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BLACKROCK CALIFORNIA MUNICIPAL INCOME TRUST  
Form N-CSR  
October 07, 2008

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

**FORM N-CSR**

**CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT  
INVESTMENT COMPANIES**

Investment Company Act file number 811-10331

Name of Fund: BlackRock California Municipal Income Trust (BFZ)

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

Name and address of agent for service: Donald C. Burke, Chief Executive Officer, BlackRock California 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: 07/31/2008

Date of reporting period: 11/01/2007  07/31/2008

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Item 1  Report to Stockholders

EQUITIES	FIXED	REAL	LIQUIDITY	ALTERNATIVES	BLACKROCK
	INCOME	ESTATE			SOLUTIONS

[BlackRock California Investment Quality Municipal Trust Inc. \(RAA\)](#)

[BlackRock California Municipal Income Trust \(BFZ\)](#)

[BlackRock Florida Investment Quality Municipal Trust \(RFA\)](#)

[BlackRock Florida Municipal Income Trust \(BBF\)](#)

[BlackRock Florida Municipal 2020 Term Trust \(BFO\)](#)

[BlackRock New Jersey Investment Quality Municipal Trust Inc. \(RNJ\)](#)

[BlackRock New Jersey Municipal Income Trust \(BNJ\)](#)

[BlackRock New York Investment Quality Municipal Trust Inc. \(RNY\)](#)

[BlackRock New York Municipal Income Trust \(BNY\)](#)

NOT FDIC INSURED

MAY LOSE VALUE

NO BANK GUARANTEE

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[A Letter to Shareholders](#)

THIS PAGE NOT PART OF YOUR FUND REPORT

**Dear Shareholder**

For more than a year, investors have been besieged by a weak housing market, the bursting of the credit bubble that has troubled the financial sector, and surging food and oil prices, which have stoked inflation concerns. Healthy nonfinancial corporate profits and robust exporting activity remained among the few bright spots, helping the economy to grow at a modest, but still positive, pace.

The Federal Reserve Board (the Fed) has been aggressive in its attempts to stimulate economic growth and stabilize financial markets. In addition to slashing the target federal funds rate 325 basis points (3.25%) between September 2007 and April 2008, the central bank introduced the new Term Securities Lending Facility, granted broker-dealers access to the discount window and used its own balance sheet to help negotiate the sale of Bear Stearns. However, the end of the period saw a pause in Fed action; the central bank held the target rate steady at 2.0% as it attempted to balance weak growth and inflationary pressures.

The Fed's bold response to the financial crisis helped mitigate credit stress and investor anxiety, albeit temporarily. U.S. equity markets sank sharply over the reporting period, notwithstanding a brief rally in the spring and another in mid-summer, and international markets followed suit.

Treasury securities also traded in a volatile fashion, but generally rallied (yields fell as prices correspondingly rose), as the broader flight-to-quality theme persisted. The yield on 10-year Treasury issues, which fell to 3.34% in March, climbed to the 4.20% range in mid-June as investors temporarily shifted out of Treasury issues in favor of riskier assets (such as stocks and other high-quality fixed income sectors); then reversed course and declined to 3.99% by period-end when credit fears re-emerged. Meanwhile, tax-exempt issues underperformed their taxable counterparts, as problems among municipal bond insurers and the failure in the market for auction rate securities continued to pressure the group.

Overall, the major benchmark indexes generated results that reflected heightened risk aversion:

<b>Total Returns as of July 31, 2008</b>	<b>6-month</b>	<b>12-month</b>
U.S. equities (S&P 500 Index)	(7.08 )%	(11.09 )%
Small cap U.S. equities (Russell 2000 Index)	0.86	(6.71 )
International equities (MSCI Europe, Australasia, Far East Index)	(5.04 )	(12.19 )
Fixed income (Lehman Brothers U.S. Aggregate Index)	(0.63 )	6.15
Tax-exempt fixed income (Lehman Brothers Municipal Bond Index)	(0.85 )	2.83
High yield bonds (Lehman Brothers U.S. Corporate High Yield 2% Issuer Capped Index)	(0.80 )	0.52

Past performance is no guarantee of future results. Index performance shown for illustrative purposes only.

You cannot invest directly in an index.

Shortly before this shareholder report mailing, the investment landscape was dramatically altered as the ongoing credit crisis intensified, resulting in a widespread breakdown in the financial services sector and unprecedented government intervention. Through periods of market turbulence, as ever, BlackRock's full resources are dedicated to the management of our clients' assets. For our most current views on the economy and financial markets, we invite you to visit [www.blackrock.com/funds](http://www.blackrock.com/funds). As always, we thank you for entrusting BlackRock with your investment assets, and we look forward to continuing to serve you in the months and years ahead.

Sincerely,

Rob Kapito  
President, BlackRock Advisors, LLC

**Investment Objective**

**BlackRock California Investment Quality Municipal Trust Inc. (RAA) (the Trust)** seeks to provide high current income which, in the opinion of bond counsel to the issuer, is exempt from regular federal and California income tax consistent with preservation of capital.

**Performance**

For the 12 months ended July 31, 2008, the Trust returned (2.67)% based on market price and (3.23)% based on net asset value ( NAV ). For the same period, the closed-end Lipper California Municipal Debt Funds category posted an average return of (2.54)% on a NAV basis. All returns reflect reinvestment of dividends. Widening credit spreads for lower-rated California bonds (especially a 4% holding in AMR Corp.) and for those insured by the monoline insurance companies contributed to the decline in the Trust's NAV. Management's effort to moderate the contribution of current yield to the total return was partially negated by higher short-term borrowing costs resulting from the illiquidity of the auction rate market. The Trust's duration remained neutral throughout the annual period.

The views expressed reflect the opinions of BlackRock as of the date of this report and are subject to change based on changes in market, economic or other conditions. These views are not intended to be a forecast of future events and are no guarantee of future results.

**Trust Information**

Symbol on American Stock Exchange	RAA
Initial Offering Date	May 28, 1993
Yield on Closing Market Price as of July 31, 2008 (\$11.96) <sup>1</sup>	4.67%
Tax Equivalent Yield <sup>2</sup>	7.18%
Current Monthly Distribution per Common Share <sup>3</sup>	\$0.0465
Current Annualized Distribution per Common Share <sup>3</sup>	\$0.558
Leverage as of July 31, 2008 <sup>4</sup>	37%

1 Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.

2 Tax equivalent yield assumes the maximum federal tax rate of 35%.

3 The distribution is not constant and is subject to change.

4 As a percentage of managed assets, which is the total assets of the Trust (including any assets attributable to Auction Market Preferred Shares ( Preferred Shares ) and Tender Option Bond Trusts ( TOBs )) minus the sum of accrued liabilities.

The table below summarizes the changes in the Trust's market price and net asset value per share:

	<b>7/31/08</b>	<b>10/31/07</b>	<b>Change</b>	<b>High</b>	<b>Low</b>
Market Price	\$ 11.96	\$ 12.57	(4.85)%	\$ 13.30	\$ 11.52
Net Asset Value	\$ 12.90	\$ 13.86	(6.93)%	\$ 14.06	\$ 12.55

The following unaudited charts show the Trust's portfolio composition and credit quality allocations of the Trust's long-term investments:

### Portfolio Composition

Sector	7/31/08	10/31/07
City, County & State	30 %	27 %
Education	15	15
Tobacco	11	11
Lease Revenue	9	4
Industrial & Pollution Control	9	10
Hospitals	6	10
Water & Sewer	6	6
Housing	5	5
Power	4	6
Resource Recovery	3	3
Transportation	2	3

### Credit Quality Allocations<sup>5</sup>

Credit Rating	7/31/08	10/31/07
AAA/Aaa	39 %	50 %
AA/Aa	24	2
A	17	24
BBB/Baa	11	14
B	4	5
Not Rated	5	5

<sup>5</sup> Using the higher of Standard & Poor's (S&P's) or Moody's Investors Service (Moody's) ratings.

### Investment Objective

**BlackRock California Municipal Income Trust (BFZ) (the Trust)** seeks to provide high current income which, in the opinion of bond counsel to the issuer, is exempt from regular federal income tax and California income taxes.

### Performance

For the 12 months ended July 31, 2008, the Trust returned (4.84)% based on market price and (1.58)% based on NAV. For the same period, the closed-end Lipper California Municipal Debt Funds category posted an average return of (2.54)% on a NAV basis. All returns reflect reinvestment of dividends. A slightly defensive duration stance and a higher cash equivalent reserve position versus its Lipper peers provided the Trust's NAV some cushion against volatility from widening credit spreads and rising long-term investment rates. Management's strategy is to balance total return by opportunistically improving current yield, while maintaining a neutral duration.

The views expressed reflect the opinions of BlackRock as of the date of this report and are subject to change based on changes in market, economic or other conditions. These views are not intended to be a forecast of future events and are no guarantee of future results.

### Trust Information

Symbol on New York Stock Exchange	BFZ
Initial Offering Date	July 27, 2001
Yield on Closing Market Price as of July 31, 2008 (\$13.99) <sup>1</sup>	5.85%
Tax Equivalent Yield <sup>2</sup>	9.00%
Current Monthly Distribution per Common Share <sup>3</sup>	\$0.0682
Current Annualized Distribution per Common Share <sup>3</sup>	\$0.8184
Leverage as of July 31, 2008 <sup>4</sup>	38%

1 Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.

2 Tax equivalent yield assumes the maximum federal tax rate of 35%.

3 The distribution is not constant and is subject to change.

4 As a percentage of total managed assets, which is the total assets of the Trust (including any assets attributable to Preferred Shares and TOBs) minus the sum of accrued liabilities.

The table below summarizes the changes in the Trust's market price and net asset value per share:

	7/31/08	10/31/07	Change	High	Low
Market Price	\$ 13.99	\$15.82	(11.57)%	\$16.51	\$13.37
Net Asset Value	\$ 13.98	\$ 14.97	(6.61)%	\$15.16	\$13.62



The following unaudited charts show the Trust's portfolio composition and credit quality allocations of the Trust's long-term investments:

### Portfolio Composition

Sector	7/31/08	10/31/07
City, County & State	27 %	23 %
Housing	16	11
Hospitals	15	15
Education	12	12
Tobacco	7	7
Lease Revenue	7	7
Transportation	7	9
Industrial & Pollution Control	4	6
Water & Sewer	4	2
Resource Recovery	1	1
Power		7

### Credit Quality Allocations<sup>5</sup>

Credit Rating	7/31/08	10/31/07
AAA/Aaa	33 %	44 %
AA/Aa	22	3
A	24	30
BBB/Baa	11	13
B	1	1
Not Rated	9 <sup>6</sup>	9

5 Using the higher of S&P's or Moody's ratings.

6 The investment advisor has deemed certain of these non-rated securities to be of investment grade quality. As of July 31, 2008, the market value of these securities was \$2,242,216 representing 1% of the Trust's long-term investments.

### Investment Objective

**BlackRock Florida Investment Quality Municipal Trust (RFA) (the Trust)** seeks to provide high current income which, in the opinion of bond counsel to the issuer, is exempt from regular federal income tax and to provide an exemption from Florida intangible personal property taxes consistent with preservation of capital.

### Performance

For the 12 months ended July 31, 2008, the Trust returned (7.35)% based on market price and (5.29)% based on NAV. For the same period, the closed-end Lipper Florida Municipal Debt Funds category posted an average return of (1.84)% on a NAV basis. All returns reflect reinvestment of dividends. During the year, problems within the monoline insurance industry had a negative impact on the entire insured municipal market and accordingly, detracted from the Trust's performance, as well as that of its peers. Healthcare, tax increment financing, housing and corporate-backed bonds were the weakest performers. On the positive side, the Trust's significant overweight in pre-refunded bonds in the one- to five-year maturity range aided comparative results, as the yield curve steepened and short- and intermediate-maturity issues outperformed the rest of the market.

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### Trust Information

Symbol on American Stock Exchange	RFA
Initial Offering Date	May 28, 1993
Yield on Closing Market Price as of July 31, 2008 (\$10.93) <sup>1</sup>	4.89%
Tax Equivalent Yield <sup>2</sup>	7.52%
Current Monthly Distribution per Common Share <sup>3</sup>	\$0.0445
Current Annualized Distribution per Common Share <sup>3</sup>	\$0.534
Leverage as of July 31, 2008 <sup>4</sup>	38%

- 1 Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.
- 2 Tax equivalent yield assumes the maximum federal tax rate of 35%.
- 3 The distribution is not constant and is subject to change.
- 4 As a percentage of total managed assets, which is the total assets of the Trust (including any assets attributable to Preferred Shares and TOBs) minus the sum of accrued liabilities.

The table below summarizes the changes in the Trust's market price and net asset value per share:

	<b>7/31/08</b>	<b>10/31/07</b>	<b>Change</b>	<b>High</b>	<b>Low</b>
Market Price	\$ 10.93	\$ 11.86	(7.84)%	\$12.07	\$10.69
Net Asset Value	\$ 12.31	\$ 13.43	(8.34)%	\$13.45	\$11.85

The following unaudited charts show the Trust's portfolio composition and credit quality allocations of the Trust's long-term investments:

## Portfolio Composition

<b>Sector</b>	<b>7/31/08</b>	<b>10/31/07</b>
Hospitals	20 %	23 %
City, County & State	19	15
Water & Sewer	14	13
Tax Revenue	13	9
Housing	11	11
Lease Revenue	10	10
Transportation	5	3
Education	5	13
Industrial & Pollution Control	2	2
Power	1	1

## Credit Quality Allocations<sup>5</sup>

<b>Credit Rating</b>	<b>7/31/08</b>	<b>10/31/07</b>
AAA/Aaa	40 %	62 %
AA/Aa	29	10
A/A	4	5
BBB/Baa	9	9
BB/Ba	2	2
Not Rated	16 <sup>6</sup>	12

5 Using the higher of S&P's or Moody's ratings.

6 The investment advisor has deemed certain of these non-rated securities to be of investment grade quality. As of July 31, 2008, the market value of these securities was \$722,157 representing 3% of the Trust's long-term investments.

### Investment Objective

**BlackRock Florida Municipal Income Trust (BBF) (the Trust)** seeks to provide high current income which, in the opinion of bond counsel to the issuer, is exempt from regular federal income tax and Florida intangible personal property tax.

### Performance

For the 12 months ended July 31, 2008, the Trust returned (6.54)% based on market price and (1.21)% based on NAV. For the same period, the closed-end Lipper Florida Municipal Debt Funds category posted an average return of (1.84)% on a NAV basis. All returns reflect reinvestment of dividends. Several key factors influenced performance during the year. A positive contributor to performance was the Trust's significant overweight in pre-refunded bonds in the one- to five-year maturity range, as the yield curve steepened and short- and intermediate-maturity issues outperformed the rest of the market. Conversely, problems within the monoline insurance industry had a negative impact on the entire insured municipal market, hampering the performance of the Trust and its peers.

The views expressed reflect the opinions of BlackRock as of the date of this report and are subject to change based on changes in market, economic or other conditions. These views are not intended to be a forecast of future events and are no guarantee of future results.

### Trust Information

Symbol on New York Stock Exchange	BBF
Initial Offering Date	July 27, 2001
Yield on Closing Market Price as of July 31, 2008 (\$13.68) <sup>1</sup>	6.39%
Tax Equivalent Yield <sup>2</sup>	9.83%
Current Monthly Distribution per Common Share <sup>3</sup>	\$0.072875
Current Annualized Distribution per Common Share <sup>3</sup>	\$0.8745
Leverage as of July 31, 2008 <sup>4</sup>	38%

- 1 Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.
- 2 Tax equivalent yield assumes the maximum federal tax rate of 35%.
- 3 The distribution is not constant and is subject to change.
- 4 As a percentage of total managed assets, which is the total assets of the Trust (including any assets attributable to Preferred Shares and TOBs) minus the sum of accrued liabilities.

The table below summarizes the changes in the Trust's market price and net asset value per share:

	7/31/08	10/31/07	Change	High	Low
Market Price	\$ 13.68	\$ 15.10	(9.40)%	\$ 15.55	\$ 13.46
Net Asset Value	\$ 14.08	\$ 15.05	(6.45)%	\$ 15.11	\$ 13.70

The following unaudited charts show the Trust's portfolio composition and credit quality allocations of the Trust's long-term investments:

### Portfolio Composition

<b>Sector</b>	<b>7/31/08</b>	<b>10/31/07</b>
Hospitals	30 %	31 %
City, County & State	28	28
Water & Sewer	10	11
Tax Revenue	9	8
Lease Revenue	8	5
Education	8	9
Transportation	3	3
Housing	2	3
Industrial & Pollution Control	1	1
Power	1	1

### Credit Quality Allocations<sup>5</sup>

<b>Credit Rating</b>	<b>7/31/08</b>	<b>10/31/07</b>
AAA/Aaa	25 %	45 %
AA/Aa	30	25
A/A	11	3
BBB/Baa	9	8
BB/Ba	2	2
Not Rated <sup>6</sup>	23	17

5 Using the higher of S&P's or Moody's ratings.

6 The investment advisor has deemed certain of these non-rated securities to be of investment grade quality. As of July 31, 2008 and October 31, 2007, the market value of these securities was \$13,484,932 representing 9% and \$1,562,493 representing 1%, respectively, of the Trust's long-term investments.

### Investment Objective

**BlackRock Florida Municipal 2020 Term Trust (BFO) (the Trust )** seeks to provide current income that is exempt from regular federal income tax and Florida intangible personal property taxes and to return \$15.00 per share (the initial public offering price) on or about December 31, 2020.

### Performance

For the 12 months ended July 31, 2008, the Trust returned (1.97)% based on market price and 0.14% based on NAV. For the same period, the closed-end Lipper Florida Municipal Debt Funds category posted an average return of (1.84)% on a NAV basis. All returns reflect reinvestment of dividends. The Trust's intermediate duration bias was the primary driver of relative outperformance as long-term rates rose during the annual period. Meanwhile, the allocation to lower-rated issues detracted from results as spreads widened during the 12 months.

The views expressed reflect the opinions of BlackRock as of the date of this report and are subject to change based on changes in market, economic or other conditions. These views are not intended to be a forecast of future events and are no guarantee of future results.

### Trust Information

Symbol on New York Stock Exchange:	BFO
Initial Offering Date:	September 30, 2003
Termination Date (on or about):	December 31, 2020
Yield on Closing Market Price as of July 31, 2008 (\$12.50): <sup>1</sup>	4.90%
Tax Equivalent Yield: <sup>2</sup>	7.54%
Current Monthly Distribution per Common Share: <sup>3</sup>	\$0.051
Current Annualized Distribution per Common Share: <sup>3</sup>	\$0.612
Leverage as of June 31, 2008: <sup>4</sup>	38%

1 Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price.  
Past performance does not guarantee future results.

2 Tax equivalent yield assumes the maximum Federal tax rate of 35%.

3 The distribution is not constant and is subject to change.

4 As a percentage of total managed assets, which is the total assets of the Trust (including any assets attributed to Preferred Shares and TOBs) minus the sum of accrued liabilities.

The table below summarizes the changes in the Trust's market price and net asset value per share:

	7/31/08	12/31/07	Change	High	Low
Market Price	\$ 12.50	\$ 12.93	(3.33)%	\$ 13.87	\$ 12.21
Net Asset Value	\$ 14.16	\$ 14.27	(3.80)%	\$ 15.11	\$ 13.72

The following unaudited charts show the portfolio composition and credit quality allocations of the Trust's long-term investments:

### Portfolio Composition

<b>Sector</b>	<b>7/31/08</b>	<b>12/31/07</b>
City, County & State	22 %	22 %
Water & Sewer	16	18
Hospitals	13	12
Tax Revenue	11	12
Education	10	10
Power	9	9
Industrial & Pollution Control	6	6
Lease Revenue	6	4
Housing	5	5
Transportation	2	2

### Credit Quality Allocations<sup>5</sup>

<b>Credit Rating</b>	<b>7/31/08</b>	<b>12/31/07</b>
AAA/Aaa	29 %	59 %
AA/Aa	34	9
A	7	2
BBB/Baa	9	9
BB/Ba	2	2
CCC/Caa		1
Not Rated <sup>6</sup>	19	18

5 Using the higher of S&P's or Moody's ratings.

6 The investment advisor has deemed certain of these non-rated securities to be of investment grade quality. As of July 31, 2008 and December 31, 2007, the market value of these securities was \$11,848,675 representing 9% and \$2,084,840 representing 2%, respectively, of the Trust's long-term investments.

**Investment Objective**

**BlackRock New Jersey Investment Quality Municipal Trust Inc. (RNJ) (the Trust )** seeks to provide high current income which, in the opinion of bond counsel to the issuer, is exempt from regular federal income tax and New Jersey gross income tax consistent with preservation of capital.

**Performance**

For the 12 months ended July 31, 2008, the Trust returned (18.01)% based on market price and (6.36)% based on NAV. For the same period, the closed-end Lipper New Jersey Municipal Debt Funds category posted an average return of (3.42)% on a NAV basis. All returns reflect reinvestment of dividends. A long duration position detracted from the Trust's performance during a period of rising interest rates in the municipal market. Overweights in lower-rated issues and zero-coupon bonds also hampered results, as both of these sectors underperformed amid dramatic widening in credit spreads. However, the incremental income generated by these holdings continued to enhance the Trust's above-average dividend yield.

The views expressed reflect the opinions of BlackRock as of the date of this report and are subject to change based on changes in market, economic or other conditions. These views are not intended to be a forecast of future events and are no guarantee of future results.

**Trust Information**

Symbol on New York Stock Exchange	RNJ
Initial Offering Date	May 28, 1993
Yield on Closing Market Price as of July 31, 2008 (\$11.96) <sup>1</sup>	5.16%
Tax Equivalent Yield <sup>2</sup>	7.94%
Current Monthly Distribution per Common Share <sup>3</sup>	\$0.0514
Current Annualized Distribution per Common Share <sup>3</sup>	\$0.6168
Leverage as of July 31, 2008 <sup>4</sup>	38%

- Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.
- Tax equivalent yield assumes the maximum federal tax rate of 35%.
- The distribution is not constant and is subject to change.
- As a percentage of total managed assets, which is the total assets of the Trust (including any assets attributable to Preferred Shares and TOBs) minus the sum of accrued liabilities.

The table below summarizes the changes in the Trust's market price and net asset value per share:

	<b>7/31/08</b>	<b>10/31/07</b>	<b>Change</b>	<b>High</b>	<b>Low</b>
Market Price	\$ 11.96	\$ 14.96	(20.05)%	\$17.44	\$11.91
Net Asset Value	\$ 12.20	\$ 13.57	(10.10)%	\$13.62	\$12.08



The following unaudited charts show the portfolio composition and credit quality allocations of the Trust's long-term investments:

### Portfolio Composition

<b>Sector</b>	<b>7/31/08</b>	<b>10/31/07</b>
Hospitals	22 %	19 %
Transportation	21	20
Education	14	10
Housing	8	11
Tax Revenue	8	10
Water & Sewer	7	7
Industrial & Pollution Control	7	8
City, County & State	6	6
Tobacco	4	4
Power	3	3
Lease Revenue		2

### Credit Quality Allocations<sup>5</sup>

<b>Credit Rating</b>	<b>7/31/08</b>	<b>10/31/07</b>
AAA/Aaa	24 %	49 %
AA/Aa	29	3
A	16	11
BBB/Baa	14	29
B	4	5
Not Rated	13	3

<sup>5</sup> Using the higher of S&P's or Moody's ratings.

### Investment Objective

**BlackRock New Jersey Municipal Income Trust (BNJ) (the Trust )** seeks to provide high current income which, in the opinion of bond counsel to the issuer, is exempt from regular federal income tax and New Jersey gross income tax.

### Performance

For the 12 months ended July 31, 2008, the Trust returned (4.33)% based on market price and (4.13)% based on NAV. For the same period, the closed-end Lipper New Jersey Municipal Debt Funds category posted an average return of (3.42)% on a NAV basis. All returns reflect reinvestment of dividends. A long duration position detracted from the Trust's performance during a period of rising interest rates in the municipal market. Overweights in lower-rated issues and zero-coupon bonds also hampered results, as both of these sectors underperformed amid dramatic widening in credit spreads. However, the incremental income generated by these holdings continued to enhance the Trust's above-average dividend yield.

The views expressed reflect the opinions of BlackRock as of the date of this report and are subject to change based on changes in market, economic or other conditions. These views are not intended to be a forecast of future events and are no guarantee of future results.

### Trust Information

Symbol on New York Stock Exchange	BNJ
Initial Offering Date	July 27, 2001
Yield on Closing Market Price as of July 31, 2008 (\$15.09) <sup>1</sup>	6.17%
Tax Equivalent Yield <sup>2</sup>	9.49%
Current Monthly Distribution per Common Share <sup>3</sup>	\$0.0776
Current Annualized Distribution per Common Share <sup>3</sup>	\$0.9312
Leverage as of July 31, 2008 <sup>4</sup>	37%

- Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.
- Tax equivalent yield assumes the maximum federal tax rate of 35%.
- The distribution is not constant and is subject to change.
- As a percentage of total managed assets, which is the total assets of the Trust (including any assets attributable to Preferred Shares and TOBs) minus the sum of accrued liabilities.

The table below summarizes the changes in the Trust's market price and net asset value per share:

	7/31/08	10/31/07	Change	High	Low
Market Price	\$ 15.09	\$ 16.90	(10.71)%	\$18.34	\$14.68
Net Asset Value	\$ 14.15	\$ 15.49	(8.65)%	\$15.58	\$14.05

The following unaudited charts show the portfolio composition and credit quality allocations of the Trust's long-term investments:

### Portfolio Composition

<b>Sector</b>	<b>7/31/08</b>		<b>10/31/07</b>	
Hospitals	28	%	26	%
Housing	16		19	
City, County & State	11		10	
Transportation	11		9	
Education	9		8	
Tax Revenue	7		7	
Tobacco	6		8	
Industrial & Pollution Control	6		6	
Lease Revenue	5		5	
Water & Sewer	1		1	
Power			1	

### Credit Quality Allocations<sup>5</sup>

<b>Credit Rating</b>	<b>7/31/08</b>		<b>10/31/07</b>	
AAA/Aaa	32	%	40	%
AA/Aa	12			
A	26		27	
BBB/Baa	18		27	
B	3		3	
Not Rated	9		3	

<sup>5</sup> Using the higher of S&P's or Moody's ratings.

**Investment Objective**

**BlackRock New York Investment Quality Municipal Trust Inc. (RNY) (the Trust )** seeks to provide high current income which, in the opinion of bond counsel to the issuer, is exempt from regular federal, New York State and New York City income tax consistent with preservation of capital.

**Performance**

For the 12 months ended July 31, 2008, the Trust returned (10.41)% based on market price and (2.52)% based on NAV. For the same period, the closed-end Lipper New York Municipal Debt Funds category posted an average return of (1.71)% on a NAV basis. All returns reflect reinvestment of dividends. Detracting from the Trust's yearly performance were its longer-dated holdings, which proved more volatile as risk spreads increased and the municipal yield curve steepened. Conversely, the Trust's greater-than-average distribution rate, in conjunction with a largely neutral duration position during a period of rising interest rates and municipal bond relative underperformance, benefited comparative results.

The views expressed reflect the opinions of BlackRock as of the date of this report and are subject to change based on changes in market, economic or other conditions. These views are not intended to be a forecast of future events and are no guarantee of future results.

**Trust Information**

Symbol on New York Stock Exchange	RNY
Initial Offering Date	May 28, 1993
Yield on Closing Market Price as of July 31, 2008 (\$12.83) <sup>1</sup>	5.44%
Tax Equivalent Yield <sup>2</sup>	8.37%
Current Monthly Distribution per Common Share <sup>3</sup>	\$0.0582
Current Annualized Distribution per Common Share <sup>3</sup>	\$0.6984
Leverage as of July 31, 2008 <sup>4</sup>	36%

- 1 Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.
- 2 Tax equivalent yield assumes the maximum federal tax rate of 35%.
- 3 The distribution is not constant and is subject to change.
- 4 As a percentage of total managed assets, which is the total assets of the Trust (including any assets attributable to Preferred Shares) minus the sum of accrued liabilities.

The table below summarizes the changes in the Trust's market price and net asset value per share:

	<b>7/31/08</b>	<b>10/31/07</b>	<b>Change</b>	<b>High</b>	<b>Low</b>
Market Price	\$ 12.83	\$ 15.39	(16.63)%	\$16.26	\$12.82
Net Asset Value	\$ 13.30	\$ 14.40	(7.64)%	\$14.47	\$13.09

The following unaudited charts show the portfolio composition and credit quality allocations of the Trust's long-term investments:

### Portfolio Composition

<b>Sector</b>	<b>7/31/08</b>	<b>10/31/07</b>
Education	24 %	23 %
Tax Revenue	15	16
Water & Sewer	12	13
Housing	12	12
City, County & State	11	12
Industrial & Pollution Control	9	10
Hospitals	7	4
Transportation	5	5
Lease Revenue	3	3
Tobacco	2	2

### Credit Quality Allocations<sup>5</sup>

<b>Credit Rating</b>	<b>7/31/08</b>	<b>10/31/07</b>
AAA/Aaa	36 %	50 %
AA/Aa	37	23
A	9	5
BBB/Baa	8	12
BB/Ba	1	
B	7	9
Not Rated	2	1

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