust held 1.0% of its net assets, with a current market value of \$6,326,378 in these securities.
- <sup>6</sup> For purposes of amortized cost valuation, the maturity date of this instrument is considered to be the earlier of the next date on which the security can be redeemed at par, or the next date on which the rate of interest is adjusted. Rate shown is rate as of July 31, 2006.
- <sup>7</sup> Cost for Federal income tax purposes is \$974,611,988. The net unrealized appreciation on a tax basis is \$48,580,951, consisting of \$54,861,473 gross unrealized appreciation and \$6,280,522 gross unrealized depreciation.



**Item 2. Controls and Procedures.**

(a) The Registrant's principal executive and principal financial officers have evaluated the Registrant's disclosure controls and procedures within 90 days of this filing and have concluded, as of that date, that the Registrant's disclosure controls and procedures were reasonably designed to ensure that information required to be disclosed by the Registrant in this Form N-Q was recorded, processed, summarized, and reported within the required time periods and that information to be disclosed by the Registrant in this Form N-Q was accumulated and communicated to the Registrant's management, including its principal executive and principal financial officers, as appropriate, to allow timely decisions regarding required disclosure.

(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 (17 CFR 270.30a -3(d)) 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.**

Separate certifications of the Registrant's Principal Executive and Financial Officers pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 are attached as EX-99.CERT.

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**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) BlackRock Municipal Income Trust

By: /s/ Henry Gabbay

Name: Henry Gabbay

Title: Treasurer and Principal Financial Officer

Date: September 27, 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/ Robert S. Kapito

Name: Robert S. Kapito

Title: President and Principal Executive Officer

Date: September 27, 2006

By: /s/ Henry Gabbay

Name: Henry Gabbay

Title: Treasurer and Principal Financial Officer

Date: September 27, 2006

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