

BLACKROCK MUNICIPAL INCOME TRUST

Form N-Q

September 25, 2012

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 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: 04/30/2013

Date of reporting period: 07/31/2012

Item 1 – Schedule of Investments

Schedule of Investments July 31, 2012 (Unaudited) **BlackRock Municipal Income Trust (BFK)**  
**(Percentages shown are based on Net Assets)**

<b>Municipal Bonds</b>	<b>Par (000)</b>	<b>Value</b>
<b>Alabama — 1.1%</b>		
Alabama State Docks Department, Refunding RB, 6.00%, 10/01/40	\$ 4,080	\$ 4,729,740
County of Jefferson Alabama, RB, Series A, 5.25%, 1/01/19	2,910	2,913,201
		7,642,941
<b>Arizona — 3.0%</b>		
Salt Verde Financial Corp., RB: 5.00%, 12/01/32	10,030	10,434,008
5.00%, 12/01/37	9,460	9,819,953
		20,253,961
<b>California — 18.5%</b>		
Bay Area Toll Authority, Refunding RB, San Francisco Bay Area, Series F-1, 5.63%, 4/01/44	4,445	5,145,087
California County Tobacco Securitization Agency, RB, CAB, Stanislaus, Sub- Series C, 11.01%, 6/01/55 (a)	17,855	181,407
California Health Facilities Financing Authority, RB: Stanford Hospital and Clinics, Series A, 5.00%, 8/15/51	2,305	2,527,986
Sutter Health, Series B, 6.00%, 8/15/42	6,230	7,482,230
California State Public Works Board, RB, Various Capital Projects, Sub-Series 1, 6.38%, 11/01/34	2,315	2,812,146
California Statewide Communities Development Authority, RB, 5.00%, 4/01/42	4,295	4,701,221
City of Los Angeles Department of Airports, Refunding RB, Series A, 5.25%, 5/15/39	1,560	1,757,730
Foothill Eastern Transportation Corridor Agency California, Refunding RB, CAB		

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(a):

6.07%, 1/15/32	54,635	17,070,159
6.09%, 1/15/38	75,000	16,285,500
Foothill-De Anza Community College District, GO, Series C, 5.00%, 8/01/40		
	7,000	8,097,110
Los Angeles Regional Airports Improvement Corp. California, Refunding RB, Facilities LAXFUEL Corp., LA International, AMT (AMBAC), 5.50%, 1/01/32		
	13,320	13,331,322
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	5,075,800
San Marcos Unified School District, GO, CAB, Election of 2010, Series B (a): 4.99%, 8/01/34		
	3,500	1,183,455
5.12%, 8/01/36	4,000	1,188,800

	<b>Par (000)</b>	<b>Value</b>
<b>Municipal Bonds</b>		
<b>California (concluded)</b>		
State of California, GO:		
6.00%, 3/01/33	\$ 4,970	\$ 6,122,245
6.50%, 4/01/33	20,410	25,493,315
State of California, GO, Refunding,		
5.00%, 10/01/41	5,935	6,476,806
		124,932,319
<b>Colorado — 2.0%</b>		
City of Colorado Springs Colorado, RB, Subordinate Lien, Improvement, Series C (AGM), 5.00%, 11/15/45		
	2,115	2,224,747
Colorado Health Facilities Authority, Refunding RB: Evangelical Lutheran Good Samaritan Society Project, 5.00%, 12/01/42		
	3,450	3,656,000
Catholic Health, Series A, 5.50%, 7/01/34		
	4,205	4,806,315

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Park Creek Metropolitan District Colorado, Refunding RB, Senior, Limited Tax, Property Tax, 5.50%, 12/01/37	2,530	2,679,118 13,366,180
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**Connecticut — 2.3%**

Connecticut State Health & Educational Facility Authority, RB, Ascension Health Senior Credit, 5.00%, 11/15/40	2,710	2,984,035
State of Connecticut, GO, Refunding: Series C, 5.00%, 6/01/23	6,160	7,772,565
Series C, 5.00%, 6/01/24	3,925	4,906,878 15,663,478

**Delaware — 1.6%**

County of Sussex Delaware, RB, NRG Energy, Inc., Indian River Project, 6.00%, 10/01/40	2,225	2,526,554
Delaware State EDA, RB, Exempt Facilities, Indian River Power, 5.38%, 10/01/45	7,950	8,605,716 11,132,270

**District of Columbia — 4.0%**

District of Columbia Tobacco Settlement Financing Corp., Refunding RB, Asset- Backed, 6.75%, 5/15/40	23,035	23,495,470
Metropolitan Washington Airports Authority, Refunding RB, First Senior Lien, Series A: 5.00%, 10/01/39	990	1,087,307
5.25%, 10/01/44	2,465	2,729,642 27,312,419

BLACKROCK MUNICIPAL INCOME TRUST JULY 31, 2012 1

Schedule of Investments (continued) **BlackRock Municipal Income Trust (BFK)**  
**(Percentages shown are based on Net Assets)**

	<b>Par</b>	
<b>Municipal Bonds</b>	<b>(000)</b>	<b>Value</b>
<b>Florida — 5.6%</b>		
Citizens Property Insurance Corp., RB, Senior Secured, Series A-1:		
5.00%, 6/01/19	\$ 5,465	\$ 6,276,334
5.00%, 6/01/21	3,330	3,841,621
County of Miami-Dade Florida, Refunding RB, Miami International Airport, Series A-1, 5.38%, 10/01/41		
	2,280	2,589,943
Highlands County Florida Health Facilities Authority, RB, Series 2006- G, 5.13%, 11/15/32 (b)		
	1,000	1,066,610
Miami Beach Health Facilities Authority, RB, Mount Sinai Medical Center of Florida, 6.75%, 11/15/21		
	6,575	7,185,817
Mid-Bay Bridge Authority, RB, Series A, 7.25%, 10/01/40		
	4,450	5,616,835
Orange County Health Facilities Authority, Refunding RB: 5.00%, 6/01/32		
	600	616,344
Mayflower Retirement Center, 5.00%, 6/01/36		
	125	127,135
Mayflower Retirement Center, 5.13%, 6/01/42		
	1,925	1,979,266
Stevens Plantation Community Development District, Special Assessment Bonds, Series A, 7.10%, 5/01/35		
	3,590	2,692,895
Village Community Development District No. 6, Special Assessment Bonds, 5.63%, 5/01/22		
	5,575	5,620,715
		37,613,515

**Georgia — 1.7%**

DeKalb Private Hospital Authority, Refunding RB, Children's Healthcare, 5.25%, 11/15/39	1,650	1,825,312
Metropolitan Atlanta Rapid Transit Authority, RB, Third Series, 5.00%, 7/01/39	5,000	5,583,900
Richmond County Development Authority, Refunding RB, International Paper Co. Project, Series A, AMT, 6.00%, 2/01/25	4,000	4,053,320 11,462,532

**Hawaii — 0.5%**

State of Hawaii, RB, Series A, 5.25%, 7/01/30	2,660	3,115,685
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**Illinois — 11.0%**

Chicago Board of Education Illinois, GO, Series A, 5.50%, 12/01/39	4,110	4,791,520
Chicago Transit Authority, RB, Sales Tax Receipts Revenue, 5.25%, 12/01/40	2,055	2,344,406
City of Chicago Illinois, GO, Project, Series A: 5.00%, 1/01/33	4,435	5,002,591

	<b>Par (000)</b>	<b>Value</b>
<b>Municipal Bonds</b>		
<b>Illinois (concluded)</b>		
City of Chicago Illinois, GO, Project, Series A (concluded): 5.00%, 1/01/34	\$ 4,430	\$ 4,959,031
City of Chicago Illinois, Refunding RB, Series A, 5.25%, 1/01/38	1,605	1,842,508
City of Chicago Illinois O'Hare International Airport, RB, Third Lien, Series C, 6.50%, 1/01/41	11,385	13,977,137
Illinois Finance Authority, RB: Advocate Health Care, Series C, 5.38%, 4/01/44	10,630	11,712,453

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MJH Education Assistance IV LLC, Sub-Series B, 5.38%, 6/01/35 (c)(d)	1,675	167,450
Navistar International Recovery Zone, 6.50%, 10/15/40	1,780	1,840,306
Illinois Finance Authority, Refunding RB: 5.00%, 11/15/37	1,895	2,110,708
5.00%, 11/15/42	3,450	3,819,668
Central Dupage Health, Series B, 5.50%, 11/01/39	3,160	3,557,117
Friendship Village Schaumburg, Series A, 5.63%, 2/15/37	470	471,969
Metropolitan Pier & Exposition Authority, Refunding RB, McCormick Place Expansion Project (AGM): Series B, 5.00%, 6/15/50	3,905	4,223,843
Series B-2, 5.00%, 6/15/50	6,155	6,659,710
Railsplitter Tobacco Settlement Authority, RB: 5.50%, 6/01/23	2,625	3,063,165
6.00%, 6/01/28	2,245	2,612,529
State of Illinois, RB, Build Illinois, Series B, 5.25%, 6/15/34	1,240	1,408,764
		74,564,875

**Indiana — 1.3%**

City of Vincennes Indiana, Refunding RB, Southwest Indiana Regional Youth Village, 6.25%, 1/01/24	1,925	1,176,521
Indiana Finance Authority, RB: First Lien, CWA Authority, Series A, 5.25%, 10/01/38	3,080	3,564,792
Sisters of St. Francis Health, 5.25%, 11/01/39	1,655	1,818,928
Indiana Municipal Power Agency, RB, Series B, 6.00%, 1/01/39	2,150	2,507,502



9,067,743

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Schedule of Investments (continued) **BlackRock Municipal Income Trust (BFK)**  
**(Percentages shown are based on Net Assets)**

	<b>Par (000)</b>	<b>Value</b>
<b>Municipal Bonds</b>		
<b>Iowa — 0.6%</b>		
Iowa Student Loan Liquidity Corp., Refunding RB, Senior Series A-1, AMT, 5.15%, 12/01/22	\$ 3,830	\$ 4,321,427
<b>Kansas — 0.5%</b>		
Kansas Development Finance Authority, Refunding RB, Sisters of Leavenworth, Series A, 5.00%, 1/01/40	3,275	3,573,254
<b>Kentucky — 0.3%</b>		
Kentucky Economic Development Finance Authority, RB, Owensboro Medical Health System, Series A, 6.38%, 6/01/40	1,490	1,753,268
<b>Louisiana — 2.9%</b>		
Louisiana Local Government Environmental Facilities & Community Development Authority, RB, Westlake Chemical Corp., Series A-1, 6.50%, 11/01/35	6,535	7,570,405
Parish of Saint John the Baptist Louisiana, RB, Marathon Oil Corp., Series A, 5.13%, 6/01/37	4,340	4,609,210
State of Louisiana Gasoline & Fuels Tax, RB, Second Lien, Series B, 5.00%, 5/01/45	6,355	7,148,295 19,327,910
<b>Maine — 0.3%</b>		
Maine State Turnpike Authority, RB, 5.00%, 7/01/42	1,715	1,972,353
<b>Maryland — 1.3%</b>		
Maryland EDC, RB, Transportation Facilities Project, Series A, 5.75%, 6/01/35	855	932,207

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Maryland EDC, Refunding RB, CNX		
Marine Terminals, Inc., 5.75%,		
9/01/25	1,760	1,905,147
Maryland Health & Higher Educational		
Facilities Authority, Refunding RB,		
Charlestown Community, 6.25%,		
1/01/41	4,295	4,903,859
Montgomery County Housing		
Opportunities Commission, RB, Series		
D, AMT, 5.50%, 1/01/38	825	868,725
		8,609,938

**Massachusetts — 0.6%**

Massachusetts Health & Educational		
Facilities Authority, Refunding RB,		
Partners Healthcare, Series J1,		
5.00%, 7/01/39	3,535	3,853,610

**Municipal Bonds**

	<b>Par</b>	<b>Value</b>
	<b>(000)</b>	

**Michigan — 2.5%**

City of Detroit Michigan Water Supply		
System, RB, Series A, 5.25%,		
7/01/41	\$ 6,015	\$ 6,311,539
Kalamazoo Hospital Finance Authority,		
Refunding RB, Bronson Methodist		
Hospital, 5.50%, 5/15/36	2,700	2,997,189
Lansing Board of Water & Light		
Utilities,		
RB, Series A, 5.50%, 7/01/41	2,870	3,400,491
Michigan State Hospital Finance		
Authority, Refunding RB, Henry Ford		
Health System, Series A, 5.25%,		
11/15/46	4,230	4,459,774
		17,168,993

**Minnesota — 2.1%**

Tobacco Securitization Authority		
Minnesota, Refunding RB, Series B:		
5.25%, 3/01/25	8,780	10,187,522
5.25%, 3/01/31	3,700	4,162,241
		14,349,763

**Mississippi — 2.1%**

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City of Gulfport Mississippi, RB,  
 Memorial Hospital at Gulfport Project,  
 Series A, 5.75%, 7/01/31 14,025 14,045,757

**Missouri — 0.3%**

Missouri State Health & Educational  
 Facilities Authority, RB, Senior Living  
 Facilities, Lutheran Senior Home,  
 5.50%, 2/01/42 2,035 2,160,661

**Multi-State — 2.6%**

Centerline Equity Issuer Trust, 6.80%,  
 10/31/52 (e)(f) 16,000 17,596,160

**Nebraska — 1.3%**

Central Plains Energy Project Nebraska,  
 RB, Gas Project No. 3:  
 5.25%, 9/01/37 1,610 1,708,419  
 5.00%, 9/01/42 2,815 2,895,763

Douglas County Hospital Authority No.  
 2,  
 RB, Health Facilities, Immanuel  
 Obligation Group, 5.63%, 1/01/40 3,280 3,652,411

Lancaster County Hospital Authority  
 No.  
 1, Refunding RB, Immanuel Obligation  
 Group, 5.63%, 1/01/40 600 668,124  
 8,924,717

**Nevada — 0.7%**

County of Clark Nevada, Refunding RB,  
 Alexander Dawson School Nevada  
 Project, 5.00%, 5/15/29 4,550 4,776,772

**New Jersey — 7.1%**

Middlesex County Improvement  
 Authority, RB, Heldrich Center Hotel,  
 Series B, 6.25%, 1/01/37 (c)(d) 3,680 275,963

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Schedule of Investments (continued) **BlackRock Municipal Income Trust (BFK)**  
**(Percentages shown are based on Net Assets)**

	<b>Par (000)</b>	<b>Value</b>
<b>Municipal Bonds</b>		
<b>New Jersey (concluded)</b>		
New Jersey EDA, RB, AMT:		
Continental Airlines, Inc. Project, 6.25%, 9/15/29	\$ 3,000	\$ 3,011,970
Continental Airlines, Inc. Project, 7.00%, 11/15/30 (b)	15,410	15,468,404
New Jersey EDA, Refunding Special Assignment, Kapkowski Road Landfill Project, 6.50%, 4/01/28	8,000	9,558,720
New Jersey EDA, Cigarette Tax, Refunding RB, 5.00%, 6/15/24	1,905	2,158,384
New Jersey Transportation Trust Fund Authority, RB:		
Transportation System, Series A, 5.50%, 6/15/41	8,000	9,350,560
Series B, 5.25%, 6/15/36	4,810	5,542,130
Tobacco Settlement Financing Corp. New Jersey, Refunding RB, Series 1A, 4.50%, 6/01/23	3,080	2,929,912
		48,296,043
<b>New York — 6.6%</b>		
Albany Industrial Development Agency, RB, New Covenant Charter School Project, Series A, 7.00%, 5/01/35 (c)(d)		
	1,820	409,482
Metropolitan Transportation Authority, RB, Series E, 5.00%, 11/15/42	1,055	1,185,830
Metropolitan Transportation Authority, Refunding RB, Transportation, Series D, 5.25%, 11/15/40	2,375	2,684,439
New York City Industrial Development Agency, RB, American Airlines, Inc., JFK International Airport, AMT (b)(c)(d): 7.75%, 8/01/31	22,140	23,579,100

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8.00%, 8/01/28	5,000	5,324,900
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	2,737,560
New York State Thruway Authority, RB, Series I, 5.00%, 1/01/42		
	3,465	3,905,471
Port Authority of New York & New Jersey, RB, JFK International Air Terminal:		
6.00%, 12/01/36	2,525	2,869,182
6.00%, 12/01/42	1,960	2,219,759
		44,915,723

**North Carolina — 3.8%**

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	10,958,363

	<b>Par (000)</b>	<b>Value</b>
<b>Municipal Bonds</b>		
<b>North Carolina (concluded)</b>		
North Carolina Capital Facilities Finance Agency, RB, Duke University Project, Series B, 5.00%, 10/01/38		
	\$ 10,000	\$ 11,630,500
North Carolina Medical Care Commission, RB, Duke University Health System, Series A, 5.00%, 6/01/42		
	2,750	3,037,348
		25,626,211

**Ohio — 2.9%**

County of Allen Ohio, Refunding RB, Catholic Healthcare, Series A, 5.25%, 6/01/38		
	6,125	6,769,595
County of Hamilton Ohio, RB, Christ Hospital Project, 5.00%, 6/01/42		
	3,580	3,743,928
County of Montgomery Ohio, Refunding RB, Catholic Healthcare, Series A, 5.00%, 5/01/39		
	5,450	5,866,108
Pinnacle Community Infrastructure		

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Financing Authority, RB, Facilities, Series A, 6.25%, 12/01/36	3,760	3,498,379 19,878,010
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**Oregon — 0.1%**

City of Tigard Washington County Oregon, Refunding RB, Water System, 5.00%, 8/01/37	495	574,413
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**Pennsylvania — 0.9%**

Allegheny County Hospital Development Authority, Refunding RB, Health System, West Penn, Series A, 5.38%, 11/15/40	2,255	1,841,433
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Pennsylvania Economic Development Financing Authority, RB, Aqua Pennsylvania, Inc. Project, 5.00%, 11/15/40	3,725	4,155,088 5,996,521
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**Puerto Rico — 4.0%**

Puerto Rico Sales Tax Financing Corp., RB: CAB, Series A, 5.39%, 8/01/33 (a)	11,400	3,729,510
CAB, Series A, 5.64%, 8/01/36 (a)	40,000	10,532,800
First Sub-Series A, 6.50%, 8/01/44	10,900	13,011,657 27,273,967

**South Carolina — 1.9%**

South Carolina Jobs-EDA, Refunding RB, Palmetto Health Alliance, Series A, 6.25%, 8/01/31	5,075	5,485,872
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Schedule of Investments (continued) **BlackRock Municipal Income Trust (BFK)**  
**(Percentages shown are based on Net Assets)**

	<b>Par</b>	
<b>Municipal Bonds</b>	<b>(000)</b>	<b>Value</b>
<b>South Carolina (concluded)</b>		
South Carolina State Ports Authority, RB, 5.25%, 7/01/40	\$ 6,455	\$ 7,263,231 12,749,103
<b>Tennessee — 0.6%</b>		
Knox County Health Educational & Housing Facilities Board Tennessee, Refunding RB, CAB, Series A (AGM), 5.54%, 1/01/20 (a)	5,055	3,370,068
Rutherford County Health & Educational Facilities Board, RB, 5.00%, 11/15/47	415	467,489 3,837,557
<b>Texas — 14.2%</b>		
Brazos River Authority, RB, TXU Electric, Series A, AMT, 8.25%, 10/01/30	4,370	492,455
Central Texas Regional Mobility Authority, Refunding RB, Senior Lien, 6.25%, 1/01/46	4,210	4,881,116
City of Austin Texas, Refunding RB, Water & Wastewater System Revenue, 5.00%, 11/15/37	1,235	1,441,492
City of Dallas Texas, Refunding RB, Waterworks & Sewer System Revenue, 5.00%, 10/01/35	2,970	3,425,182
City of Houston Texas, Refunding RB: Combined First Lien, Series A (AGC), 6.00%, 11/15/35	16,425	20,027,824
Senior Lien, Series A, 5.50%, 7/01/39	3,000	3,369,150
Harris County-Houston Sports Authority, Refunding RB (NPFGC) (a): CAB, Junior Lien, Series H, 5.95%, 11/15/35	5,000	1,275,750



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CAB, Senior Lien, Series A, 5.95%, 11/15/38	12,580	2,694,762
Third Lien, Series A-3, 5.94%, 11/15/37	26,120	5,942,822
Lower Colorado River Authority, Refunding RB: (NPFGC), 5.00%, 5/15/13 (g)	55	57,077
LCRA Transmission Services Project (AMBAC), 4.75%, 5/15/34	140	140,340
Series A (NPFGC), 5.00%, 5/15/13 (g)	5	5,189
North Texas Tollway Authority, Refunding RB, Toll, Second Tier, Series F, 6.13%, 1/01/31	12,180	13,469,497
San Antonio Energy Acquisition Public Facility Corp., RB, Gas Supply, 5.50%, 8/01/25	6,540	7,309,104
Tarrant County Cultural Education Facilities Finance Corp., RB, Scott & White Healthcare, 6.00%, 8/15/45	7,930	9,369,454

**Par  
(000) Value**

**Municipal Bonds**

**Texas (concluded)**

Texas Private Activity Bond Surface Transportation Corp., RB, Senior Lien: Infrastructure, 7.00%, 6/30/40	\$ 6,000	\$ 7,324,800
NTE Mobility Partners LLC, North Tarrant Express Managed Lanes Project, 6.88%, 12/31/39	6,500	7,804,290
University of Texas System, Refunding RB, Financing System, Series B, 5.00%, 8/15/43	6,000	7,050,540
		96,080,844

**Virginia — 1.8%**

City of Norfolk Virginia, Refunding RB, Series B (AMBAC), 5.50%, 2/01/31	2,240	2,242,442
Virginia Small Business Financing Authority, RB, Senior Lien, Elizabeth River Crossings		

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OPCP LLC Project, AMT:

5.25%, 1/01/32	3,155	3,413,331
6.00%, 1/01/37	3,580	4,088,754
5.50%, 1/01/42	2,255	2,484,920
		12,229,447

**Washington — 1.1%**

Washington Health Care Facilities Authority, RB, Swedish Health Services, Series A, 6.75%, 5/15/21 (g)	3,900	5,439,564
Washington Health Care Facilities Authority, Refunding RB, Providence Health & Services, Series A, 5.00%, 10/01/42	1,980	2,208,809
		7,648,373

**Wisconsin — 2.1%**

Wisconsin Health & Educational Facilities Authority, RB: Ascension Health Senior Care Group, 5.00%, 11/15/30	3,210	3,591,701
Ascension Health Senior Care Group, 5.00%, 11/15/33	1,640	1,818,120
Aurora Health, Senior Credit Group, 6.40%, 4/15/33	7,500	7,652,400
Wisconsin Health & Educational Facilities Authority, Refunding RB, Froedtert & Community Health, Inc., 5.38%, 10/01/30	1,205	1,209,266
		14,271,487
<b>Total Municipal Bonds – 117.8%</b>		797,940,200

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Schedule of Investments (continued) **BlackRock Municipal Income Trust (BFK)**  
**(Percentages shown are based on Net Assets)**

	<b>Par</b>	
	<b>(000)</b>	<b>Value</b>
<b>Municipal Bonds Transferred to</b>		
<b>Tender Option Bond (TOB) Trusts (h)</b>		
<b>Alabama — 0.7%</b>		
Alabama Special Care Facilities Financing Authority-Birmingham, Refunding RB, Ascension Health Senior Credit Group, Series C-2, 5.00%, 11/15/36	\$ 4,548	\$ 4,819,385
<b>Arizona — 0.8%</b>		
Salt River Project Agricultural Improvement & Power District, RB, Series A, 5.00%, 1/01/38	4,760	5,289,986
<b>California — 9.5%</b>		
California Educational Facilities Authority, RB, University of Southern California, Series B, 5.25%, 10/01/39	5,115	5,987,363
City of Los Angeles California Department of Airports, Refunding RB, Senior, Los Angeles International Airport, Series A, 5.00%, 5/15/40	11,679	13,108,791
Los Angeles Community College District California, GO, Election of 2001, Series A (AGM), 5.00%, 8/01/32	4,500	5,073,030
San Diego Community College District California, GO, Election of 2002, 5.25%, 8/01/33	3,260	3,823,898
San Francisco City & County Public Utilities Commission, RB, Series B, 5.00%, 11/01/39	18,540	20,849,157
University of California, RB: Limited Project, Series B, 4.75%, 5/15/38	9,838	10,286,185
Series C (NPFGC), 4.75%, 5/15/37	5,000	5,197,750

64,326,174

**Colorado — 2.0%**

Colorado Health Facilities Authority,  
RB,

Catholic Health:

Series C-3 (AGM), 5.10%,

10/01/41 7,600 8,117,256

Series C-7, 5.00%, 9/01/36 4,860 5,197,284

13,314,540

**Connecticut — 3.2%**

Connecticut State Health & Educational  
Facility Authority, RB, Yale University:

Series T-1, 4.70%, 7/01/29 9,400 10,729,348

Series X-3, 4.85%, 7/01/37 9,360 10,709,712

21,439,060

**Florida — 1.1%**

County of Miami-Dade Florida, RB,

Water & Sewer System, 5.00%,

10/01/34 6,629 7,460,083

**Par  
(000) Value**

**Municipal Bonds Transferred to  
Tender Option Bond (TOB) Trusts (h)**

**Illinois — 0.9%**

City of Chicago Illinois, Refunding RB,

5.00%, 11/01/42 \$ 5,617 \$ 6,394,907

**Maryland — 1.3%**

Maryland Health & Higher Educational  
Facilities Authority, Refunding RB,

5.00%, 11/15/51 8,139 9,044,757

**Massachusetts — 2.6%**

Massachusetts School Building  
Authority,

RB, Senior Series B, 5.00%, 10/15/41 8,860 10,237,198

Massachusetts Water Resources  
Authority, Refunding RB, General,

Series A, 5.00%, 8/01/41 6,770 7,616,453

17,853,651

**Michigan — 0.9%**

Detroit Water and Sewerage Department,  
Refunding RB, Senior Lien, Series A:

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5.00%, 7/01/32	3,063	3,221,346
5.25%, 7/01/39	2,649	2,793,267
		6,014,613

**New Hampshire — 0.7%**

New Hampshire Health & Education Facilities Authority, RB, Dartmouth College, 5.25%, 6/01/39	3,988	4,759,312
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**New York — 13.2%**

Hudson New York Yards Infrastructure Corp., Senior RB, Senior Series A, 5.75%, 2/15/47	3,130	3,668,268
New York City Municipal Water Finance Authority, Refunding RB: Series FF-2, 5.50%, 6/15/40	3,074	3,621,343
Water & Sewer System, Second General Resolution, Series HH, 5.00%, 6/15/31	16,393	19,278,744
New York City Transitional Finance Authority, Future Tax Secured Revenue, Sub-Series E-1, RB, 5.00%, 2/01/42	4,799	5,540,152
New York Liberty Development Corp., RB, 1 World Trade Center Port Authority Construction, 5.25%, 12/15/43	20,865	24,066,734
New York Liberty Development Corp., Refunding RB, 4 World Trade Center Project, 5.75%, 11/15/51	12,610	14,919,521
New York State Dormitory Authority, ERB, Series F, 5.00%, 3/15/35	16,708	18,178,369
		89,273,131

BLACKROCK MUNICIPAL INCOME TRUST JULY 31, 2012 6

Schedule of Investments (continued) **BlackRock Municipal Income Trust (BFK)**  
**(Percentages shown are based on Net Assets)**

	<b>Par (000)</b>	<b>Value</b>
<b>Municipal Bonds Transferred to Tender Option Bond (TOB) Trusts (h)</b>		
<b>Texas — 1.1%</b>		
Harris County Texas Metropolitan Transit Authority, Refunding RB, Series A, 5.00%, 11/01/41	\$ 6,650	\$ 7,612,986
<b>Utah — 1.2%</b>		
City of Riverton Utah, RB, IHC Health Services Inc., 5.00%, 8/15/41	7,153	7,817,434
<b>Virginia — 1.8%</b>		
University of Virginia, Refunding RB, General, 5.00%, 6/01/40	10,767	12,386,412
<b>Washington — 3.4%</b>		
Central Puget Sound Regional Transit Authority, RB, Series A (AGM), 5.00%, 11/01/32	5,459	6,224,447
State of Washington, GO, Various Purpose, Series E, 5.00%, 2/01/34	14,487	16,704,362
		22,928,809
<b>Total Municipal Bonds Transferred to Tender Option Bond (TOB) Trusts – 44.4%</b>		300,735,240
<b>Total Long-Term Investments (Cost – \$1,013,946,237) – 162.2%</b>		1,098,675,440

	<b>Shares</b>	
<b>Short-Term Securities</b>		
FFI Institutional Tax-Exempt Fund, 0.01%, 8/01/12 (i)(j)	4,373,429	4,373,429
<b>Total Short-Term Securities (Cost – \$4,373,429) – 0.7%</b>		4,373,429
<b>Total Investments (Cost - \$1,018,319,666*) – 162.9%</b>		1,103,048,869
<b>Other Assets Less Liabilities – 1.1%</b>		7,421,667
<b>Liability for TOB Trust Certificates, Including Interest</b>		

<b>Expense and Fees Payable – (24.0)%</b>	(162,304,970)
<b>VMTP Shares, at Liquidation Value – (40.0)%</b>	(270,800,000)
<b>Net Assets Applicable to Common Shares – 100.0%</b>	\$ 677,365,566

\* At July 31, 2012, gross unrealized appreciation and gross unrealized depreciation as computed for federal income tax purposes, were as follows:

Tax cost	\$ 856,181,407
Gross unrealized appreciation	\$ 98,965,063
Gross unrealized depreciation	(14,317,517)
Net unrealized appreciation	\$ 84,647,546

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

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

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

(d) Non-income producing security.

Security represents a beneficial interest in a trust. The collateral deposited into the trust is federally tax-exempt

(e) 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.

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

(g) 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.

(h) Securities represent bonds transferred to a TOB 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:

<b>Affiliate</b>	<b>Shares Held at April 30, 2012</b>	<b>Net Activity</b>	<b>Shares Held at July 31, 2012</b>	<b>Income</b>
FFI Institutional Tax-Exempt Fund	12,181,066	(7,807,637)	4,373,429	\$918

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

**Portfolio Abbreviations**

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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:

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

BLACKROCK MUNICIPAL INCOME TRUST JULY 31, 2012 7



Schedule of Investments July 31, 2012 (concluded)

**BlackRock Municipal Income Trust (BFK)**

Fair Value Measurements - Various inputs are used in determining the fair value of investments. These inputs to valuation techniques are categorized into a disclosure hierarchy consisting of three broad levels for financial reporting purposes as follows:

Level 1 — unadjusted 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)

Changes in valuation techniques may result in transfers into or out of an assigned level within the disclosure hierarchy. In accordance with the Trust's policy, transfers between different levels of the fair value disclosure hierarchy are deemed to have occurred as of the beginning of the reporting period. The categorization of a value determined for investments is based on the pricing transparency of the investment and is not necessarily an indication of the risks 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 Trust's investments categorized in the disclosure hierarchy as of July 31, 2012:

	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Investments:				
Long-Term				
Investments <sup>1</sup>	—	\$1,098,675,440	—	\$1,098,675,440
Short-Term				
securities	\$4,373,429	—	—	4,373,429
<b>Total</b>	\$4,373,429	\$1,098,675,440	—	\$1,103,048,869

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

Certain of the Trust's liabilities are held at carrying amount, which approximates fair value for financial reporting purposes. As of July 31, 2012, such liabilities are categorized within the disclosure hierarchy as follows:

	Level 1	Level 2	Level 3	Total
<b>Liabilities:</b>				
TOB trust				
certificates	—	\$(162,219,916)	—	\$(162,219,916)
VMTP				
Shares	—	(270,800,000)	—	(270,800,000)
<b>Total</b>	—	\$(433,019,916)	—	\$(433,019,916)

There were no transfers between levels during the period ended July 31, 2012.

BLACKROCK MUNICIPAL INCOME TRUST JULY 31, 2012 8

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: September 25, 2012

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/ John M. Perlowski  
John M. Perlowski  
Chief Executive Officer (principal executive officer) of  
BlackRock Municipal Income Trust

Date: September 25, 2012

By: /s/ Neal J. Andrews

Neal J. Andrews

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

Date: September 25, 2012