

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

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 ¹	Principal Amount (000)	Description	Option Call Provisions ²	Value
LONG-TERM INVESTMENTS 153.8%				
		Alabama 2.7%	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
		Arizona 1.2%	A37,000 ³ Scottsdale Ind. Dev. Auth. RB, Scottsdale Hlth. Care Proj.,	
			5.80%, 12/01/11N/A	7,712,110
		California 16.9%	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	BBB17,855 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
		Colorado 1.3%	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+9,670³Highlands 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 ¹	Principal Amount (000)	Description	Option Call Provisions ²	Value
		Georgia 0.6% 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		
		Idaho 2.7% AAA16,970 Univ. of Idaho RB, Student Fee Hsg. Impvt. Proj., 5.40%, 4/01/41, FGIC04/11 @ 100 17,626,400		
		Illinois 12.9% NR4,630 ⁴ 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+7,145³ 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

84,819,544

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

46,600,597

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

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

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

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

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

10,345,926

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

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 ¹	Principal Amount (000)	Description	Option Call Provisions ²	Value	
	Multi-State 7.0%	Charter Mac Equity Issuer Trust, A3\$ 1,000 ⁴ Ser. A, 6.625%, 6/30/49No Opt. Call \$ 1,057,830 A311,000 ⁴ Ser. A-2, 6.30%, 6/30/49No Opt. Call 11,539,660 A316,000 ⁴ Ser. A-3, 6.80%, 10/01/52No Opt. Call 17,924,800 Baa16,500 ⁴ Ser. B-1, 6.80%, 11/30/50No Opt. Call 6,910,475 A38,000 ⁴ MuniMae TE Bond Subsidiary LLC, Ser. A, 6.875%, 6/30/4906/09 @ 100 8,516,640			45,949,405
	Nebraska 1.1%	AA6,990 Omaha Pub. Pwr. Dist. RB, Elec. Sys., Ser. A, 4.75%, 2/01/4402/14 @ 100 6,869,772			
	Nevada 1.6%	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
	New Hampshire 1.2%	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
	New Jersey 7.4%	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
	New York 15.1%	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
	North Carolina 1.9%	NR12,130 Gaston Cnty. Incl. Facs. Fin. Auth. PCRB, 5.75%, 8/01/3508/15 @ 100 12,711,876			
	Ohio 7.9%	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+8,010³ 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 ¹	Principal Amount (000)	Description	Option Call Provisions ²	Value
Tennessee 1.5%	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
Texas 14.3%	Affordable Hsg. Corp., Multi-Fam. Hsg. RB, NR4,435 ⁵	Amer. Oppty. Hsg. Portfolio, Ser. B, 8.00%, 3/01/3209/12 @ 102 665,250 B6,375 ⁵		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 ³	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-2,190³ 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-12,545³ 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 A15,000³ 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+100⁶ Gov t. Dev.
Bank RB, 3.53%, 8/02/06, MBIA, FRWDN/A 100,000

Texas 0.0% A-1+50⁶ 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
\$974,762,537⁷) \$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)

Net Assets 100%\$ 656,151,892

-
- ¹ Using the highest of Standard & Poor's, Moody's Investment Services or Fitch's ratings.
- ² Date (month/year) and price of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates.
- ³ 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.
- ⁴ 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.
- ⁵ 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.
- ⁶ 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.
- ⁷ 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.

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
