

BLACKROCK MUNICIPAL INCOME TRUST
Form N-Q
March 31, 2011

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

Name of Fund: BlackRock Municipal Income Trust (BFK)

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

Name and address of agent for service: John M. Perlowski, Chief Executive Officer, BlackRock
Municipal Income Trust, 55 East 52nd Street, New York, NY 10055

Registrant's telephone number, including area code: (800) 882-0052, Option 4

Date of fiscal year end: 04/30/2011

Date of reporting period: 01/31/2011

Item 1 Schedule of Investments

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BlackRock Municipal Income Trust (BFK)

Schedule of Investments January 31, 2011 (Unaudited)

(Percentages shown are based on Net Assets)

| | Par (000) | Value |
|---|--------------|--------------|
| Municipal Bonds | | |
| Alabama 0.7% | | |
| Alabama State Docks Department, Refunding RB, 6.00%, 10/01/40 | \$ 4,080 | \$ 3,991,138 |
| Arizona 4.4% | | |
| Maricopa County Pollution Control Corp., Refunding RB, Southern California Edison Co., Series A, 5.00%, 6/01/35 | 3,360 | 3,161,592 |
| Salt River Project Agricultural Improvement & Power District, RB, Series A, 5.00%, 1/01/38 | 3,860 | 3,781,526 |
| Salt Verde Financial Corp., RB, Senior: 5.00%, 12/01/32 | 10,030 | 8,631,818 |
| 5.00%, 12/01/37 | 9,460 | 8,016,593 |
| | | 23,591,529 |
| Arkansas 0.6% | | |
| County of Little River Arkansas, Refunding RB, Georgia-Pacific Corp. Project, AMT, 5.60%, 10/01/26 | 3,255 | 2,978,390 |
| California 27.5% | | |
| Bay Area Toll Authority, Refunding RB, San Francisco Bay Area, Series F-1, 5.63%, 4/01/44 | 4,445 | 4,507,052 |
| California County Tobacco Securitization Agency, RB, CAB, Stanislaus, Sub-Series C, 6.30%, 6/01/55 (a) | 17,855 | 101,774 |
| California Health Facilities Financing Authority, Refunding RB, Sutter Health, Series B, 6.00%, 8/15/42 (b) | 6,230 | 6,117,362 |
| California HFA, RB, Home Mortgage, Series G, AMT, 5.50%, 8/01/42 | 5,925 | 5,839,502 |
| California State Public Works Board, RB, Various Capital Projects, Sub-Series I- 1, 6.38%, 11/01/34 | 2,315 | 2,355,049 |
| California Statewide Communities | | |

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| | | |
|--|----------|--------------|
| Development Authority, RB, Health Facility, Memorial Health Services, Series A, 5.50%, 10/01/33 | 5,000 | 4,993,150 |
| City of Lincoln California, Special Tax Bonds, Community Facilities District No. 2003-1, 6.00%, 9/01/13 (c) | 3,115 | 3,566,955 |
| Foothill Eastern Transportation Corridor Agency California, Refunding RB, CAB (a): 6.09%, 1/15/32 | 54,635 | 9,899,316 |
| 6.09%, 1/15/38 | 75,000 | 8,119,500 |
| | Par | Value |
| Municipal Bonds | (000) | |
| California (concluded) | | |
| Golden State Tobacco Securitization Corp. California, RB, Series 2003-A-1, 6.63%, 6/01/13 (c) | \$ 5,000 | \$ 5,611,450 |
| Los Angeles Department of Airports, RB, Series A, 5.25%, 5/15/39 | 1,560 | 1,493,466 |
| Los Angeles Department of Airports, Refunding RB, Senior, Los Angeles International Airport, Series A, 5.00%, 5/15/40 | 11,690 | 10,747,903 |
| Los Angeles Regional Airports Improvement Corp. California, Refunding RB, Facilities, LAXFUEL Corp., LA International, AMT (AMBAC), 5.50%, 1/01/32 | 13,320 | 12,352,302 |
| Los Angeles Unified School District California, GO, Series D: 5.25%, 7/01/24 | 5,000 | 5,093,400 |
| 5.25%, 7/01/25 | 3,490 | 3,528,879 |
| 5.00%, 7/01/26 | 1,305 | 1,276,146 |
| Murrieta Community Facilities District Special Tax California, Special Tax Bonds, District No. 2, The Oaks Improvement Area A, 6.00%, 9/01/34 | 5,000 | 4,343,750 |
| San Francisco City & County Public Utilities Commission, RB, Series B, | | |

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| | | |
|---|--------|-------------|
| 5.00%, 11/01/39 | 18,550 | 17,731,945 |
| State of California, GO, Various Purpose: | | |
| 6.00%, 3/01/33 | 4,970 | 5,056,677 |
| 6.50%, 4/01/33 | 20,410 | 21,585,004 |
| University of California, RB, Limited | | |
| Project, Series B, 4.75%, 5/15/38 | 9,840 | 8,828,251 |
| West Valley-Mission Community College | | |
| District, GO, Election of 2004, | | |
| Series A (AGM), 4.75%, 8/01/30 | 4,015 | 3,639,718 |
| | | 146,788,551 |
| Colorado 2.3% | | |
| City of Colorado Springs Colorado, RB, | | |
| Subordinate Lien, Improvement, | | |
| Series C (AGM), 5.00%, 11/15/45 | 2,545 | 2,443,582 |
| Colorado Health Facilities Authority, | | |
| Refunding RB, Series A: | | |
| Catholic Healthcare, 5.50%, | | |
| 7/01/34 | 4,205 | 4,107,402 |
| Sisters of Leavenworth, 5.00%, | | |
| 1/01/40 | 4,310 | 3,801,765 |

Portfolio Abbreviations

To simplify the listings of portfolio holdings in the Schedule of Investments, the names and descriptions of many of the securities have been abbreviated

according to the following list:

| | | | |
|-------|---|-------|---|
| ACA | ACA Financial Guaranty Corp. | EDC | Economic Development Corp. |
| AGC | Assured Guaranty Corp. | ERB | Education Revenue Bonds |
| AGM | Assured Guaranty Municipal Corp. | GO | General Obligation Bonds |
| AMBAC | American Municipal Bond Assurance Corp. | HDA | Housing Development Authority |
| AMT | Alternative Minimum Tax (subject to) | HFA | Housing Finance Agency |
| CAB | Capital Appreciation Bonds | NPFGC | National Public Finance Guarantee Corp. |
| EDA | Economic Development Authority | RB | Revenue Bonds |
| | | TE | Tax-Exempt |

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BlackRock Municipal Income Trust (BFK)

Schedule of Investments(continued)

(Percentages shown are based on Net Assets)

| | Par (000) | Value |
|--|--------------|----------------------------|
| Municipal Bonds | | |
| Colorado (concluded) | | |
| Park Creek Metropolitan District Colorado, Refunding RB, Senior, Limited Tax, Property Tax, 5.50%, 12/01/37 | \$ 2,530 | \$ 2,170,664 12,523,413 |
| Connecticut 0.5% | | |
| Connecticut State Health & Educational Facility Authority, RB, Ascension Health Senior Credit, 5.00%, 11/15/40 | 2,710 | 2,442,930 |
| Delaware 1.7% | | |
| County of Sussex Delaware, RB, NRG Energy, Inc., Indian River Project, 6.00%, 10/01/40 | 2,225 | 2,135,644 |
| Delaware State EDA, RB, Exempt Facilities, Indian River Power, 5.38%, 10/01/45 | 7,950 | 7,007,607 9,143,251 |
| District of Columbia 6.9% | | |
| District of Columbia Tobacco Settlement Financing Corp., Refunding RB, Asset-Backed, 6.75%, 5/15/40 | 23,035 | 21,508,701 |
| District of Columbia, RB, CAB, Georgetown, Series A (NPFGC), 6.03%, (a)(c) | 51,185 | 11,017,571 |
| District of Columbia, Refunding RB, Friendship Public Charter School Inc. (ACA), 5.25%, 6/01/33 | 2,390 | 1,891,374 |
| Metropolitan Washington Airports Authority, RB, First Senior Lien, Series A: 5.00%, 10/01/39 5.25%, 10/01/44 | 990 1,545 | 928,402 1,492,841 |

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| | | |
|--|----------|--------------|
| | | 36,838,889 |
| Florida 5.8% | | |
| County of Miami-Dade Florida, RB, Water & Sewer System, 5.00%, 10/01/34 | 6,625 | 6,189,009 |
| County of Miami-Dade Florida, Refunding RB, Miami International Airport, Series A-1, 5.38%, 10/01/41 | 2,280 | 2,114,677 |
| County of Orange Florida, Refunding RB (Syncora), 4.75%, 10/01/32 | 2,635 | 2,316,639 |
| Miami Beach Health Facilities Authority, RB, Mount Sinai Medical Center of Florida, 6.75%, 11/15/21 | 7,045 | 7,022,738 |
| Mid-Bay Bridge Authority, RB, Series A, 7.25%, 10/01/40 (b) | 4,450 | 4,372,214 |
| Stevens Plantation Community Development District, Special Assessment Bonds, Series A, 7.10%, 5/01/35 | 3,710 | 2,820,305 |
| Village Community Development District No. 6, Special Assessment Bonds, 5.63%, 5/01/22 | 6,615 | 6,192,434 |
| | | 31,028,016 |
| | Par | |
| | (000) | Value |
| Municipal Bonds | | |
| Georgia 2.5% | | |
| De Kalb Private Hospital Authority, Refunding RB, Children's Healthcare, 5.25%, 11/15/39 | \$ 1,650 | \$ 1,532,239 |
| Metropolitan Atlanta Rapid Transit Authority, RB, Third Series, 5.00%, 7/01/39 | 5,000 | 4,852,200 |
| Private Colleges & Universities Authority, Refunding RB, Emory University, Series C, 5.00%, 9/01/38 | 2,990 | 2,928,526 |
| Richmond County Development Authority, Refunding RB, International Paper Co. Project, Series A, AMT, 6.00%, 2/01/25 | 4,000 | 3,929,880 |

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| | | |
|---|--------|------------|
| | | 13,242,845 |
| Guam 0.8% | | |
| Territory of Guam, GO, Series A: | | |
| 6.00%, 11/15/19 | 1,245 | 1,267,833 |
| 6.75%, 11/15/29 | 1,775 | 1,873,371 |
| 7.00%, 11/15/39 | 1,255 | 1,339,951 |
| | | 4,481,155 |
| Hawaii 0.5% | | |
| State of Hawaii, Refunding RB, Series A, | | |
| 5.25%, 7/01/30 | 2,660 | 2,556,579 |
| Illinois 7.8% | | |
| Illinois Finance Authority, RB: | | |
| Advocate Health Care, Series C, | | |
| 5.38%, 4/01/44 | 10,630 | 9,720,178 |
| MJH Education Assistance IV LLC, | | |
| Sub-Series B, 5.38%, | | |
| 6/01/35 (d)(e) | 1,675 | 449,754 |
| Navistar International, Recovery | | |
| Zone, 6.50%, 10/15/40 | 3,010 | 2,995,101 |
| Illinois Finance Authority, Refunding RB: | | |
| Central DuPage Health, Series B, | | |
| 5.50%, 11/01/39 | 3,160 | 2,973,244 |
| Elmhurst Memorial Healthcare, | | |
| 5.63%, 1/01/28 | 3,000 | 2,695,920 |
| Friendship Village Schaumburg, | | |
| Series A, 5.63%, 2/15/37 | 845 | 642,225 |
| Series 05-A, 5.25%, 7/01/41 | 760 | 760,889 |
| Metropolitan Pier & Exposition Authority, | | |
| Refunding RB (AGM), McCormick | | |
| Place Expansion Project: | | |
| CAB, Series B, 6.23%, 6/15/43 (a) | 6,130 | 671,358 |
| CAB, Series B, 6.25%, 6/15/45 (a) | 12,420 | 1,170,833 |
| Series B, 5.00%, 6/15/50 | 6,155 | 5,220,671 |
| Series B-2, 5.00%, 6/15/50 | 4,885 | 4,012,393 |
| Railsplitter Tobacco Settlement | | |
| Authority, RB: | | |
| 5.50%, 6/01/23 | 2,625 | 2,485,271 |
| 6.00%, 6/01/28 | 2,245 | 2,142,493 |
| State of Illinois, RB, Build Illinois, | | |
| Series B, 5.25%, 6/15/34 | 1,240 | 1,160,752 |
| Village of Bolingbrook Illinois, GO, | | |

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Refunding, Series B (NPFGC) (a):

6.01%, 1/01/33

6,820

1,636,323

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BlackRock Municipal Income Trust (BFK)

Schedule of Investments(continued)

(Percentages shown are based on Net Assets)

| | Par (000) | Value |
|---|--------------|----------------------------|
| Municipal Bonds | | |
| Illinois (concluded) | | |
| Village of Bolingbrook Illinois, GO, Refunding, Series B (NPFGC) (a) (concluded): 6.01%, 1/01/34 | \$ 14,085 | \$ 3,152,364 41,889,769 |
| Indiana 3.3% | | |
| City of Vincennes Indiana, Refunding RB, Southwest Indiana Regional Youth Village, 6.25%, 1/01/24 | 2,030 | 1,713,767 |
| Indiana Finance Authority, RB, Sisters of St. Francis Health, 5.25%, 11/01/39 | 1,655 | 1,500,423 |
| Indiana Health Facility Financing Authority, Refunding RB, Methodist Hospital Inc., 5.50%, 9/15/31 | 9,000 | 7,164,630 |
| Indiana Municipal Power Agency, RB, Series B, 6.00%, 1/01/39 | 2,150 | 2,215,338 |
| Petersburg Indiana, RB, Indiana Power & Light, AMT, 5.90%, 12/01/24 | 5,000 | 5,039,400 17,633,558 |
| Kansas 0.6% | | |
| Kansas Development Finance Authority, Refunding RB, Sisters of Leavenworth, Series A, 5.00%, 1/01/40 | 3,275 | 3,016,930 |
| Kentucky 0.3% | | |
| Kentucky Economic Development Finance Authority, Refunding RB, Owensboro Medical Health System, Series A, 6.38%, 6/01/40 | 1,990 | 1,868,530 |
| Louisiana 1.2% | | |
| Louisiana Local Government Environmental Facilities & Community Development Authority, RB, Westlake Chemical Corp., Series A-1, 6.50%, | | |

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| | | |
|---|----------|--------------|
| 11/01/35 | 6,535 | 6,469,911 |
| Maryland 1.8% | | |
| Maryland Community Development Administration, Refunding RB, Residential, Series A, AMT, 4.65%, | | |
| 9/01/32 | 2,465 | 2,190,646 |
| Maryland EDC, RB, Transportation Facilities Project, Series A, 5.75%, | | |
| 6/01/35 | 855 | 778,999 |
| Maryland EDC, Refunding RB, CNX Marine Terminals, Inc., 5.75%, | | |
| 9/01/25 | 1,760 | 1,638,278 |
| Maryland Health & Higher Educational Facilities Authority, Refunding RB, Charlestown Community, 6.25%, | | |
| 1/01/41 | 4,295 | 4,078,188 |
| Montgomery County Housing Opportunities Commission, RB, Series D, AMT, 5.50%, 1/01/38 | | |
| | 1,030 | 1,072,673 |
| | | 9,758,784 |
| Massachusetts 0.6% | | |
| Massachusetts Health & Educational Facilities Authority, Refunding RB, Partners Healthcare, Series J1, 5.00%, 7/01/39 | | |
| | 3,535 | 3,165,805 |
| | Par | |
| Municipal Bonds | (000) | Value |
| Michigan 1.1% | | |
| Kalamazoo Hospital Finance Authority, Refunding RB, Bronson Methodist Hospital, 5.50%, 5/15/36 | | |
| | \$ 2,700 | \$ 2,502,063 |
| Michigan State Hospital Finance Authority, Refunding RB, Henry Ford Health System, Series A, 5.25%, | | |
| 11/15/46 | 4,230 | 3,517,668 |
| | | 6,019,731 |
| Mississippi 2.7% | | |
| City of Gulfport Mississippi, RB, Memorial Hospital at Gulfport Project, | | |

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| | | |
|---|--------|------------|
| Series A, 5.75%, 7/01/31 | 14,425 | 14,450,532 |
| Missouri 0.3% | | |
| Missouri State Health & Educational Facilities Authority, RB, Senior Living Facilities, Lutheran Senior Home, 5.50%, 2/01/42 | 2,035 | 1,784,492 |
| Multi-State 4.5% | | |
| Centerline Equity Issuer Trust, 6.80%, 10/31/52 (f)(g) | 16,000 | 17,214,080 |
| MuniMae TE Bond Subsidiary LLC, 7.50%, 6/30/49 (f)(g)(h) | 7,349 | 6,833,907 |
| | | 24,047,987 |
| Nebraska 0.7% | | |
| Douglas County Hospital Authority No. 2, RB, Health Facilities, Immanuel Obligation Group, 5.63%, 1/01/40 | 3,280 | 3,060,929 |
| Lancaster County Hospital Authority No. 1, RB, Immanuel Obligation Group, 5.63%, 1/01/40 | 600 | 559,926 |
| | | 3,620,855 |
| Nevada 0.8% | | |
| County of Clark Nevada, Refunding RB, Alexander Dawson School Nevada Project, 5.00%, 5/15/29 | 4,550 | 4,142,593 |
| New Hampshire 0.7% | | |
| New Hampshire Health & Education Facilities Authority, RB, Exeter Project, 5.75%, 10/01/31 | 3,500 | 3,523,695 |
| New Jersey 7.5% | | |
| Middlesex County Improvement Authority, RB, Subordinate, Heldrich Center Hotel, Series B, 6.25%, 1/01/37 (d)(e) | 3,680 | 509,422 |
| New Jersey EDA, RB: Cigarette Tax, 5.75%, 6/15/29 | 15,500 | 13,895,440 |
| Continental Airlines Inc. Project, AMT, 7.00%, 11/15/30 (h) | 15,410 | 15,085,157 |
| New Jersey EDA, Special Assessment Bonds, Refunding, Kapkowski Road Landfill Project, 6.50%, 4/01/28 | 8,000 | 7,946,800 |
| Tobacco Settlement Financing Corp. | | |

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New Jersey, Refunding RB, Series 1A,

4.50%, 6/01/23

3,195

2,667,889

40,104,708

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BlackRock Municipal Income Trust (BFK)

Schedule of Investments(continued)

(Percentages shown are based on Net Assets)

| | Par (000) | Value |
|---|--------------|------------|
| Municipal Bonds | | |
| New York 7.1% | | |
| Albany Industrial Development Agency, RB, New Covenant Charter School Project, Series A, 7.00%, 5/01/35 (d)(e) | \$ 1,820 | \$ 546,000 |
| Metropolitan Transportation Authority, Refunding RB, Transportation, Series D, 5.25%, 11/15/40 | 2,375 | 2,171,795 |
| New York City Industrial Development Agency, RB, American Airlines Inc. , JFK International Airport, AMT (h): 8.00%, 8/01/28 | 5,000 | 5,259,300 |
| 7.75%, 8/01/31 | 22,140 | 23,039,106 |
| New York Liberty Development Corp., Refunding RB, Second Priority, Bank of America Tower at One Bryant Park Project, 6.38%, 7/15/49 | 2,400 | 2,412,072 |
| Port Authority of New York & New Jersey, RB, JFK International Air Terminal: 6.00%, 12/01/36 | 2,525 | 2,421,904 |
| 6.00%, 12/01/42 | 2,460 | 2,321,920 |
| | | 38,172,097 |
| North Carolina 5.7% | | |
| Gaston County Industrial Facilities & Pollution Control Financing Authority North Carolina, RB, Exempt Facilities, National Gypsum Co. Project, AMT, 5.75%, 8/01/35 | 12,130 | 9,038,184 |
| North Carolina Capital Facilities Finance Agency, RB, Series B: Duke Energy Carolinas, 4.38%, 10/01/31 | 3,160 | 2,817,266 |
| Duke University Project, 5.00%, 10/01/38 | 10,000 | 9,999,300 |

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North Carolina Capital Facilities Finance

Agency, Refunding RB, Series B:

Duke Energy Carolinas, 4.63%,

11/01/40 3,160 2,788,574

Duke University Project, 4.25%,

7/01/42 3,710 3,169,713

North Carolina Medical Care

Commission, RB, Duke University

Health System, Series A, 5.00%,

6/01/42 2,750 2,518,697

30,331,734

Ohio 2.5%

County of Allen Ohio, Refunding RB,

Catholic Healthcare, Series A, 5.25%,

6/01/38 6,125 5,665,380

County of Montgomery Ohio, Refunding

RB, Catholic Healthcare, Series A,

5.00%, 5/01/39 5,450 4,952,469

Pinnacle Community Infrastructure

Financing Authority, RB, Facilities,

Series A, 6.25%, 12/01/36 3,760 2,787,664

13,405,513

Oklahoma 1.4%

Tulsa Airports Improvement Trust, RB,

Series A, Mandatory Put Bonds, AMT,

7.75%, 6/01/35 (h) 7,175 7,258,732

| | | |
|--|-------|-------|
| | Par | |
| | (000) | Value |

Municipal Bonds

Pennsylvania 2.6%

Allegheny County Hospital Development

Authority, Refunding RB, Health

System, West Penn, Series A, 5.38%,

11/15/40 \$ 3,000 \$ 1,993,680

Pennsylvania Economic Development

Financing Authority, RB:

Amtrak Project, Series A, AMT,

6.38%, 11/01/41 6,500 6,502,665

Aqua Pennsylvania Inc. Project,

5.00%, 11/15/40 3,725 3,558,232

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| | | |
|---|--------|--------------------------|
| Pennsylvania Turnpike Commission, RB, Sub-Series D, 5.13%, 12/01/40 | 2,100 | 1,953,126 14,007,703 |
| Puerto Rico 5.6% | | |
| Commonwealth of Puerto Rico, GO, Refunding, Public Improvement, Series C, 6.00%, 7/01/39 | 5,820 | 5,680,204 |
| Puerto Rico Sales Tax Financing Corp., RB: | | |
| CAB, Series A, 6.59%, 8/01/31 (a) | 10,000 | 2,589,800 |
| CAB, Series A, 6.66%, 8/01/33 (a) | 12,670 | 2,851,130 |
| CAB, Series A, 6.67%, 8/01/36 (a) | 40,000 | 7,287,600 |
| First Sub-Series A, 6.50%, 8/01/44 | 10,900 | 11,280,737 29,689,471 |
| South Carolina 2.1% | | |
| South Carolina Jobs-EDA, Refunding RB, Palmetto Health Alliance, Series A, 6.25%, 8/01/31 | 5,075 | 5,101,745 |
| South Carolina State Ports Authority, RB, 5.25%, 7/01/40 | 6,455 | 6,193,508 11,295,253 |
| Tennessee 0.9% | | |
| Knox County Health Educational & Housing Facilities Board Tennessee, Refunding RB, CAB, Series A (AGM), 5.70%, 1/01/20 (a) | 5,055 | 3,139,004 |
| Rutherford County Health & Educational Facilities Board, RB, Ascension Health Senior Credit Group, 5.00%, 11/15/40 | 2,015 | 1,811,102 4,950,106 |
| Texas 15.5% | | |
| Brazos River Authority, RB, TXU Electric, Series A, AMT, 8.25%, 10/01/30 | 4,370 | 1,628,961 |
| Brazos River Authority, Refunding RB, TXU Electric Co. Project, Series C, Mandatory Put Bonds, AMT, 5.75%, 5/01/36 (h) | 4,125 | 3,882,574 |
| City of Dallas Texas, Refunding RB, 5.00%, 10/01/35 | 2,970 | 2,965,604 |
| City of Houston Texas, RB, Senior Lien, | | |

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| | | |
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| Series A, 5.50%, 7/01/39 | 3,000 | 3,007,080 |
| City of Houston Texas, Refunding RB, Combined, First Lien, Series A (AGC), 6.00%, 11/15/35 | 16,425 | 17,746,720 |
| Harris County-Houston Sports Authority, Refunding RB (NPFGC) (a): CAB, Junior Lien, Series H, 6.12%, 11/15/35 | 5,000 | 666,000 |

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BlackRock Municipal Income Trust (BFK)

Schedule of Investments(continued)

(Percentages shown are based on Net Assets)

| | Par (000) | Value |
|--|--------------|-------------|
| Municipal Bonds | | |
| Texas (concluded) | | |
| Harris County-Houston Sports Authority, Refunding RB (NPFGC) (a) (concluded): | | |
| CAB, Senior Lien, Series A, 5.95%, 11/15/38 | \$ 12,580 | \$1,488,466 |
| Third Lien, Series A-3, 5.97%, 11/15/37 | 26,120 | 2,844,990 |
| Lower Colorado River Authority, Refunding RB: | | |
| (NPFGC), 5.00%, 5/15/13 (c) | 50 | 54,611 |
| (NPFGC), 5.00%, 5/15/13 (c) | 70 | 76,371 |
| (NPFGC), 5.00%, 5/15/31 | 1,775 | 1,700,645 |
| LCRA Transmission Services Project (AMBAC), 4.75%, 5/15/34 | 140 | 127,491 |
| Series A (NPFGC), 5.00%, 5/15/13 (c) | 5 | 5,461 |
| North Texas Tollway Authority, RB, Toll, Second Tier, Series F, 6.13%, 1/01/31 | 12,180 | 12,197,052 |
| San Antonio Energy Acquisition Public Facility Corp., RB, Gas Supply, 5.50%, 8/01/25 | 6,540 | 6,424,765 |
| State of Texas, GO, Transportation Community, Mobility Fund, Series A, 4.75%, 4/01/35 | 3,350 | 3,183,471 |
| Tarrant County Cultural Education Facilities Finance Corp., RB, Scott & White Healthcare, 6.00%, 8/15/45 | 7,930 | 7,918,264 |
| Texas Private Activity Bond Surface Transportation Corp., RB: Senior Lien, LBJ Infrastructure Group LLC, LBJ Freeway Managed Lanes Project, 7.00%, 6/30/40 | 8,475 | 8,532,291 |

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| | | |
|---|----------|--------------|
| Senior Lien, NTE Mobility Partners LLC, North Tarrant Express Managed Lanes Project, 6.88%, 12/31/39 | 7,590 | 7,565,788 |
| Texas State Affordable Housing Corp., RB, American Opportunity Housing Portfolio, Junior Series B, 8.00%, 3/01/32 (d)(e) | 4,435 | 206,139 |
| Texas State Turnpike Authority, RB, First Tier, Series A (AMBAC), 5.00%, 8/15/42 | 640 | 543,488 |
| | | 82,766,232 |
| Utah 1.2% | | |
| City of Riverton Utah, RB, IHC Health Services Inc., 5.00%, 8/15/41 | 7,150 | 6,545,038 |
| Virginia 1.7% | | |
| City of Norfolk Virginia, Refunding RB, Series B (AMBAC), 5.50%, 2/01/31 | 2,240 | 2,014,365 |
| Virginia Commonwealth Transportation Board, RB, CAB, Contract, Route 28 (NPFGC), 5.29%, 4/01/32 (a) | 8,105 | 2,501,365 |
| Virginia HDA, RB, Sub-Series H-1 (NPFGC), 5.35%, 7/01/31 | 4,520 | 4,524,339 |
| | | 9,040,069 |
| | Par | |
| | (000) | Value |
| Municipal Bonds | | |
| Wisconsin 2.5% | | |
| Wisconsin Health & Educational Facilities Authority, RB: Ascension Health Senior Credit Group, 5.00%, 11/15/30 | \$ 3,210 | \$ 2,945,143 |
| Ascension Health Senior Credit Group, 5.00%, 11/15/33 | 1,640 | 1,469,391 |
| Aurora Health Care, 6.40%, 4/15/33 | 7,500 | 7,551,075 |
| Wisconsin Health & Educational Facilities Authority, Refunding RB, Froedtert & Community Health Inc., 5.38%, 10/01/30 | 1,205 | 1,174,224 |

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| | | |
|--|-------------|-------------|
| | | 13,139,833 |
| Total Municipal Bonds | 136.9% | 731,706,347 |
| Municipal Bonds Transferred to Tender | | |
| Option Bond Trusts (i) | | |
| Alabama | 0.8% | |
| Alabama Special Care Facilities | | |
| Financing Authority-Birmingham, | | |
| Refunding RB, Ascension Health | | |
| Senior Credit, Series C-2, 5.00%, | | |
| 11/15/36 | 4,548 | 4,248,087 |
| California | 3.2% | |
| California Educational Facilities | | |
| Authority, RB, University of Southern | | |
| California, Series A, 5.25%, 10/01/39 | 5,115 | 5,153,107 |
| Los Angeles Community College District | | |
| California, GO, Election of 2001, | | |
| Series A (AGM), 5.00%, 8/01/32 | 4,500 | 4,239,945 |
| San Diego Community College District | | |
| California, GO, Election of 2002, | | |
| 5.25%, 8/01/33 | 3,260 | 3,278,156 |
| University of California, RB, Series C | | |
| (NPFGC), 4.75%, 5/15/37 | 5,000 | 4,507,200 |
| | | 17,178,408 |
| Colorado | 2.1% | |
| Colorado Health Facilities Authority, RB | | |
| Catholic Health, (AGM): | | |
| Series C-3, 5.10%, 10/01/41 | 7,600 | 6,952,404 |
| Series C-7, 5.00%, 9/01/36 | 4,860 | 4,465,805 |
| | | 11,418,209 |
| Connecticut | 3.5% | |
| Connecticut State Health & Educational | | |
| Facility Authority, RB, Yale University: | | |
| Series T-1, 4.70%, 7/01/29 | 9,400 | 9,464,860 |
| Series X-3, 4.85%, 7/01/37 | 9,360 | 9,368,799 |
| | | 18,833,659 |
| Illinois | 1.5% | |
| Chicago Housing Authority, Refunding | | |
| RB (AGM), 5.00%, 7/01/24 | 8,232 | 8,191,692 |

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BlackRock Municipal Income Trust (BFK)

Schedule of Investments(continued)

(Percentages shown are based on Net Assets)

| Municipal Bonds Transferred to Tender | Par | Value |
|---|----------|--------------|
| Option Bond Trusts (i) | (000) | |
| Massachusetts 1.3% | | |
| Massachusetts Water Resources Authority, Refunding RB, General, Series A, 5.00%, 8/01/41 | \$ 6,770 | \$ 6,686,458 |
| New Hampshire 0.8% | | |
| New Hampshire Health & Education Facilities Authority, Refunding RB, Dartmouth College, 5.25%, 6/01/39 | 3,988 | 4,068,643 |
| New York 4.7% | | |
| New York City Municipal Water Finance Authority, RB, Series FF-2, 5.50%, 6/15/40 | 3,074 | 3,142,197 |
| New York State Dormitory Authority, ERB, Series F, 5.00%, 3/15/35 | 16,709 | 16,296,077 |
| New York State Environmental Facilities Corp., RB, Revolving Funds, New York City Municipal Water Project, Series B, 5.00%, 6/15/31 | 5,370 | 5,378,162 |
| | | 24,816,436 |
| Virginia 2.0% | | |
| University of Virginia, Refunding RB, General, 5.00%, 6/01/40 | 10,750 | 10,861,048 |
| Washington 3.7% | | |
| Central Puget Sound Regional Transit Authority, RB, Series A (AGM), 5.00%, 11/01/32 | 5,459 | 5,422,701 |
| State of Washington, GO, Various Purpose, Series E, 5.00%, 2/01/34 | 14,487 | 14,487,102 |
| | | 19,909,803 |
| Total Municipal Bonds Transferred to Tender Option Bond Trusts 23.6% | | 126,212,443 |
| Total Long-Term Investments (Cost \$919,253,220) 160.5% | | 857,918,790 |
| Short-Term Securities | Shares | |

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| | | |
|--|------------|----------------|
| FFI Institutional Tax-Exempt Fund, | | |
| 0.15% (j)(k) | 23,974,263 | 23,974,263 |
| Total Short-Term Securities | | |
| (Cost \$23,974,263) 4.5% | | 23,974,263 |
| Total Investments | | |
| (Cost \$943,227,483*) 165.0% | | 881,893,053 |
| Liabilities in Excess of Other Assets (0.2)% | | (1,367,356) |
| Liability for Trust Certificates, Including Interest | | |
| Expense and Fees Payable (14.1)% | | (75,243,678) |
| Preferred Shares, at Redemption Value (50.7)% | | (270,889,767) |
| Net Assets Applicable to Common Shares 100.0% | | \$ 534,392,252 |

* The cost and unrealized appreciation (depreciation) of investments as of January 31, 2011, as computed for federal income tax purposes, were as follows:

| | |
|-------------------------------|-----------------|
| Aggregate cost | \$ 866,902,693 |
| Gross unrealized appreciation | \$ 11,108,503 |
| Gross unrealized depreciation | (71,300,290) |
| Net unrealized depreciation | \$ (60,191,787) |

(a) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.

(b) When-issued security. Unsettled when-issued transactions were as follows:

| | Value | Unrealized Appreciation |
|-------------------------|--------------|----------------------------|
| Counterparty | | |
| Morgan Stanley Co. Inc. | \$ 6,117,362 | \$ 59,123 |
| Goldman Sachs Co. | \$ 4,372,214 | \$ 54,468 |

(c) US government securities, held in escrow, are used to pay interest on this security as well as to retire the bond in full at the date indicated, typically at a premium to par.

(d) Non-income producing security.

(e) Issuer filed for bankruptcy and/or is in default of interest payments.

(f) Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration to qualified institutional investors.

(g) Security represents a beneficial interest in a trust. The collateral deposited into the trust is federally tax-exempt revenue bonds issued by various state or local governments, or their respective agencies or authorities. The security is subject to remarketing prior to its stated maturity.

(h) Variable rate security. Rate shown is as of report date.

(i) Securities represent bonds transferred to a tender option bond trust in exchange for which the Trust acquired residual interest certificates.

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These securities serve as collateral in a financing transaction.

(j) Investments in companies considered to be an affiliate of the Trust during the period, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

| Affiliate | Shares Held at April 30, 2010 | Net Activity | Shares Held at January 31, 2011 | Income |
|---|--|-----------------|--|----------|
| FFI Institutional Tax-Exempt Fund | 22,810,780 | 1,163,483 | 23,974,263 | \$12,953 |

(k) Represents the current yield as of report date.

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Schedule of Investments (concluded)

BlackRock Municipal Income Trust (BFK)

Fair Value Measurements - Various inputs are used in determining the fair value of investments, which are as follows:

Level 1 price quotations in active markets/exchanges for identical assets and liabilities

Level 2 other observable inputs (including, but not limited to: quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market-corroborated inputs)

Level 3 unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including the Trust's own assumptions used in determining the fair value of investments)

The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. For information about the Trust's policy regarding valuation of investments and other significant accounting policies, please refer to Trust's most recent financial statements as contained in its semi-annual report.

The following table summarizes the inputs used as of January 31, 2011 in determining the fair valuation of the Trust's investments:

| Valuation Inputs | Level 1 | Level 2 | Level 3 | Total |
|----------------------------|---------------|---------------|---------|----------------|
| Assets: | | | | |
| Investments in Securities: | | | | |
| Long-Term | | | | |
| Investments ¹ | | \$857,918,790 | | \$ 857,918,790 |
| Short-Term | | | | |
| Securities | \$ 23,974,263 | | | 23,974,263 |
| Total | \$ 23,974,263 | \$857,918,790 | | \$ 881,893,053 |

¹ See above Schedule of Investments for values in each state or political subdivision.

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Item 2 Controls and Procedures

2(a) The registrant's principal executive and principal financial officers or persons performing similar functions 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 (the 1940 Act)) are effective as of a date within 90 days of the filing of this report based on the evaluation of these controls and procedures required by Rule 30a-3(b) under the 1940 Act and Rule 13a-15(b) under the Securities Exchange Act of 1934, as amended.

2(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) 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

Certifications Attached hereto

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.

BlackRock Municipal Income Trust

By: /S/ John M. Perlowski

John M. Perlowski

Chief Executive Officer (principal executive officer) of
BlackRock Municipal Income Trust

Date: March 25, 2011

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: John M. Perlowski

John M. Perlowski

Chief Executive Officer (principal executive officer) of
BlackRock Municipal Income Trust

Date: March 25, 2011

By: /S/ Neal J. Andrews

Neal J. Andrews

Chief Financial Officer (principal financial officer) of
BlackRock Municipal Income Trust

Date: March 25, 2011