

BLACKROCK MUNICIPAL INCOME TRUST

Form N-Q

September 28, 2010

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: Anne F. Ackerley, Chief Executive Officer, BlackRock  
Municipal Income Trust, 55 East 52<sup>nd</sup> 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: 07/31/2010

Item 1 Schedule of Investments

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## Schedule of Investments July 31, 2010 (Unaudited)

BlackRock Municipal Income Trust (BFK)

(Percentages shown are based on Net Assets)

	Par (000)	Value
Municipal Bonds		
<b>Arizona 4.9%</b>		
Maricopa County Pollution Control Corp., Refunding RB, Southern California Edison Co., Series A, 5.00%, 6/01/35 \$	3,360	\$ 3,380,530
Pima County IDA, RB, American Charter Schools Foundation, Series A, 5.63%, 7/01/38	2,290	2,063,061
Pima County IDA, Refunding IDRB, Tucson Electric Power, 5.75%, 9/01/29	2,185	2,232,130
Salt River Project Agricultural Improvement & Power District, RB, Series A, 5.00%, 1/01/38	3,860	4,044,932
Salt Verde Financial Corp., RB, Senior: 5.00%, 12/01/32	10,030	9,113,158
5.00%, 12/01/37	9,460	8,392,439
		29,226,250
<b>California 26.8%</b>		
Bay Area Toll Authority, Refunding RB, San Francisco Bay Area, Series F-1, 5.63%, 4/01/44	4,445	4,860,474
California County Tobacco Securitization Agency, RB, CAB, Stanislaus, Sub-Series C, 6.30%, 6/01/55 (a)	17,855	219,974
California HFA, RB, Home Mortgage, Series G, AMT, 5.50%, 8/01/42	6,605	6,506,123
California State Public Works Board, RB, Various Capital Projects, Sub-Series I-1, 6.38%, 11/01/34	2,315	2,470,499
California Statewide Communities Development Authority, RB, Health Facility, Memorial Health Services, Series A, 5.50%, 10/01/33	5,000	5,082,600

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City of Lincoln California, Special Tax Bonds, Community Facilities District No. 2003-1, 6.00%, 9/01/13 (b)	3,115	3,675,825
Foothill Eastern Transportation Corridor Agency California, Refunding RB, CAB (a): 6.09%, 1/15/32	54,635	12,546,928
6.09%, 1/15/38	75,000	10,854,000
Golden State Tobacco Securitization Corp. California, RB, Series 2003-A-1, 6.63%, 6/01/13 (b)	5,000	5,809,350
Los Angeles Department of Airports, RB, Series A, 5.25%, 5/15/39	1,560	1,630,247

Municipal Bonds	Par (000)	Value
<a href="#">California (concluded)</a>		
Los Angeles Department of Airports, Refunding RB, Senior, Los Angeles International Airport, Series A, 5.00%, 5/15/40	\$ 11,690	\$ 11,888,379
Los Angeles Regional Airports Improvement Corp. California, Refunding RB, Facilities, LAXFUEL Corp., LA International, AMT (AMBAC), 5.50%, 1/01/32	13,320	13,362,491
Los Angeles Unified School District California, GO, Series D: 5.25%, 7/01/24	5,000	5,520,100
5.25%, 7/01/25	3,490	3,819,945
5.00%, 7/01/26	1,305	1,391,965
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	4,703,200
San Francisco City & County Public Utilities Commission, RB, Series B, 5.00%, 11/01/39	18,550	19,488,073
State of California, GO, Refunding, Various Purpose, 5.00%, 6/01/34	2,060	2,026,051

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State of California, GO, Various Purpose:

6.00%, 3/01/33	4,970	5,380,025
6.50%, 4/01/33	20,410	22,953,290
University of California, RB, Limited		
Project, Series B, 4.75%, 5/15/38	9,840	9,869,815
West Valley-Mission Community College		
District, GO, Election of 2004,		
Series A (AGM), 4.75%, 8/01/30	4,015	4,054,668
		158,114,022

### Colorado 2.3%

City of Colorado Springs Colorado, RB,		
Subordinate Lien, Improvement,		
Series C (AGM), 5.00%, 11/15/45	2,545	2,622,292
Colorado Health Facilities Authority,		
Refunding RB, Series A:		
Catholic Healthcare, 5.50%,		
7/01/34	4,205	4,485,515
Sisters of Leavenworth, 5.00%,		
1/01/40	4,310	4,313,017

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

BLACKROCK MUNICIPAL INCOME TRUST

JULY 31, 2010

Schedule of Investments<sup>(continued)</sup>

BlackRock Municipal Income Trust (BFK)

(Percentages shown are based on Net Assets)

	Par (000)	Value
Municipal Bonds		
<b>Colorado (concluded)</b>		
Park Creek Metropolitan District Colorado, Refunding RB, Senior, Limited Tax, Property Tax, 5.50%, 12/01/37	\$ 2,530	\$ 2,449,900 13,870,724
<b>Connecticut 0.5%</b>		
Connecticut State Health & Educational Facility Authority, RB, Ascension Health Senior Credit, 5.00%, 11/15/40	2,710	2,788,969
<b>District of Columbia 7.1%</b>		
District of Columbia Tobacco Settlement Financing Corp., Refunding RB, Asset-Backed, 6.75%, 5/15/40	23,035	22,769,637
District of Columbia, RB, CAB, Georgetown, Series A (NPFGC), 6.03%, 4/01/11 (a)(b)	66,785	14,532,950
District of Columbia, Refunding RB, Friendship Public Charter School Inc. (ACA), 5.25%, 6/01/33	2,390	2,095,910
Metropolitan Washington Airports Authority, RB, First Senior Lien, Series A: 5.00%, 10/01/39 5.25%, 10/01/44	990 1,545	1,020,037 1,614,633 42,033,167
<b>Florida 5.0%</b>		
County of Miami-Dade Florida, RB, Water & Sewer System, 5.00%, 10/01/34	6,625	6,799,966
County of Miami-Dade Florida, Refunding RB, Miami International		

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Airport, Series A-1, 5.38%, 10/01/41	2,280	2,320,037
County of Orange Florida, Refunding RB (Syncora), 4.75%, 10/01/32	2,895	2,863,502
Miami Beach Health Facilities Authority, RB, Mount Sinai Medical Center of Florida, 6.75%, 11/15/21	7,485	7,796,975
Stevens Plantation Community Development District, Special Assessment Bonds, Series A, 7.10%, 5/01/35	3,710	2,996,196
Village Community Development District No. 6, Special Assessment Bonds, 5.63%, 5/01/22	6,805	6,709,526
		29,486,202
<b>Georgia 1.9%</b>		
De Kalb Private Hospital Authority, Refunding RB, Children's Healthcare, 5.25%, 11/15/39	1,650	1,707,519
Metropolitan Atlanta Rapid Transit Authority, RB, Third Series, 5.00%, 7/01/39	5,000	5,260,650
Richmond County Development Authority, Refunding RB, International Paper Co. Project, Series A, AMT, 6.00%, 2/01/25	4,000	4,041,520
		11,009,689
	Par	
Municipal Bonds	(000)	Value
<b>Guam 0.8%</b>		
Territory of Guam, GO, Series A:		
6.00%, 11/15/19	\$ 1,245	\$ 1,292,907
6.75%, 11/15/29	1,775	1,903,173
7.00%, 11/15/39	1,255	1,357,182
		4,553,262
<b>Illinois 5.4%</b>		
Illinois Finance Authority, RB: Advocate Health Care, Series C, 5.38%, 4/01/44	10,630	10,944,542
MJH Education Assistance IV LLC,		

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Sub-Series B, 5.38%, 6/01/35 (c)(d)	1,675	452,267
Illinois Finance Authority, Refunding RB: Central DuPage Health, Series B, 5.50%, 11/01/39	3,160	3,297,049
Elmhurst Memorial Healthcare, 5.63%, 1/01/28	6,000	5,834,280
Friendship Village Schaumburg, Series A, 5.63%, 2/15/37	845	684,763
OSF Healthcare System, Series A, 6.00%, 5/15/39	2,575	2,599,385
Series 05-A, 5.25%, 7/01/41	760	790,126
State of Illinois, RB, Build Illinois, Series B, 5.25%, 6/15/34	1,240	1,281,676
Village of Bolingbrook Illinois, GO, Refunding, Series B (NPFGC) (a): 6.01%, 1/01/33	6,820	2,078,872
6.01%, 1/01/34	14,085	4,053,241
		32,016,201
<b>Indiana 5.9%</b>		
City of Vincennes Indiana, Refunding RB, Southwest Indiana Regional Youth Village, 6.25%, 1/01/24	2,130	1,798,188
Indiana Finance Authority, RB, Sisters of St. Francis Health, 5.25%, 11/01/39	1,655	1,692,602
Indiana Health Facility Financing Authority, Refunding RB, Methodist Hospital Inc., 5.50%, 9/15/31	9,000	7,833,600
Indiana Municipal Power Agency, RB, Indiana Municipal Power Agency, Series B, 6.00%, 1/01/39	2,150	2,339,286
Petersburg Indiana, RB, Indiana Power & Light, AMT: 5.90%, 12/01/24	5,000	5,130,700
5.95%, 12/01/29	16,000	16,151,200
		34,945,576
<b>Kansas 0.6%</b>		
Kansas Development Finance Authority, Refunding RB, Sisters of Leavenworth, Series A, 5.00%, 1/01/40	3,275	3,314,136
<b>Kentucky 0.4%</b>		

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Kentucky Economic Development Finance Authority, Refunding RB, Owensboro Medical Health System, Series A, 6.38%, 6/01/40	1,990	2,073,142
Kentucky Housing Corp., RB, Series F, AMT (Fannie Mae), 5.45%, 1/01/32	235	235,950
		2,309,092

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JULY 31, 2010

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Schedule of Investments<sup>(continued)</sup>

BlackRock Municipal Income Trust (BFK)

(Percentages shown are based on Net Assets)

	Par (000)	Value
Municipal Bonds		
<b>Louisiana 1.3%</b>		
Louisiana Local Government Environmental Facilities & Community Development Authority, RB, Capital Projects & Equipment Acquisition Program (ACA), 6.55%, 9/01/25	\$ 8,430	\$ 7,678,466
<b>Maryland 0.6%</b>		
Maryland Community Development Administration, Refunding RB, Residential, Series A, AMT, 4.65%, 9/01/32	2,465	2,363,047
Maryland EDC, RB, Transportation Facilities Project, Series A, 5.75%, 6/01/35	855	874,255
		3,237,302
<b>Massachusetts 0.6%</b>		
Massachusetts Health & Educational Facilities Authority, Refunding RB, Partners Healthcare, Series J1, 5.00%, 7/01/39	3,535	3,619,168
<b>Michigan 0.7%</b>		
Michigan State Hospital Finance Authority, Refunding RB, Henry Ford Health System, Series A, 5.25%, 11/15/46	4,230	3,888,385
<b>Mississippi 2.6%</b>		
City of Gulfport Mississippi, RB, Memorial Hospital at Gulfport Project, Series A, 5.75%, 7/01/31	15,325	15,434,574
<b>Multi-State 5.2%</b>		
Centerline Equity Issuer Trust (e)(f): 6.80%, 11/30/50	6,500	6,577,220
6.80%, 10/31/52	16,000	17,393,760

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MuniMae TE Bond Subsidiary LLC, 7.50%, 6/30/49 (e)(f)(g)	7,574	7,023,714 30,994,694
 <b>Nebraska 0.7%</b>		
Douglas County Hospital Authority No. 2, RB, Health Facilities, Immanuel Obligation Group, 5.63%, 1/01/40	3,280	3,333,759
Lancaster County Hospital Authority No. 1, RB, Immanuel Obligation Group, 5.63%, 1/01/40	600	609,834 3,943,593
 <b>Nevada 0.8%</b>		
County of Clark Nevada, Refunding RB, Alexander Dawson School Nevada Project, 5.00%, 5/15/29	4,550	4,581,486
 <b>New Hampshire 0.6%</b>		
New Hampshire Health & Education Facilities Authority, RB, Exeter Project, 5.75%, 10/01/31	3,500	3,569,405
 <b>New Jersey 7.4%</b>		
Middlesex County Improvement Authority, RB, Subordinate, Heldrich Center Hotel, Series B, 6.25%, 1/01/37	3,680	680,064
New Jersey EDA, RB: Cigarette Tax, 5.75%, 6/15/29	15,500	15,358,020
	Par	
	(000)	Value
 <b>Municipal Bonds</b>		
 <b>New Jersey (concluded)</b>		
New Jersey EDA, RB (concluded): Continental Airlines Inc. Project, AMT, 7.00%, 11/15/30 (g)	\$ 15,410	\$ 15,436,814
New Jersey EDA, Special Assessment Bonds, Refunding, Kapkowski Road Landfill Project, 6.50%, 4/01/28	8,000	8,805,120
Tobacco Settlement Financing Corp. New Jersey, Refunding RB, Series 1A, 4.50%, 6/01/23	3,945	3,612,160 43,892,178

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New York 5.3%

Albany Industrial Development Agency, RB, New Covenant Charter School Project, Series A, 7.00%, 5/01/35 (c)(d)	1,820	727,982
New York City Industrial Development Agency, RB, American Airlines Inc., JFK International Airport, AMT (g): 8.00%, 8/01/28	5,000	5,246,000
7.75%, 8/01/31	22,140	22,962,722
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	2,508,192
		31,444,896

North Carolina 4.8%

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	9,551,526
North Carolina Capital Facilities Finance Agency, RB, Duke University Project, Series B, 5.00%, 10/01/38	10,000	10,598,100
North Carolina Capital Facilities Finance Agency, Refunding RB, Duke University Project, Series B, 4.25%, 7/01/42	3,910	3,892,249
North Carolina Medical Care Commission, RB, Duke University Health System, Series A: 5.00%, 6/01/39	1,240	1,273,790
5.00%, 6/01/42	2,750	2,814,927
		28,130,592

Ohio 2.9%

Buckeye Tobacco Settlement Financing Authority, RB, Asset-Backed, Senior Series A-2, 6.50%, 6/01/47	3,120	2,419,622
County of Allen Ohio, Refunding RB, Catholic Healthcare, Series A, 5.25%, 6/01/38	6,125	6,295,153

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County of Montgomery Ohio, Refunding

RB, Catholic Healthcare, Series A,

5.00%, 5/01/39

5,450

5,640,968

Pinnacle Community Infrastructure

Financing Authority, RB, Facilities,

Series A, 6.25%, 12/01/36

3,760

3,027,364

17,383,107

BLACKROCK MUNICIPAL INCOME TRUST

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Schedule of Investments<sup>(continued)</sup>

BlackRock Municipal Income Trust (BFK)

(Percentages shown are based on Net Assets)

	Par (000)	Value
Municipal Bonds		
<b>Oklahoma 1.2%</b>		
Tulsa Airports Improvement Trust, RB, Series A, Mandatory Put Bonds, AMT, 7.75%, 6/01/35 (g)	\$ 7,175	\$ 7,266,912
<b>Pennsylvania 4.7%</b>		
Allegheny County Hospital Development Authority, Refunding RB, Health System, West Penn, Series A, 5.38%, 11/15/40	3,000	2,226,960
Pennsylvania Economic Development Financing Authority, RB: Amtrak Project, Series A, AMT, 6.38%, 11/01/41	6,500	6,586,580
Aqua Pennsylvania Inc. Project, 5.00%, 11/15/40	3,725	3,827,847
Reliant Energy, Series A, AMT, 6.75%, 12/01/36	11,345	11,699,985
Pennsylvania Turnpike Commission, RB, Sub-Series D, 5.13%, 12/01/40	3,100	3,163,209
		27,504,581
<b>Puerto Rico 5.3%</b>		
Commonwealth of Puerto Rico, GO, Refunding, Public Improvement, Series C, 6.00%, 7/01/39	5,820	6,169,957
Puerto Rico Sales Tax Financing Corp., RB: CAB, Series A, 6.58%, 8/01/31 (a)	10,000	2,679,300
CAB, Series A, 6.66%, 8/01/33 (a)	12,670	2,940,327
CAB, Series A, 6.67%, 8/01/36 (a)	40,000	7,523,600
First Sub-Series A, 6.50%, 8/01/44	10,900	12,081,996
		31,395,180
<b>South Carolina 3.0%</b>		
Lexington County Health Services		

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District Inc., Refunding RB, 5.75%, 11/01/13 (b)	10,000	11,611,700
South Carolina Jobs-EDA, Refunding RB: Palmetto Health Alliance, Series A, 6.25%, 8/01/31	5,075	5,202,992
Palmetto Health, Series C, 6.88%, 8/01/13 (b)	990	1,168,774
		17,983,466
<b>Tennessee 0.9%</b>		
Knox County Health Educational & Housing Facilities Board Tennessee, Refunding RB, CAB, Series A (AGM), 5.70%, 1/01/20 (a)	5,055	3,083,045
Rutherford County Health & Educational Facilities Board, RB, Ascension Health Senior Credit Group, 5.00%, 11/15/40	2,015	2,066,060
		5,149,105
<b>Texas 17.7%</b>		
Brazos River Authority, RB, TXU Electric, Series A, AMT, 8.25%, 10/01/30	4,370	2,370,769
Brazos River Authority, Refunding RB, TXU Electric Co. Project, Series C, Mandatory Put Bonds, AMT, 5.75%, 5/01/36 (g)	4,125	3,930,259
City of Dallas Texas, Refunding RB, 5.00%, 10/01/35	2,970	3,167,386
	Par (000)	Value
<b>Municipal Bonds</b>		
<b>Texas (concluded)</b>		
City of Houston Texas, RB, Senior Lien, Series A, 5.50%, 7/01/39	\$ 3,000	\$ 3,220,620
City of Houston Texas, Refunding RB, Combined, First Lien, Series A (AGC), 6.00%, 11/15/35	16,425	18,904,354
Harris County-Houston Sports Authority, Refunding RB (NPFGC) (a): CAB, Junior Lien, Series H, 6.12%, 11/15/35	5,000	819,500

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CAB, Senior Lien, Series A, 5.94%, 11/15/38	12,580	1,766,735
Third Lien, Series A-3, 5.97%, 11/15/37	26,120	3,710,607
Lower Colorado River Authority, Refunding RB: (NPFGC), 5.00%, 5/15/13 (b)	120	134,186
(NPFGC), 5.00%, 5/15/31	2,275	2,307,965
LCRA Transmission Services Project (AMBAC), 4.75%, 5/15/34	905	905,081
Series A (NPFGC), 5.00%, 5/15/13 (b)	5	5,596
North Texas Tollway Authority, RB, Toll, 2nd Tier, Series F, 6.13%, 1/01/31	12,180	12,983,393
San Antonio Energy Acquisition Public Facility Corp., RB, Gas Supply, 5.50%, 8/01/25	6,540	6,805,001
State of Texas, GO, Transportation Community, Mobility Fund, Series A, 4.75%, 4/01/35	4,000	4,068,400
Tarrant County Cultural Education Facilities Finance Corp., RB, Scott & White Healthcare, 6.00%, 8/15/45	7,930	8,370,353
Texas Private Activity Bond Surface Transportation Corp., RB, Senior Lien: LBJ Infrastructure, 7.00%, 6/30/40	8,475	8,816,966
Note Mobility, 6.88%, 12/31/39	7,590	7,877,357
Texas State Affordable Housing Corp., RB, American Opportunity Housing Portfolio, Junior Series B, 8.00%, 3/01/32 (c)(d)	4,435	220,774
Texas State Turnpike Authority, RB (AMBAC): CAB, 6.06%, 8/15/32 (a)	23,355	5,224,981
CAB, 6.07%, 8/15/33 (a)	32,325	6,681,901
First Tier, Series A, 5.00%, 8/15/42	2,250	2,156,445
		104,448,629
Utah 1.2%		
City of Riverton Utah, RB, IHC Health Services Inc., 5.00%, 8/15/41	7,150	7,316,953
Virginia 2.5%		

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City of Norfolk Virginia, Refunding RB, Series B (AMBAC), 5.50%, 2/01/31	2,635	2,622,167
Tobacco Settlement Financing Corp. Virginia, Refunding RB, Senior Series B1, 5.00%, 6/01/47	5,780	3,741,799
Virginia Commonwealth Transportation Board, RB, CAB, Contract, Route 28 (NPFGC), 5.29%, 4/01/32 (a)	8,105	2,612,890

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Schedule of Investments<sup>(continued)</sup>

BlackRock Municipal Income Trust (BFK)

(Percentages shown are based on Net Assets)

	Par (000)	Value
Municipal Bonds		
<b>Virginia (concluded)</b>		
Virginia HDA, RB, Sub-Series H-1 (NPFGC), 5.35%, 7/01/31	\$ 5,775	\$ 5,822,124
		14,798,980
<b>Wisconsin 2.3%</b>		
Wisconsin Health & Educational Facilities Authority, RB: Ascension Health Senior Credit Group, 5.00%, 11/15/30	3,210	3,305,979
Ascension Health Senior Credit Group, 5.00%, 11/15/33	1,640	1,668,060
Aurora Health Care, 6.40%, 4/15/33	7,500	7,665,000
Wisconsin Health & Educational Facilities Authority, Refunding RB, Froedtert & Community Health Inc., 5.38%, 10/01/30	1,205	1,225,232
		13,864,271
Total Municipal Bonds 133.9%		791,193,213
Municipal Bonds Transferred to Tender		
Option Bond Trusts (h)		
<b>Alabama 0.8%</b>		
Alabama Special Care Facilities Financing Authority-Birmingham, Refunding RB, Ascension Health Senior Credit, Series C-2, 5.00%, 11/15/36	4,548	4,626,420
<b>California 3.2%</b>		
California Educational Facilities Authority, RB, University of Southern California, Series A, 5.25%, 10/01/18	5,115	5,497,499
Los Angeles Community College District California, GO, Election of 2001,		

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Series A (AGM), 5.00%, 8/01/32	4,500	4,617,540
San Diego Community College District California, GO, Election of 2002, 5.25%, 8/01/33	3,260	3,475,196
University of California, RB, Series C (NPFGC), 4.75%, 5/15/37	5,000	5,016,850
		18,607,085
<b>Colorado 2.1%</b>		
Colorado Health Facilities Authority, RB (AGM), Catholic Health: Series C-3, 5.10%, 10/01/41	7,600	7,701,308
Series C-7, 5.00%, 9/01/36	4,860	4,921,965
		12,623,273
<b>Connecticut 3.3%</b>		
Connecticut State Health & Educational Facility Authority, RB, Yale University: Series T-1, 4.70%, 7/01/29	9,400	9,927,810
Series X-3, 4.85%, 7/01/37	9,360	9,766,318
		19,694,128
Municipal Bonds Transferred to Tender	Par	
Option Bond Trusts (h)	(000)	Value
<b>Illinois 1.5%</b>		
Chicago Housing Authority, Refunding RB (AGM), 5.00%, 7/01/24	\$ 8,232	\$ 8,648,488
<b>Massachusetts 1.2%</b>		
Massachusetts Water Resources Authority, Refunding RB, General, Series A, 5.00%, 8/01/41	6,770	7,021,979
<b>New Hampshire 0.7%</b>		
New Hampshire Health & Education Facilities Authority, Refunding RB, Dartmouth College, 5.25%, 6/01/39	3,988	4,346,666
<b>New York 4.4%</b>		
New York City Municipal Water Finance Authority, RB, Series FF-2, 5.50%, 6/15/40	3,074	3,432,784
New York State Dormitory Authority, ERB, Series F, 5.00%, 3/15/35	16,709	17,264,365
New York State Environmental Facilities		

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Corp., RB, Revolving Funds, New York City Municipal Water Project, Series B, 5.00%, 6/15/31	5,370	5,481,428 26,178,577
<b>Virginia 1.9%</b> University of Virginia, Refunding RB, General, 5.00%, 6/01/40	10,750	11,444,127
<b>Washington 3.6%</b> Central Puget Sound Regional Transit Authority, RB, Series A (AGM), 5.00%, 11/01/32	5,459	5,781,751
State of Washington, GO, Various Purpose, Series E, 5.00%, 2/01/34	14,487	15,394,031 21,175,782
Total Municipal Bonds Transferred to Tender Option Bond Trusts 22.7%		134,366,525
Total Long-Term Investments (Cost \$927,690,510) 156.6%		925,559,738
Short-Term Securities	Shares	
FFI Institutional Tax-Exempt Fund, 0.21% (i)(j)	4,910,060	4,910,060
Total Short-Term Securities (Cost \$4,910,060) 0.8%		4,910,060
Total Investments (Cost \$932,600,570*) 157.4%		930,469,798
Other Assets Less Liabilities 1.1%		6,638,208
Liability for Trust Certificates, Including Interest Expense and Fees Payable (12.7)%		(75,257,885)
Preferred Shares, at Redemption Value (45.8)%		(270,895,642)
Net Assets Applicable to Common Shares 100.0%		\$ 590,954,479

BLACKROCK MUNICIPAL INCOME TRUST

JULY 31, 2010

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## Schedule of Investments July 31, 2010 (concluded)

### BlackRock Municipal Income Trust (BFK)

\* The cost and unrealized appreciation (depreciation) of investments as of July 31, 2010, as computed for federal income tax purposes, were as

Aggregate follows: Cost	\$ 856,275,780
Gross unrealized appreciation	\$ 33,365,646
Gross Net unrealized depreciation	\$ (34,353,775) (988,129)

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

(b) 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.

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

(d) Non-income producing security.

(e) 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.

(f) 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.

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

(h) Securities represent bonds transferred to a tender option bond trust in exchange for which the Trust acquired residual interest certificates. These securities serve as collateral in a financing transaction.

(i) 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 July 31, 2010	Income
FFI Institutional Tax-Exempt Fund		22,810,780 (17,900,720)	4,910,060	\$ 4,141

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

Fair Value Measurements - Various inputs are used in determining the fair

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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 the Trust's most recent financial statements as contained in its annual report.

The following table summarizes the inputs used as of July 31, 2010 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				
Securities <sup>1</sup>		\$925,559,738		\$ 925,559,738
Short-Term				
Securities	\$ 4,910,060			4,910,060
Total	\$ 4,910,060	\$925,559,738		\$ 930,469,798

<sup>1</sup>See above Schedule of Investments for values in each state or political subdivision.

BLACKROCK MUNICIPAL INCOME TRUST

JULY 31, 2010

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/ Anne F. Ackerley  
Anne F. Ackerley  
Chief Executive Officer of  
BlackRock Municipal Income Trust

Date: September 27, 2010

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/ Anne F. Ackerley  
Anne F. Ackerley  
Chief Executive Officer (principal executive officer) of  
BlackRock Municipal Income Trust

Date: September 27, 2010

By: /s/ Neal J. Andrews  
Neal J. Andrews  
Chief Financial Officer (principal financial officer) of  
BlackRock Municipal Income Trust

Date: September 27, 2010

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