

BLACKROCK MUNICIPAL INCOME TRUST
Form N-CSR
January 09, 2006

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

FORM N-CSR

**CERTIFIED SHAREHOLDER REPORT OF REGISTERED
MANAGEMENT INVESTMENT COMPANIES**

Investment Company Act file number: 811-10339

BlackRock Municipal Income Trust

(Exact name of Registrant as specified in charter)

100 Bellevue Parkway, Wilmington, DE 19809
(Address of principal executive offices) (Zip code)

Robert S. Kapito, President
BlackRock Municipal Income Trust
40 East 52nd Street, New York, NY 10022

(Name and address of agent for service)

Registrant's telephone number, including area code: 888-825-2257

Date of fiscal year end: October 31, 2005

Date of reporting period: October 31, 2005

Item 1. Reports to Shareholders.

The Registrant's annual report to shareholders is as follows:

FIXED INCOME LIQUIDITY EQUITIES ALTERNATIVES BLACKROCK SOLUTIONS

**BlackRock
Closed-End Funds
Annual Report**

OCTOBER 31, 2005

BlackRock Investment Quality Municipal Trust (BKN)

BlackRock Municipal Income Trust (BFK)

BlackRock California Investment Quality Municipal Trust (RAA)

BlackRock California Municipal Income Trust (BFZ)

BlackRock Florida Investment Quality Municipal Trust (RFA)

BlackRock Florida Municipal Income Trust (BBF)

BlackRock New Jersey Investment Quality Municipal Trust (RNJ)

BlackRock New Jersey Municipal Income Trust (BNJ)

BlackRock New York Investment Quality Municipal Trust (RNY)

BlackRock New York Municipal Income Trust (BNY)

NOT FDIC INSURED
MAY LOSE VALUE
NO BANK GUARANTEE

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Privacy Principles of the Trusts

The Trusts are committed to maintaining the privacy of shareholders and to safeguarding their non-public personal information. The following information is provided to help you understand what personal information the Trusts collect, how we protect that information and why, in certain cases, we may share information with select other parties.

Generally, the Trusts do not receive any non-public personal information relating to their shareholders, although certain non-public personal information of shareholders may become available to the Trusts. The Trusts do not disclose any non-public personal information about their shareholders or former shareholders to anyone, except as permitted by law or as is necessary in order to service shareholder accounts (for example, to a transfer agent or third party administrator).

The Trusts restrict access to non-public personal information about their shareholders to BlackRock employees with a legitimate business need for the information. The Trusts maintain physical, electronic and procedural safeguards designed to protect the non-public personal information of their shareholders.

LETTER TO SHAREHOLDERS

October 31, 2005

Dear Shareholder:

We are pleased to report that during the annual period, the Trusts continued to provide monthly income, as well as the opportunity to invest in various portfolios of municipal securities. This report contains the Trusts' audited financial statements and a listing of the portfolios holdings.

The portfolio management team continuously monitors the municipal bond market and adjusts the portfolios in order to gain exposure to various issuers, revenue sources and security types. This strategy enables the Trusts to move among different sectors, credits and coupons to capitalize on changing market conditions.

The following table shows the Trusts' current yields, tax-equivalent yields, closing market prices per share and net asset values (NAV) per share as of October 31, 2005.

Trust (Ticker)	Current Yield¹	Tax-Equivalent Yield¹	Closing Market Price	NAV
BlackRock Investment Quality Municipal Trust (BKN)	6.37%	9.80%	\$ 16.62	\$ 15.59
BlackRock Municipal Income Trust (BFK)	6.32	9.72	15.69	14.71
BlackRock California Investment Quality Municipal Trust (RAA)	5.38	8.28	15.75	14.20
BlackRock California Municipal Income Trust (BFZ)	6.12	9.42	14.92	15.18
BlackRock Florida Investment Quality Municipal Trust (RFA)	5.72	8.80	14.85	14.39
BlackRock Florida Municipal Income Trust (BBF)	5.93	9.12	15.25	15.48
BlackRock New Jersey Investment Quality Municipal Trust (RNJ)	5.72	8.80	14.70	14.48
BlackRock New Jersey Municipal Income Trust (BNJ)	6.01	9.25	15.91	15.87
BlackRock New York Investment Quality Municipal Trust (RNY)	5.95	9.15	14.75	15.03
BlackRock New York Municipal Income Trust (BNY)	5.95	9.15	15.19	15.44

¹ Yields are based on closing market price. Tax-equivalent yield assumes the maximum Federal tax rate of 35%. Past performance does not guarantee future results.

BlackRock, Inc. (BlackRock), a world leader in asset management, has a proven commitment to the municipal bond market. As of September 30, 2005, BlackRock managed over \$26 billion in municipal bonds, including seven open-end and 37 closed-end municipal bond funds. BlackRock is recognized for its emphasis on risk management and proprietary analytics and for its reputation managing money for the world's largest institutional investors. BlackRock Advisors, Inc., and its affiliate, BlackRock Financial Management, Inc., which manages the Trusts, are wholly owned subsidiaries of BlackRock.

On behalf of BlackRock, we thank you for your continued trust and assure you that we remain committed to excellence in managing your assets.

Sincerely,

Laurence D. Fink
Chief Executive Officer
BlackRock Advisors, Inc.

Ralph L. Schlosstein
President
BlackRock Advisors, Inc.

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TRUST SUMMARIES
OCTOBER 31, 2005
BlackRock Investment Quality Municipal Trust (BKN)
Trust Information

Symbol on New York Stock Exchange:	BKN
Initial Offering Date:	February 19, 1993
Closing Market Price as of 10/31/05:	\$ 16.62
Net Asset Value as of 10/31/05:	\$ 15.59
Yield on Closing Market Price as of 10/31/05 (\$16.62): ¹	6.37%
Current Monthly Distribution per Common Share: ²	\$ 0.088250
Current Annualized Distribution per Common Share: ²	\$ 1.05900
Leverage as of 10/31/05: ³	36%

1 Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.

2 The distribution is not constant and is subject to change.

3 As a percentage of managed assets (as defined in Note 2 of the Notes to Financial Statements).

The table below summarizes the changes in the Trust's market price and NAV:

	10/31/05	10/31/04	Change	High	Low
Market Price	\$ 16.62	\$ 15.12	9.92%	\$ 17.28	\$ 14.31
NAV	\$ 15.59	\$ 15.71	(0.76)%	\$ 16.09	\$ 15.53

The following charts show the Trust's portfolio composition and credit quality allocations of the Trust's long-term investments:

Portfolio Composition

Sector	October 31, 2005	October 31, 2004
City, County & State	17%	18%
Industrial & Pollution Control	17	13
Lease Revenue	11	12

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Hospitals	11	11
Education	11	11
Transportation	10	8
Power	7	8
Tax Revenue	7	6
Housing	7	3
Water & Sewer	1	3
Tobacco	1	3
Other		4

Credit Quality Allocations⁴

Credit Rating	October 31, 2005	October 31, 2004
AAA/Aaa	50%	44%
AA/Aa	10	6
A	12	19
BBB/Baa	9	21
BB/Ba	12	2
Not Rated	7	8

⁴ Using the higher of Standard & Poor's (S&P's), Moody's Investors Service (Moody's) or Fitch Ratings (Fitch's) rating.

TRUST SUMMARIES
OCTOBER 31, 2005
BlackRock Municipal Income Trust (BFK)
Trust Information

Symbol on New York Stock Exchange:	BFK
Initial Offering Date:	July 27, 2001
Closing Market Price as of 10/31/05:	\$ 15.69
Net Asset Value as of 10/31/05:	\$ 14.71
Yield on Closing Market Price as of 10/31/05 (\$15.69): ¹	6.32%
Current Monthly Distribution per Common Share: ²	\$ 0.082625
Current Annualized Distribution per Common Share: ²	\$ 0.991500
Leverage as of 10/31/05: ³	37%

1 Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.

2 The distribution is not constant and is subject to change.

3 As a percentage of managed assets (as defined in Note 2 of the Notes to Financial Statements).

The table below summarizes the changes in the Trust's market price and NAV:

	10/31/05	10/31/04	Change	High	Low
Market Price	\$ 15.69	\$ 14.05	11.67%	\$ 16.08	\$ 13.59
NAV	\$ 14.71	\$ 14.26	3.16%	\$ 15.25	\$ 14.10

The following charts show the Trust's portfolio composition and credit quality allocations of the Trust's long-term investments:

Portfolio Composition

Sector	October 31, 2005	October 31, 2004
Hospitals	23%	23%
Industrial & Pollution Control	21	19
Housing	11	7

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Transportation	11	8
City, County & State	8	13
Lease Revenue	7	7
Tax Revenue	6	3
Education	5	6
Tobacco	4	4
Power	3	1
Water & Sewer	1	4
Other		5

Credit Quality Allocations⁴

Credit Rating	October 31, 2005	October 31, 2004
AAA/Aaa	26%	19%
AA/Aa	6	4
A	27	32
BBB/Baa	18	32
BB/Ba	5	2
B	10	4
Not Rated	8	7

⁴ Using the higher of S&P's, Moody's or Fitch's rating.

TRUST SUMMARIES
OCTOBER 31, 2005
BlackRock California Investment Quality Municipal Trust (RAA)
Trust Information

Symbol on American Stock Exchange:	RAA
Initial Offering Date:	May 28, 1993
Closing Market Price as of 10/31/05:	\$ 15.75
Net Asset Value as of 10/31/05:	\$ 14.20
Yield on Closing Market Price as of 10/31/05 (\$15.75): ¹	5.38%
Current Monthly Distribution per Common Share: ²	\$ 0.070600
Current Annualized Distribution per Common Share: ²	\$ 0.847200
Leverage as of 10/31/05: ³	34%

1 Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.

2 The distribution is not constant and is subject to change.

3 As a percentage of managed assets (as defined in Note 2 of the Notes to Financial Statements).

The table below summarizes the changes in the Trust's market price and NAV:

	10/31/05	10/31/04	Change	High	Low
Market Price	\$ 15.75	\$ 14.30	10.14%	\$ 16.15	\$ 13.76
NAV	\$ 14.20	\$ 14.43	(1.59)%	\$ 14.65	\$ 14.20

The following charts show the Trust's portfolio composition and credit quality allocations of the Trust's long-term investments:

Portfolio Composition

Sector	October 31, 2005	October 31, 2004
Lease Revenue	20%	24%
City, County & State	18	24
Transportation	18	14

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Hospitals	11	
Education	10	11
Industrial & Pollution Control	7	8
Water & Sewer	7	2
Power	5	7
Tobacco	4	10

Credit Quality Allocations⁴

Credit Rating	October 31, 2005	October 31, 2004
AAA/Aaa	38%	36%
AA/Aa	7	7
A	18	18
BBB/Baa	21	22
B	5	5
Not Rated	11	12

⁴ Using the higher of S&P's, Moody's or Fitch's rating.

TRUST SUMMARIES
OCTOBER 31, 2005

BlackRock California Municipal Income Trust (BFZ)

Trust Information

Symbol on New York Stock Exchange:	BFZ
Initial Offering Date:	July 27, 2001
Closing Market Price as of 10/31/05:	\$ 14.92
Net Asset Value as of 10/31/05:	\$ 15.18
Yield on Closing Market Price as of 10/31/05 (\$14.92): ¹	6.12%
Current Monthly Distribution per Common Share: ²	\$ 0.076074
Current Annualized Distribution per Common Share: ²	\$ 0.912888
Leverage as of 10/31/05: ³	37%