

BLACKROCK MUNICIPAL INCOME TRUST

Form N-Q

September 29, 2004

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

19809

(Address of principal executive offices)

(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, 888-825-2257
including area
code:

Date of fiscal
year end: October 31, 2004

Date of
reporting
period: July 31, 2004

Item 1. Schedule of Investments

The Trust's schedule of investments pursuant to Rule 30b1-5 under the Investment Company Act of 1940 is as follows:

PORTFOLIO OF INVESTMENTS (unaudited)
JULY 31, 2004

BlackRock Municipal Income Trust (BFK)

Rating ¹	Principal Amount (000)	Description	Option Call Provisions ²	Value
LONG-TERM INVESTMENTS 160.1%				
Alabama 6.3%				
Baa2	\$ 7,000	Courtland Ind. Dev. Brd., PCR, Champion Intl. Corp. Proj., 6.15%, 6/01/19	06/05 @ 102	\$ 7,275,800
A2	15,000	Huntsville Hlth. Care Auth., GO, Ser. B, 5.75%, 6/01/32	06/12 @ 101	15,429,600
BBB	15,000	Phenix Cnty. Indl. Dev. Brd., Env. Impvt. Rev., Ser. A, 6.35%, 5/15/35	05/12 @ 100	15,480,900
				38,186,300
Arizona 1.2%				
A3	7,000	Scottsdale Ind. Dev. Auth., Scottsdale Hlth. Care, 5.80%, 12/01/31	12/11 @ 101	7,082,740
California 21.7%				
A	6,500	California Infrastructure & Econ. Dev., J. David Gladstone Inst. Proj., 5.25%, 10/01/34	10/11 @ 101	6,328,140
A	5,000	California Statewide Cmnty. Dev. Auth., Mem. Hlth. Svcs., Ser. A, 5.50%, 10/01/33	04/13 @ 100	5,075,950
BBB	54,635	Foothill/Eastn. Transp. Corridor Agcy., Toll Road Rev., Zero Coupon, 1/15/32	01/10 @ 27.37	10,021,152
BBB	20,535	Zero Coupon, 1/15/34	01/10 @ 24.228	3,327,286
BBB	75,000	Zero Coupon, 1/15/38	01/10 @ 19.014	9,387,750
Golden St. Tobacco Sec. Corp.,				
BBB	10,000	Ser. A-1, 6.625%, 6/01/40	06/13 @ 100	8,813,900
Baa1	30,600	Ser. B, 5.50%, 6/01/43	06/13 @ 100	30,644,064
Baa1	16,500	Ser. B, 5.625%, 6/01/38	06/13 @ 100	16,666,650
Los Angeles Regl. Arpt. Impvt., Corp. Lease Rev.,				
Caa2	20,055	Amer. Airlines Inc., Ser. C, 7.50%, 12/01/24	12/12 @ 102	17,047,753
AAA	13,320	Facs. Laxfuel Corp., L.A. Intl., 5.50%, 1/01/32, AMBAC	01/12 @ 100	13,407,379
NR	5,000	Murrieta Cmnty. Facs. Dist., Spl. Tax No. 2, The Oaks Impvt. Area A, 6.00%, 9/01/34	09/14 @ 100	4,993,500
San Marcos, Spl. Tax Rev., Cmnty. Facs. Dist. No. 02-01,				
NR	1,870	5.90%, 9/01/28	09/10 @ 102	1,867,513
NR	3,510	5.95%, 9/01/35	09/10 @ 102	3,504,875
				131,085,912
Colorado 2.9%				
AAA	14,000	Colorado Wtr. Rec. & Pwr. Dev. Auth., Parker Wtr. & San. Dist., Ser. D, 5.25%, 9/01/43, MBIA	09/14 @ 100	14,256,340
BBB	3,500		12/11 @ 100	3,481,275

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Denver Hlth. & Hosp. Auth., Hlth. Care Rev., Ser. A, 6.00%, 12/01/31				
				17,737,615
Connecticut 5.1%				
A3	5,950	Connecticut Dev. Auth., Connecticut Lt. & Pwr., PCR, Ser. A, 5.85%, 9/01/28	10/08 @ 102	6,194,842
Mohegan Tribe Indians, Pub. Impvt. Priority Dist.,				
BBB-	2,730	5.25%, 1/01/33	01/14 @ 100	2,651,840
BBB-	20,940	6.25%, 1/01/31	01/11 @ 101	21,896,330
				30,743,012
Delaware 6.3%				
Charter Mac Equity Issuer Trust,				
A3	1,000 ³	Ser. A, 6.625%, 6/30/49	06/09 @ 100	1,096,240
A3	11,000 ³	Ser. A-2, 6.30%, 6/30/49	06/09 @ 100	11,902,550
Baa1	16,000 ³	Ser. A-3, 6.80%, 10/01/52	10/14 @ 100	17,836,160
Baa1	6,500 ³	Ser. B-1, 6.80%, 11/30/50	11/10 @ 100	7,152,795
				37,987,745
District of Columbia 5.8%				
A	2,390	Friendship Pub. Charter Sch. Inc., 5.25%, 6/01/33, ACA	06/14 @ 100	2,267,847
AAA	15,600	Georgetown Univ., Ser. A, Zero Coupon, 4/01/36, MBIA	04/11 @ 22.875	2,406,612
AAA	51,185	Georgetown Univ., Ser. A, Zero Coupon, 4/01/37, MBIA	04/11 @ 21.546	7,424,384
BBB	25,535	Tobacco Settlement Fin. Corp., 6.75%, 5/15/40	05/11 @ 101	22,725,129
				34,823,972

BlackRock Municipal Income Trust (BFK) (continued)

Rating ¹	Principal Amount (000)	Description	Option Call Provisions ²	Value
Florida 10.6%				
NR	\$ 3,000	Amelia Nat. Cmnty. Dev. Dist., Cap. Impvt., Ser. A, 6.30%, 5/01/35	05/14 @ 101	\$ 3,020,100
NR	2,000	CFM Cmnty. Dev. Dist., Cap. Impvt., Ser. A, 6.25%, 5/01/35	05/14 @ 101	2,009,220
Baa2	4,600	Escambia Cnty., PCR, Champion Intl. Corp. Proj., 6.40%, 9/01/30	09/06 @ 102	4,723,050
A	9,670	Highlands Cnty. Hlth. Facs. Auth., Hosp. Adventist/Sunbelt, Ser. A, 6.00%, 11/15/31	11/11 @ 101	10,127,584
BBB-	9,000	Martin Cnty. Indl. Dev. Auth., Indiantown Cogeneration Proj., Ser. A, 7.875%, 12/15/25	12/04 @ 102	9,223,920
BB	11,685	Miami Beach Hlth. Facs. Auth., Mt. Sinai Med. Ctr., 6.75%, 11/15/21	11/14 @ 100	11,853,264
NR	3,705	Parkway Ctr. Cmnty. Dev. Dist., Ser. A, 6.30%, 5/01/34	05/14 @ 101	3,667,691
NR	3,970	Stevens Plantation Cmnty. Dev. Dist., Spl. Assmt. Rev., Ser. A, 7.10%, 5/01/35	05/14 @ 100	3,989,969
NR	10,000	Village Cmnty. Dev. Dist. No. 6, Spl. Assmnt. Rev., 5.625%, 5/01/22	05/13 @ 100	9,946,200

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World Commerce Cmnty. Dev. Dist.,				
NR	4,000	Ser. A-1, 6.50%, 5/01/36	05/14 @ 101	3,989,480
NR	1,750	Ser. A-2, 6.125%, 5/01/35	05/14 @ 101	1,732,483
				64,282,961
Georgia 0.7%				
BBB	4,000	Richmond Cnty. Dev. Auth., Env. Impvt. Rev., Intl. Paper Co. Proj., Ser. A, 6.00%, 2/01/25	02/12 @ 101	4,088,360
Idaho 2.9%				
AAA	16,970	Univ. of Idaho, Student Fee Hsg. Impvt. Proj., 5.40%, 4/01/41, FGIC	04/11 @ 100	17,405,280
Illinois 18.0%				
Bolingbrook, Ser. B, FGIC,				
AAA	14,085	Zero Coupon, 1/01/34	No Opt. Call	2,656,713
AAA	7,120	Zero Coupon, 1/01/33	No Opt. Call	1,425,495
NR	4,630	Centerpoint Intermodal Ctr. Prog. Trust, Ser. A, 8.00%, 6/15/23	No Opt. Call	4,533,928
Illinois Dev. Fin. Auth.,				
A	7,145 ⁴	Hosp. Rev., Adventist Hlth. Sys. Sunbelt Oblig., 5.65%, 11/15/24	11/09 @ 101	7,194,729
A2	25,000	PCR, Ser. C, 5.95%, 8/15/26	12/06 @ 101	25,586,500
Illinois Edl. Facs. Auth.,				
Baa2	10,000	Student Hsg. Rev., Edl. Advancement Fund Univ. Ctr. Proj., 6.25%, 5/01/30	05/12 @ 101	10,194,200
Baa2	7,000	Student Hsg. Rev., Edl. Advancement Fund Univ. Ctr. Proj., 6.25%, 5/01/34	05/07 @ 100	7,174,790
Aa1	20,000	Univ. of Chicago, Ser. A, 5.25%, 7/01/41	07/11 @ 101	20,102,600
AA+	3,700	Illinois Fin. Auth., Northwestern Mem. Hosp., Ser. A, 5.50%, 8/15/43	08/14 @ 100	3,723,680
Illinois Hlth. Facs. Auth., Elmhurst Mem. Hlth. Care,				
A2	5,000	5.50%, 1/01/22	01/13 @ 100	5,094,600
A2	6,000	5.625%, 1/01/28	01/13 @ 100	6,082,440
Met. Pier & Exposition Auth., Dedicated St. Tax Rev., McCormick Place Expansion				
AAA	40,000	Proj., Ser. A, Zero Coupon, 12/15/34, MBIA	No Opt. Call	7,252,800
AAA	7,645	O'Hare Intl. Arpt., Ser. C-2, 5.25%, 1/01/30, FSA	01/14 @ 100	7,640,642
				108,663,117
Indiana 7.2%				
A+	9,000	Indiana Hlth. Fac. Fin. Auth., Methodist Hosp. Inc., 5.50%, 9/15/31	09/11 @ 100	8,963,010
BBB	7,500	Indianapolis Arpt. Auth., Fed. Express Corp. Proj., 5.10%, 1/15/17	No Opt. Call	7,580,100
Petersburg, PCR, Pwr. & Lt. Conv.,				
BBB	10,000	5.90%, 12/01/24	08/11 @ 102	10,251,800
BBB	16,000	5.95%, 12/01/29	08/11 @ 102	16,428,160
				43,223,070
Kentucky 1.5%				
AAA	9,060	Kentucky Hsg. Corp., Hsg. Rev., Ser. F, 5.45%, 1/01/32	07/11 @ 100	9,111,280
Louisiana 4.6%				
Louisiana Local Gov't. Env. Facs. & Cmnty. Dev. Auth.,				

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A	21,425	Cap. Projs. & Equip. Acquisition, 6.55%, 9/01/25, ACA	No Opt. Call	23,254,695
Baa1	4,605	Oakleigh Apts. Proj., Ser. A, 6.375%, 6/01/38	06/13 @ 102	4,554,069
				27,808,764

Maryland 2.1%

BBB	4,205	Maryland Hlth. & Higher Edl. Facs. Auth., Medstar Hlth., 5.50%, 8/15/33	08/14 @ 100	4,092,600
NR	8,000 ^{3,5}	MuniMae TE Bond Subsidiary, LLC, Ser. A, 6.875%, 6/30/49	06/09 @ 100	8,761,280
				12,853,880

Michigan 2.9%

AA	17,210	Kent Hosp. Fin. Auth., Spectrum Hlth., Ser. A, 5.50%, 1/15/31	07/11 @ 101	17,565,386
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BlackRock Municipal Income Trust (BFK) (continued)

Rating ¹	Principal Amount (000)	Description	Option Call Provisions ²	Value
Minnesota 0.3%				
A2	\$ 1,800	Minnesota Higher Ed. Facs., Univ. of St. Thomas, Ser. 5Y, 5.25%, 10/01/34	10/14 @ 100	\$ 1,801,836
Mississippi 3.1%				
A2	18,680	Gulfport Hosp. Fac., Mem. Hosp. Gulfport Proj., Ser. A, 5.75%, 7/01/31	07/11 @ 100	18,910,324
New Hampshire 0.6%				
A+	3,500	New Hampshire Hlth. & Edl. Facs. Auth., Exeter Hosp. Proj., 5.75%, 10/01/31	10/11 @ 101	3,590,580
New Jersey 8.2%				
New Jersey Econ. Dev. Auth.,				
B	31,410	Continental Airlines Inc. Proj., 7.00%, 11/15/30	11/10 @ 101	24,269,879
Baa3	8,000	Kapkowski Road Landfill Proj., 6.50%, 4/01/28	No Opt. Call	8,905,600
BBB	18,000	Tobacco Settlement Fin. Corp., 6.75%, 6/01/39	06/13 @ 100	16,151,760
				49,327,239
New York 6.5%				
Met. Transp. Auth., Ser. A,				
AAA	4,175	Dedicated Tax Fund, 5.00%, 11/15/30, MBIA	11/12 @ 100	4,175,083
AAA	7,115	Svc. Contract, 5.00%, 7/01/30, AMBAC	07/12 @ 100	7,115,000
New York City Mun. Wtr. Fin. Auth.				
AA+	3,980	Ser. A, 5.00%, 6/15/39	06/14 @ 100	3,916,599
AAA	6,680	Ser. A, 5.00%, 6/15/39, AMBAC	06/14 @ 100	6,616,741
AAA	11,825	Ser. C, 5.00%, 6/15/35, AMBAC	06/14 @ 100	11,791,062
AAA	5,375	New York Env. Facs. Corp., Clean Wtr. & Drinking Wtr. Rev., NYC Mun. Wtr. Proj. B, 5.00%, 6/15/31	06/12 @ 100	5,388,760
				39,003,245

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Ohio 3.0%

Baa2	14,500	Ohio Air Quality Dev. Auth., PCR, Cleveland Elec. Illuminating Co. Proj., Ser. B, 6.00%, 8/01/20	08/07 @ 102	14,751,140
NR	3,260	Pinnacle Cmnty. Infrastructure Fin. Auth., Ohio Facs., Ser. A, 6.25%, 12/01/36	12/14 @ 101	3,259,609
				18,010,749

Pennsylvania 4.7%

A3	6,500	Pennsylvania Econ. Dev. Fin. Auth., Amtrak Proj., Ser. A, 6.375%, 11/01/41	05/11 @ 101	6,652,425
BBB+	4,000	Pennsylvania Higher Edl. Facs. Auth., La Salle Univ., 5.50%, 5/01/34	05/13 @ 100	3,931,320
A	17,250	Univ. of Pennsylvania Hlth. Svcs., Ser. A, 5.75%, 1/01/22	01/06 @ 101	17,752,320
				28,336,065

South Carolina 5.0%

Lexington Cnty. Hlth. Svcs. Dist., Hosp. Rev.,				
A	5,000	5.50%, 11/01/32	11/13 @ 100	5,022,050
A	10,000	5.75%, 11/01/28	11/13 @ 100	10,319,400
So. Carolina Jobs Econ. Dev. Auth., Hosp. Facs. Rev., Palmetto Hlth. Alliance,				
BBB	5,075	Ser. A, 6.25%, 8/01/31	08/13 @ 100	5,234,050
BBB	9,000	Ser. C, 6.875%, 8/01/27	08/13 @ 100	9,731,250
				30,306,750

Tennessee 1.5%

AAA	20,825	Knox Cnty. Hlth. Edl. & Hsg. Facs. Brd., Hosp. Facs. Rev., Ser. A, Zero Coupon, 1/01/20, FSA	01/13 @ 67.474	8,973,493
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Texas 15.3%

Brazos River Auth., PCR, TXU Elec. Co. Proj., Ser. C,				
BBB	8,655	5.75%, 5/01/36	No Opt. Call	9,057,804
BBB	1,320	6.75%, 10/01/38	10/13 @ 101	1,376,245
AAA	3,805	Dallas Area Rapid Trans., 5.00%, 12/01/31, AMBAC	12/11 @ 100	3,766,379
Harris Cnty. Houston Sports Auth., MBIA,				
AAA	12,580	Ser. A, Zero Coupon, 11/15/38	11/30 @ 61.166	1,686,852
AAA	26,120	Ser. A-3, Zero Coupon, 11/15/37	11/24 @ 46.545	3,691,279
AAA	5,000	Ser. H, Zero Coupon, 11/15/35	11/31 @ 78.178	789,650
BBB	4,670	Matagorda Cnty. Navigation Dist. No. 1, 5.60%, 3/01/27	03/14 @ 101	4,680,274
BBB	4,450	Sabine River Auth., PCR, TXU Elec. Co. Proj., Ser. B, 5.75%, 11/01/11	No Opt. Call	4,745,035

BlackRock Municipal Income Trust (BFK) (continued)

Rating ¹	Principal Amount (000)	Description	Option Call Provisions ²	Value
Texas (continued)				
Baa1	\$ 6,010	Texas Affordable Hsg. Corp., Multi-Fam. Hsg. Rev., 5.80%, 11/01/26	11/11 @ 102	\$ 5,877,239

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BBB-	4,435	Amer. Oppty. Hsg., Ser. B, 8.00%, 3/01/32	09/12 @ 102	4,133,509
Baa1	18,605	Arborstone/Baybrook Oaks, Ser. A, 5.85%, 11/01/31	11/11 @ 102	18,070,478
BBB-	6,515	So. Texas Pptys. Corp., Ser. B, 8.00%, 3/01/32	09/12 @ 102	6,072,110
		Texas Tpke. Auth., Central Sys. Rev., AMBAC,		
AAA	35,000	Zero Coupon, 8/15/32	08/12 @ 30.846	6,613,950
AAA	62,325	Zero Coupon, 8/15/33	08/12 @ 28.997	11,047,106
AAA	65,040	Zero Coupon, 8/15/34	08/12 @ 27.31	10,853,225
				92,461,135
Virginia 0.3%				
AAA	8,105	Virginia Transp. Brd. Trust, Zero Coupon, 4/01/32, MBIA	04/12 @ 34.99	1,702,455
Washington 0.4%				
A-	2,190	Energy Northwest Wind Proj., Ser. B, 6.00%, 7/01/23	01/07 @ 103	2,283,491
West Virginia 1.7%				
BBB	8,000	Braxton Cnty. Sld. Wst. Disp., Weyerhaeuser Co. Proj., 6.50%, 4/01/25	04/05 @ 102	8,279,200
AAA	2,070	West Virginia Econ. Dev. Auth., Correctional Juvenile Safety, Ser. A, 5.00%, 6/01/29, MBIA	06/14 @ 100	2,055,614
				10,334,814
Wisconsin 9.7%				
BBB	26,000	Badger Tobacco Asset Sec. Corp., 6.375%, 6/01/32	06/12 @ 100	22,062,560
		Wisconsin Hlth. & Edl. Facs. Auth.,		
A-	7,500	Aurora Hlth. Care, 6.40%, 4/15/33	04/13 @ 100	7,845,975
A+	13,750	Froedert & Cmnty. Hlth. Oblig., 5.375%, 10/01/30	10/11 @ 101	13,607,825
A	15,000	Wheaton Franciscan Svcs., 5.75%, 8/15/30	02/12 @ 101	15,408,300
				58,924,660
Total Long-Term Investments (cost \$957,135,687)				966,616,230
SHORT-TERM INVESTMENTS 5.3%				
New York 2.3%				
A-1+	14,000 ⁶	New York City Transl. Fin. Auth., Ser. A-1, 1.08%, 8/04/04, FRWD	N/A	14,000,000
Ohio 2.3%				
VMIG1	13,800 ⁶	Hamilton Cnty., Hosp. Facs., 1.09%, 8/05/04, FRWD	N/A	13,800,000
Money Market Fund 0.7%				
	4,450	AIM Tax Free Investment. Co. Cash Reserve Portfolio	N/A	4,450,000
Total Short-Term Investments (cost \$32,250,000)				32,250,000

**Shares
(000)**

Total Investments 165.4% (cost \$989,385,687)	998,866,230
Liabilities in excess of other assets (3.3)%	(19,733,605)
Preferred shares at redemption value, including dividends payable (62.1)%	(375,165,694)

Net Assets Applicable to Common Shareholders 100%	\$ 603,966,931
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- ¹ Using the higher of Standard & Poor's, Moody's Investors Service or Fitch Ratings ratings.
- ² Date (month/year) and price of the earliest call or redemption. There may be other call provisions at varying prices at later dates.
- ³ 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, 2004, the Trust held 7.7% of its net assets, with a current market value of \$46,749,025, in securities restricted as to resale.
- ⁴ Entire or partial principal amount pledged as collateral for financial futures contracts.
- ⁵ Security is deemed to be of investment grade quality by the investment advisor.
- 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 as of July 31, 2004.

KEY TO ABBREVIATIONS

ACA	□ American Capital Access	FSA	□ Financial Security Assurance
AMBAC	□ American Municipal Bond Assurance Corporation	GO	□ General Obligation
FGIC	□ Financial Guaranty Insurance Company	MBIA	□ Municipal Bond Insurance Association
FRWD	□ Floating Rate Weekly Demand	PCR	□ Pollution Control Revenue

Item 2. Controls and Procedures

(a) The registrant's principal executive officer and principal financial officer have evaluated the registrant's disclosure controls and procedures within 90 days of this filing and have concluded that the registrant's disclosure controls and procedures are effective, as of that date, in ensuring that information required to be disclosed by the registrant in this Form N-Q was recorded, processed, summarized, and reported timely.

(b) The registrant's principal executive officer and principal financial officer are aware of no changes in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

Item 3. Exhibits.

(a) Separate certifications of Principal Executive and Financial Officers 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.

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(Registrant) BlackRock Municipal Income Trust

By: /s/ Henry Gabbay

Name: Henry Gabbay

Title: Treasurer

Date: September 28, 2004

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: Principal Executive Officer

Date: September 28, 2004

By: /s/ Henry Gabbay

Name: Henry Gabbay

Title: Principal Financial Officer

Date: September 28, 2004
