

Edgar Filing: ALLIANCE NATIONAL MUNICIPAL INCOME FUND - Form N-Q

ALLIANCE NATIONAL MUNICIPAL INCOME FUND
 Form N-Q
 September 29, 2004

UNITED STATES
 SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED
 MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number: 811-10573

Alliance National Municipal Income Fund, Inc.
 (Exact name of registrant as specified in charter)

1345 Avenue of the Americas, New York, New York 10105
 (Address of principal executive offices) (Zip code)

Mark R. Manley
 Alliance Capital Management L.P.
 1345 Avenue of the Americas
 New York, New York 10105
 (Name and address of agent for service)

Registrant's telephone number, including area code: (800) 221-5672

Date of fiscal year end: October 31, 2004

Date of reporting period: July 31, 2004

ITEM 1. SCHEDULE OF INVESTMENTS.

ALLIANCE NATIONAL MUNICIPAL INCOME FUND
 PORTFOLIO OF INVESTMENTS
 July 31, 2004 (unaudited)

| | Standard & Poor's Ratings | Principal Amount (000) | U.S. \$ Value |
|---|---------------------------------|------------------------------|---------------|
| ----- | | | |
| MUNICIPAL BONDS-159.9% | | | |
| Long-Term Municipal Bonds-159.9% | | | |
| Alabama-9.0% | | | |
| Huntsville Hlth Care Auth (Huntsville Hosp Sys) Ser 02B 5.75%, 6/01/32 (a) | A2 | \$ 8,000 | \$ 8,239,120 |
| Jefferson Cnty Swr Rev FGIC Ser 99A 5.375%, 2/01/36 | AAA | 12,405 | 13,781,583 |
| Marshall Cnty Hlth Care Auth (Marshall Cnty Med Ctr) Ser 02A 5.75%, 1/01/32 | A- | 2,500 | 2,524,725 |
| Marshall Cnty Hlth Care Auth (Marshall Cnty Med Ctr) Ser 02D 5.75%, 1/01/32 | A- | 3,000 | 3,031,680 |
| | | | ----- |

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| | | | |
|----------------------------|-----|-------|------------|
| | | | 27,577,108 |
| | | | ----- |
| Alaska-0.8% | | | |
| Alaska Intl Arpt Rev | | | |
| MBIA Ser 03B | | | |
| 5.00%, 10/01/26 | AAA | 1,000 | 997,280 |
| Alaska Mun Bd Bk Auth | | | |
| MBIA Ser 04G | | | |
| 5.00%, 2/15/24 | AAA | 1,345 | 1,368,443 |
| | | | ----- |
| | | | 2,365,723 |
| | | | ----- |
| Arkansas-2.1% | | | |
| Arkansas Dev Fin Auth SFMR | | | |
| (Mtg Rev) GNMA Ser 02A | | | |
| 5.30%, 7/01/34 | AAA | 6,250 | 6,326,375 |
| | | | ----- |
| California-12.0% | | | |
| California GO | | | |
| Ser 02 | | | |
| 5.25%, 4/01/30 | BBB | 1,000 | 1,008,080 |
| Ser 03 | | | |
| 5.00%, 2/01/32 | BBB | 3,250 | 3,160,105 |
| 5.25%, 11/01/20 | BBB | 2,500 | 2,624,875 |
| 5.25%, 2/01/24 | BBB | 2,500 | 2,566,675 |
| Ser 04 | | | |
| 5.00%, 2/01/33 | BBB | 3,200 | 3,110,048 |
| 5.25%, 4/01/29 | BBB | 2,000 | 2,019,480 |

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| | Standard & Poor's Ratings | Principal Amount (000) | U.S. \$ Value |
|--------------------------------|---------------------------------|------------------------------|---------------|
| ----- | | | |
| Chula Vista IDR | | | |
| (San Diego Gas) Ser 96A | | | |
| 5.30%, 7/01/21 | A- | 4,000 | 4,078,400 |
| Coachella Valley Uni Sch Dist | | | |
| MBIA Ser 03 | | | |
| 5.00%, 9/01/31 | AAA | 1,000 | 989,710 |
| Hartnell Comm College | | | |
| MBIA Ser 03A | | | |
| 5.00%, 8/01/27 | AAA | 1,155 | 1,157,483 |
| La Quinta Fin Auth Loc Agy Rev | | | |
| AMBAC Ser 04A | | | |
| 5.25%, 9/01/24 | AAA | 2,000 | 2,077,640 |
| Los Angeles Cmnty Redev Agy | | | |
| Ser 04L | | | |
| 5.00%, 3/01/18 | BBB- | 1,715 | 1,699,942 |
| Los Angeles Regl Arpts | | | |
| (Laxfuel Corp) AMBAC Ser 01AMT | | | |
| 5.50%, 1/01/32 | AAA | 9,500 | 9,574,195 |
| San Rafael Elem Sch Dist | | | |
| FSA Ser 03A | | | |
| 5.00%, 8/01/28 | AAA | 2,820 | 2,800,514 |
| | | | ----- |
| | | | 36,867,147 |
| | | | ----- |
| Colorado-2.4% | | | |

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| | | | |
|--|------|-------|-----------|
| Avon Hsg Auth MFHR (Buffalo Ridge II Proj) GNMA Ser 02A AMT 5.70%, 10/20/43 | AAA | 4,950 | 5,086,620 |
| Denver City & Cnty MFHR (Clyburn Stapleton Proj) GNMA Ser 02 AMT 5.50%, 12/20/43 (a) | Aaa | 2,155 | 2,179,545 |
| | | | ----- |
| | | | 7,266,165 |
| | | | ----- |
| Connecticut-0.3% Mohegan Tribe Indians Gaming Auth Ser 03 5.125%, 1/01/23 | BBB- | 1,000 | 977,240 |
| | | | ----- |
| District of Columbia-1.6% District of Columbia Tobacco Settlement Bonds Ser 01 6.75%, 5/15/40 | BBB | 1,500 | 1,336,815 |
| District of Columbia Special Tax Rev (Gallery Place Proj) Ser 02 5.40%, 7/01/31 | AAA | 3,500 | 3,594,955 |
| | | | ----- |
| | | | 4,931,770 |
| | | | ----- |

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| | Standard & Poor's Ratings | Principal Amount (000) | U.S. \$ Value |
|---|---------------------------------|------------------------------|---------------|
| ----- | | | |
| Florida-25.6% Beacon Tradeport Cmnty Dev Dist Ser 02B 7.25%, 5/01/33 | NR | 7,350 | 7,688,247 |
| Brevard Cnty HFA SFMR (Mtg Rev) GNMA Ser 02C AMT 5.40%, 3/01/33 (a) | Aaa | 2,250 | 2,265,345 |
| Collier Cnty CFD (Fiddler's Creek) Ser 02A 6.875%, 5/01/33 | NR | 3,015 | 3,122,183 |
| Collier Cnty CFD (Fiddler's Creek) Ser 02B 6.625%, 5/01/33 | NR | 2,270 | 2,316,740 |
| Dade Cnty Arpt Rev (Miami Int'l Arpt) FGIC Ser 02 AMT 5.375%, 10/01/32 | AAA | 6,040 | 6,129,150 |
| Florida Educ & Athletic Fac (FSU Finl Assist) AMBAC Ser 02 5.00%, 10/01/31 | AAA | 5,000 | 4,999,650 |
| Florida Hsg Fin Corp MFHR (Westminster Apts) FSA Ser 02E-1 AMT 5.40%, 4/01/42 | AAA | 3,000 | 3,041,430 |
| Hamal Cmnty Dev Dist (Hamal) Ser 01 6.75%, 5/01/31 | NR | 2,460 | 2,566,444 |
| Jacksonville Wtr & Swr Sys Rev (Jacksonville Elec) MBIA Ser 02A 5.50%, 10/01/41 (c) (d) | AAA | 20,000 | 20,711,600 |
| Lee Cnty Arpt Rev | | | |

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| | | | |
|--|------|-------|-----------|
| (Southwest FL Intl) FSA Ser 00A AMT | | | |
| 5.75%, 10/01/22 | AAA | 5,000 | 5,328,950 |
| 5.75%, 10/01/25 | AAA | 4,500 | 4,781,115 |
| Lee Cnty Cmnty Dev Dist (Miromar Lakes) Ser 00A | | | |
| 7.25%, 5/01/12 | NR | 1,770 | 1,857,173 |
| Lee Cnty IDA Hlth Fac (Shell Point Village) Ser 99A | | | |
| 5.50%, 11/15/29 | BBB- | 2,500 | 2,344,325 |
| Miami Beach Hlth Facs Hosp Rev (Mount Sinai Med Ctr) Ser 04 | | | |
| 6.75%, 11/15/24 | BB | 2,000 | 2,026,340 |
| Midtown Miami CDD Ser 04A | | | |
| 6.00%, 5/01/24 | NR | 2,500 | 2,501,725 |
| Orange Cnty Hlth Facs Hosp Rev (Orlando Regional) Ser 02 | | | |
| 5.75%, 12/01/32 | A | 1,400 | 1,423,940 |
| Parkway Center CDD Ser 04A | | | |
| 6.125%, 5/01/24 | NR | 3,075 | 2,987,731 |
| Pinellas Cnty HFA SFMR (Mtg Rev) GNMA/FNMA Ser 02A AMT | | | |
| 5.40%, 3/01/32 (a) | Aaa | 1,240 | 1,249,908 |

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| | Standard & Poor's Ratings | Principal Amount (000) | U.S. \$ Value |
|---|---------------------------------|------------------------------|---------------|
| ----- | | | |
| Village Cmnty Dev Dist Ser 03A | | | |
| 6.00%, 5/01/22 | NR | 1,000 | 1,016,850 |
| | | | ----- |
| | | | 78,358,846 |
| | | | ----- |
| Georgia-2.5% | | | |
| Cartersville Dev Auth (Anheuser Busch Proj) Ser 02 AMT | | | |
| 5.95%, 2/01/32 | A+ | 2,510 | 2,620,817 |
| Georgia HFA SFMR (Mtg Rev) Ser 02A-2 AMT | | | |
| 5.60%, 12/01/32 | AAA | 4,975 | 5,019,725 |
| | | | ----- |
| | | | 7,640,542 |
| | | | ----- |
| Hawaii-0.7% | | | |
| Hawaii St Elec Rev XLCA Ser 03B AMT | | | |
| 5.00%, 12/01/22 | AAA | 2,000 | 2,018,060 |
| | | | ----- |
| Illinois-18.3% | | | |
| Bolingbrook GO FGIC Ser 02A | | | |
| 5.375%, 1/01/38 | AAA | 5,000 | 5,096,050 |
| Chicago Arpt Rev (O'Hare Int'l Arpt) MBIA Ser 02A AMT | | | |
| 5.375%, 1/01/32 | AAA | 15,000 | 15,103,950 |
| Chicago Arpt Rev | | | |

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| | | | |
|--|-----|-------|------------|
| Ser 02C Prerefunded 5.25%, 11/01/30 Massachusetts Hlth & Ed Fac Hosp Rev (Berkshire Hlth Sys) Asset Gty Ser 01E | AA- | 3,220 | 3,561,932 |
| 5.70%, 10/01/25 Massachusetts Hlth & Ed Fac Hosp Rev (Cape Cod Healthcare) Asset Gty Ser 01C | AA | 2,000 | 2,112,100 |
| 5.25%, 11/15/31 | AA | 2,100 | 2,101,344 |
| | | | ----- |
| | | | 9,744,394 |
| | | | ----- |
| Michigan-3.7% | | | |
| Detroit Dev Fin Auth (Daimler/Chrysler Plant) Ser 98A 5.50%, 5/01/21 | BB- | 1,665 | 1,346,153 |
| Michigan Strategic (Detroit Edison Co Proj) XLCA Ser 02 AMT 5.45%, 12/15/32 | AAA | 5,000 | 5,114,200 |
| Saginaw Hosp Fin Auth Hosp Rev (Covenant Med Ctr) Ser 00F 6.50%, 7/01/30 | A | 4,410 | 4,723,771 |
| | | | ----- |
| | | | 11,184,124 |
| | | | ----- |

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| | Standard & Poor's Ratings | Principal Amount (000) | U.S. \$ Value |
|--|---------------------------------|------------------------------|---------------|
| Missouri-1.0% | | | |
| Missouri SFMR (Mtg Rev) GNMA/FNMA Ser 02A-1 AMT 5.58%, 9/01/32 | AAA | 2,870 | 2,921,258 |
| | | | ----- |
| Nevada-15.7% | | | |
| Carson City Hosp Rev (Carson-Tahoe Hosp Proj) Radian Ser 03A 5.00%, 9/01/23 | AA | 2,600 | 2,571,556 |
| Clark Cnty Arpt Rev FGIC Ser 01B 5.25%, 7/01/34 | AAA | 11,920 | 12,022,393 |
| Nevada Dept Bus & Ind (Las Vegas Monorail Proj) AMBAC Ser 00 5.625%, 1/01/32 | AAA | 11,720 | 12,524,578 |
| Reno Special Tax (Retrac Transp Proj) AMBAC Ser 02 5.25%, 6/01/41 | AAA | 1,000 | 1,011,430 |
| Reno Special Tax FGIC Ser 02 5.375%, 6/01/32 | AAA | 7,500 | 7,723,800 |
| Truckee Meadows Wtr Auth FSA Ser 01A 5.25%, 7/01/34 | AAA | 12,000 | 12,264,240 |
| | | | ----- |
| | | | 48,117,997 |
| | | | ----- |
| New Hampshire-1.4% | | | |
| New Hampshire Hlth & Ed Fac Hosp Rev | | | |

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| | | | |
|---|-----|-------|-----------|
| (Covenant Med Ctr) Ser 02 6.125%, 7/01/31 | A- | 4,200 | 4,312,938 |
| ----- | | | |
| New York-2.9% New York City GO Ser 04I 5.00%, 8/01/21 | A | 8,850 | 8,968,059 |
| ----- | | | |
| North Dakota-0.9% North Dakota HFA SFMR (Mtg Rev) Ser 02A AMT 5.65%, 1/01/34 (a) | Aa2 | 2,630 | 2,674,368 |
| ----- | | | |
| Ohio-3.8% Cleveland-Cuyahoga Cnty Port Auth Rev Ser 01 7.35%, 12/01/31 | NR | 5,000 | 5,179,950 |

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| | Standard & Poor's Ratings | Principal Amount (000) | U.S. \$ Value |
|---|---------------------------------|------------------------------|---------------|
| ----- | | | |
| Fairfield Cnty Hosp Rev (Fairfield Med Ctr Proj) Radian Ser 03 5.00%, 6/15/22 | AA | 1,585 | 1,594,113 |
| 5.00%, 6/15/23 | AA | 1,000 | 1,000,580 |
| 5.00%, 6/15/24 | AA | 1,370 | 1,357,999 |
| Ohio HFA SFMR (Mtg Rev) GNMA Ser 00D AMT 6.05%, 3/01/31 (a) | Aaa | 2,535 | 2,631,381 |
| | | | ----- |
| | | | 11,764,023 |
| ----- | | | |
| Pennsylvania-3.2% Pennsylvania Parking Fac (30th St Station Garage Proj) ACA Ser 02A AMT 5.875%, 6/01/33 | A | 2,050 | 2,076,507 |
| Pennsylvania Trpk Transp Rev AMBAC Ser 01 5.00%, 7/15/41 | AAA | 2,000 | 1,976,680 |
| Philadelphia Hosp Rev (Temple Univ Hosp) Ser 93A 6.625%, 11/15/23 | BBB | 3,000 | 3,041,790 |
| Washington Cnty AMBAC Ser 99 6.15%, 12/01/29 | AAA | 2,300 | 2,626,738 |
| | | | ----- |
| | | | 9,721,715 |
| ----- | | | |
| South Carolina-0.4% Richland Lexington Arpt Rev (Columbia Met Arpt) FSA Ser 04 AMT 5.125%, 1/01/25 | AAA | 500 | 491,615 |
| South Carolina Tobacco Settlement Bonds Ser 01B 6.375%, 5/15/30 | BBB | 1,000 | 854,280 |
| | | | ----- |
| | | | 1,345,895 |

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| | | | |
|---|-----|--------|------------|
| ----- | | | |
| Texas-22.1% | | | |
| Bexar Cnty Hsg Fin Corp MFHR | | | |
| (Doral Club & Sutton House Apts) MBIA Ser 01A | | | |
| 5.55%, 10/01/36 (a) | Aaa | 15,000 | 14,484,600 |
| Dallas-Fort Worth Arpt Rev | | | |
| (Int'l Arpt) FGIC Ser 01 AMT | | | |
| 5.50%, 11/01/35 | AAA | 10,000 | 10,226,700 |
| Gulf Coast Waste Disp Auth | | | |
| (Anheuser-Busch Proj) Ser 02 AMT | | | |
| 5.90%, 4/01/36 | A+ | 9,000 | 9,375,750 |
| Harris Cnty | | | |
| (Flood Ctl) Ser 03B | | | |
| 5.00%, 10/01/23 | AA+ | 2,600 | 2,641,860 |
| Harris Cnty Toll Road Rev | | | |
| FSA Ser 02 | | | |
| 5.125%, 8/15/32 | AAA | 2,500 | 2,510,575 |

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| | Standard & Poor's Ratings | Principal Amount (000) | U.S. \$ Value |
|---|---------------------------------|------------------------------|---------------|
| ----- | | | |
| Houston | | | |
| (Northeast Wtr Purification Proj) FGIC Ser 02 | | | |
| 5.125%, 3/01/32 | AAA | 7,000 | 7,028,070 |
| Matagorda Cnty Util Rev | | | |
| (Centerpoint Energy Proj) Ser 04 | | | |
| 5.60%, 3/01/27 | BBB | 1,000 | 1,004,700 |
| Richardson Hosp Auth Rev | | | |
| (Richardson Regional) Ser 04 | | | |
| 5.875%, 12/01/24 | BBB | 2,310 | 2,330,398 |
| 6.00%, 12/01/19 | BBB | 1,830 | 1,912,185 |
| San Antonio Arpt Rev | | | |
| FGIC Ser 02A AMT | | | |
| 5.25%, 7/01/27 | AAA | 5,250 | 5,280,083 |
| Seguin High Ed Fac Rev | | | |
| (Texas Lutheran University Proj) Ser 04 | | | |
| 5.25%, 9/01/33 | BBB- | 1,250 | 1,144,975 |
| Texas GO | | | |
| Ser 02A AMT | | | |
| 5.50%, 8/01/41 | AA | 9,470 | 9,664,324 |
| | | | ----- |
| | | | 67,604,220 |
| ----- | | | |
| Utah-0.8% | | | |
| Davis Cnty Sales Tax Rev | | | |
| AMBAC Ser 03B | | | |
| 5.25%, 10/01/23 | AAA | 1,000 | 1,043,030 |
| Utah Hsg Corp MFHR | | | |
| (Bluffs Apts Proj) GNMA Ser 02A AMT | | | |
| 5.60%, 7/20/30 (a) | Aaa | 1,480 | 1,533,694 |
| | | | ----- |
| | | | 2,576,724 |
| ----- | | | |
| Virginia-2.8% | | | |
| Fauquier Cnty IDA Hosp Rev | | | |
| (Fauquier Hospital) Asset Gty Ser 02 | | | |
| 5.25%, 10/01/31 | AA | 8,500 | 8,539,270 |

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| | | | |
|---------------------------------|-----|-------|------------|
| Washington-8.7% | | | |
| King Cnty Swr Rev | | | |
| FSA Ser 02A | | | |
| 5.25%, 1/01/32 | AAA | 3,000 | 3,053,250 |
| Twenty-Fifth Ave Pptys | | | |
| (University of WA) MBIA Ser 02 | | | |
| 5.25%, 6/01/33 | AAA | 9,750 | 9,924,525 |
| Washington | | | |
| Tobacco Settlement Bonds Ser 02 | | | |
| 6.625%, 6/01/32 | BBB | 5,000 | 4,422,700 |
| Washington HFA SFMR | | | |
| (Mtg Rev) GNMA/FNMA Ser 02A AMT | | | |
| 5.83%, 6/01/29 (a) | Aaa | 8,995 | 9,201,076 |
| | | | 26,601,551 |

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| | Standard & Poor's Ratings | Principal Amount (000) | U.S. \$ Value |
|------------------------------------|---------------------------------|------------------------------|----------------|
| Wisconsin-7.7% | | | |
| Wisconsin Hlth & Ed Fac Hosp Rev | | | |
| (Ministry Hlth Care) MBIA Ser 02A | | | |
| 5.25%, 2/15/32 | AAA | 13,615 | 13,745,159 |
| Wisconsin Hsg Auth SFMR | | | |
| (Mtg Rev) MBIA Ser 02A AMT | | | |
| 5.60%, 5/01/33 | AAA | 5,000 | 5,151,400 |
| Wisconsin Hsg Auth SFMR | | | |
| (Mtg Rev) Ser 02A AMT | | | |
| 5.50%, 9/01/32 | AA | 4,780 | 4,810,927 |
| | | | 23,707,486 |
| Total Investments-159.9% | | | |
| (cost \$475,493,411) | | | 489,377,854 |
| Other assets less liabilities-3.8% | | | 11,713,580 |
| Preferred stock, at redemption | | | |
| value-(63.7%) | | | (195,000,000) |
| Net Assets Applicable to Common | | | |
| Shareholders-100%(e) | | | \$ 306,091,434 |

INTEREST RATE SWAP TRANSACTIONS

| Swap Counterparty | Notional Amount | Termination Date | Rate Type | | Unrealized Appreciation/ (Depreciation) |
|----------------------|--------------------|---------------------|--------------------------------------|--|---|
| | | | Payments made by the Portfolio | Payments received by the Portfolio | |
| J.P. Morgan | \$12,000,000 | 10/01/14 | 3.95% | BMA* | \$ (128,112) |

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ITEM 2. CONTROLS AND PROCEDURES.

(a) The registrant's principal executive officer and principal financial officer have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-2(c) under the Investment Company Act of 1940, as amended) are effective at the reasonable assurance level based on their evaluation of these controls and procedures as of a date within 90 days of the filing date of this document.

(b) There were no significant changes in the registrant's internal controls that could significantly affect these controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

ITEM 3. EXHIBITS.

The following exhibits are attached to this Form N-Q:

| EXHIBIT NO. | DESCRIPTION OF EXHIBIT |
|-------------|--|
| 11(a)(1) | Certification of Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 11(a)(2) | Certification of Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

(Registrant): Alliance National Municipal Income Fund, Inc.

By: /s/ Marc O. Mayer

Marc O. Mayer
President

Date: September 27, 2004

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ Marc O. Mayer

Marc O. Mayer
President

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Date: September 27, 2004

By: /s/ Mark D. Gersten

Mark D. Gersten
Treasurer and Chief Financial Officer

Date: September 27, 2004