

EATON VANCE MICHIGAN MUNICIPAL INCOME TRUST

Form N-Q

April 28, 2010

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

**Form N-Q**

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED  
MANAGEMENT INVESTMENT COMPANIES**

**811-09153**

**Investment Company Act File Number**

**Eaton Vance Michigan Municipal Income Trust**

(Exact Name of Registrant as Specified in Charter)

**Two International Place, Boston, Massachusetts 02110**

(Address of Principal Executive Offices)

Maureen A. Gemma

**Two International Place, Boston, Massachusetts 02110**

(Name and Address of Agent for Services)

**(617) 482-8260**

(Registrant's Telephone Number, Including Area Code)

**November 30**

Date of Fiscal Year End

**February 28, 2010**

Date of Reporting Period

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**Item 1. Schedule of Investments**

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\$	525	Grand Valley State University, 5.625%, 12/1/29	\$	555,933
	525	Grand Valley State University, 5.75%, 12/1/34		548,236
	540	Michigan Higher Education Facilities Authority, (Hillsdale College), 5.00%, 3/1/35		514,102
			<b>\$</b>	<b>1,618,271</b>

**Electric Utilities 0.2%**

\$	60	Michigan Strategic Fund, (Detroit Edison Pollution Control), 5.45%, 9/1/29	\$	60,267
			<b>\$</b>	<b>60,267</b>

**Escrowed/Prerefunded 18.5%**

\$	500	Kent Hospital Finance Authority, (Spectrum Health), Prerefunded to 7/15/11, 5.50%, 1/15/31	\$	539,290
	560	Macomb County Hospital Finance Authority, (Mount Clemens General Hospital), Prerefunded to 11/15/13, 5.875%, 11/15/34		657,513
	1,250	Michigan Higher Education Facilities Authority, (Creative Studies), Prerefunded to 6/1/12, 5.90%, 12/1/27		1,390,262
	750	Michigan Hospital Finance Authority, (Sparrow Obligation Group), Prerefunded to 11/15/11, 5.625%, 11/15/36		820,628
	600	Puerto Rico Electric Power Authority, Prerefunded to 7/1/12, 5.25%, 7/1/31		670,470
	1,000	White Cloud Public Schools, Prerefunded to 5/1/11, 5.125%, 5/1/31		1,056,630
			<b>\$</b>	<b>5,134,793</b>

**General Obligations 13.5%**

\$	500	East Grand Rapids Public School District, 5.00%, 5/1/25	\$	521,295
	1,500	Kent County, 5.00%, 1/1/25		1,634,100
	750	Manistee Area Public Schools, 5.00%, 5/1/24		778,343
	270	Michigan, 5.50%, 11/1/25		297,140
	500	Wayne Charter County, 6.75%, 11/1/39		524,710
			<b>\$</b>	<b>3,755,588</b>

**Hospital 28.0%**

\$	500		\$	500,085
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	Allegan Hospital Finance Authority, (Allegan General Hospital), 7.00%, 11/15/21	
185	Gaylord Hospital Finance Authority, (Otsego Memorial Hospital Association), 6.20%, 1/1/25	166,716
125	Gaylord Hospital Finance Authority, (Otsego Memorial Hospital Association), 6.50%, 1/1/37	106,821
275	Kent Hospital Finance Authority, (Spectrum Health), 5.50% to 1/15/15 (Put Date), 1/15/47	307,186
500	Mecosta County, (Michigan General Hospital), 6.00%, 5/15/18	486,070
1,000	Michigan Hospital Finance Authority, (Central Michigan Community Hospital), 6.25%, 10/1/27	999,960
750	Michigan Hospital Finance Authority, (Henry Ford Health System), 5.00%, 11/15/38	648,735
1,000	Michigan Hospital Finance Authority, (Henry Ford Health System), 5.25%, 11/15/46	894,020
1,080	Michigan Hospital Finance Authority, (McLaren Healthcare), 5.00%, 8/1/35	1,000,912
750	Michigan Hospital Finance Authority, (Memorial Healthcare Center), 5.875%, 11/15/21	753,502
500	Michigan Hospital Finance Authority, (Mid Michigan Obligation Group), 6.125%, 6/1/39	529,465
1,000	Michigan Hospital Finance Authority, (Trinity Health), 6.00%, 12/1/27	1,021,410
425	Monroe County Hospital Finance Authority, (Mercy Memorial Hospital Corp.), 5.375%, 6/1/26	367,787
		<b>\$ 7,782,669</b>

**Housing 3.5%**

\$	1,000	Michigan Housing Development Authority, (Williams Pavilion), (AMT), 4.90%, 4/20/48	\$	963,540
			<b>\$</b>	<b>963,540</b>

**Industrial Development Revenue 5.9%**

\$	1,000	Detroit Local Development Finance Authority, (Chrysler Corp.), 5.375%, 5/1/21	\$	355,470
	800	Dickinson County Economic Development Corp., (International Paper Co.), 5.75%, 6/1/16		820,488
	625	Puerto Rico Port Authority, (American Airlines, Inc.), (AMT), 6.25%, 6/1/26		461,631
			<b>\$</b>	<b>1,637,589</b>

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Amount****(000 s  
omitted)**

	<b>Security</b>	<b>Value</b>
<b>Insured-Education 5.9%</b>		
\$ 570	Ferris State University, (AGC), 5.125%, 10/1/33	\$ 590,617
500	Ferris State University, (AGC), 5.25%, 10/1/38	521,760
500	Wayne State University, (AGM), 5.00%, 11/15/35	513,835
		<b>\$ 1,626,212</b>
<b>Insured-Electric Utilities 9.2%</b>		
\$ 1,000	Michigan Strategic Fund, (Detroit Edison Co.), (NPDFG), (AMT), 5.55%, 9/1/29	\$ 1,000,710
400	Michigan Strategic Fund, (Detroit Edison Co.), (XLCA), 5.25%, 12/15/32	400,072
220	Puerto Rico Electric Power Authority, (FGIC), (NPDFG), 5.25%, 7/1/30	224,413
500	Puerto Rico Electric Power Authority, (FGIC), (NPDFG), 5.25%, 7/1/34	499,280
435	Puerto Rico Electric Power Authority, (NPDFG), 5.25%, 7/1/29	444,553
		<b>\$ 2,569,028</b>
<b>Insured-Escrowed/Prerefunded 11.3%</b>		
\$ 1,000	Detroit Sewer Disposal, (FGIC), Prerefunded to 7/1/11, 5.125%, 7/1/31	\$ 1,062,510
2,000	Novi Building Authority, (AGM), Prerefunded to 10/1/10, 5.50%, 10/1/25	2,084,020
		<b>\$ 3,146,530</b>
<b>Insured-General Obligations 8.9%</b>		
\$ 300	Detroit City School District, (AGM), 5.25%, 5/1/32	\$ 302,331
650	Detroit City School District, (FGIC), 4.75%, 5/1/28	618,027
200	Eaton Rapids Public Schools, (NPDFG), 4.75%, 5/1/25	200,122
100	Lincoln Consolidated School District, (AGM), 5.00%, 5/1/10	100,857
1,250	Van Dyke Public Schools, (AGM), 5.00%, 5/1/38	1,266,662
		<b>\$ 2,487,999</b>
<b>Insured-Hospital 6.9%</b>		
\$ 985	Royal Oak Hospital Finance Authority, (William Beaumont Hospital), (NPDFG), 5.25%, 11/15/35	\$ 908,042
1,000	Saginaw Hospital Finance Authority, (Covenant Medical Center), (NPDFG), 5.50%, 7/1/24	1,001,630
		<b>\$ 1,909,672</b>
<b>Insured-Lease Revenue/Certificates of Participation 5.6%</b>		
\$ 1,000	Michigan Building Authority, (AGM), (FGIC), 0.00%, 10/15/29	\$ 336,780
4,300	Michigan Building Authority, (FGIC), (NPDFG), 0.00%, 10/15/30	1,232,939
		<b>\$ 1,569,719</b>

**Insured-Special Tax Revenue 3.5%**

\$	5,160	Puerto Rico Sales Tax Financing Corp., (AMBAC), 0.00%, 8/1/54	\$	297,784
	2,030	Puerto Rico Sales Tax Financing Corp., (NPFPG), 0.00%, 8/1/44		250,847
	2,430	Puerto Rico Sales Tax Financing Corp., (NPFPG), 0.00%, 8/1/45		279,207
	1,470	Puerto Rico Sales Tax Financing Corp., (NPFPG), 0.00%, 8/1/46		158,010
			<b>\$</b>	<b>985,848</b>

**Insured-Student Loan 6.9%**

\$	1,000	Michigan Higher Education Student Loan Authority, (AMBAC), (AMT), 5.00%, 3/1/31	\$	917,170
	1,000	Michigan Higher Education Student Loan Authority, (AMBAC), (AMT), 5.50%, 6/1/25		1,001,460
			<b>\$</b>	<b>1,918,630</b>

**Insured-Transportation 4.3%**

\$	1,000	Wayne Charter County Airport, (AGC), (AMT), 5.375%, 12/1/32	\$	925,190
	300	Wayne Charter County Airport, (NPFPG), (AMT), 5.00%, 12/1/28		275,964
			<b>\$</b>	<b>1,201,154</b>

**Insured-Water and Sewer 9.5%**

\$	1,650	Detroit Water Supply System, (FGIC), (NPFPG), 5.00%, 7/1/30	\$	1,614,838
	1,000	Grand Rapids Water Supply System, (AGC), 5.10%, 1/1/39		1,035,950
			<b>\$</b>	<b>2,650,788</b>

**Lease Revenue/Certificates of Participation 0.9%**

\$	250	Puerto Rico, (Guaynabo Municipal Government Center Lease), 5.625%, 7/1/22	\$	250,208
			<b>\$</b>	<b>250,208</b>



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<b>Principal Amount (000 s omitted)</b>	<b>Security</b>	<b>Value</b>
<b>Other Revenue 1.4%</b>		
\$ 500	Michigan Tobacco Settlement Finance Authority, 6.00%, 6/1/48	\$ 396,370
		<b>\$ 396,370</b>
<b>Special Tax Revenue 1.3%</b>		
\$ 115	Guam, Limited Obligation Bonds, 5.625%, 12/1/29	\$ 116,758
125	Guam, Limited Obligation Bonds, 5.75%, 12/1/34	126,948
110	Virgin Islands Public Finance Authority, 6.75%, 10/1/37	119,405
		<b>\$ 363,111</b>
<b>Water and Sewer 6.4%</b>		
\$ 790	Grand Rapids, (Sanitary Sewer System), 5.00%, 1/1/28	\$ 866,677
600	Michigan Municipal Bond Authority, (Clean Water Revenue), 5.00%, 10/1/29	639,522
250	Michigan Municipal Bond Authority, (Clean Water Revenue), 5.25%, 10/1/11 <sup>(1)</sup>	268,638
		<b>\$ 1,774,837</b>
<b>Total Tax-Exempt Investments 157.4%</b>		
<b>(identified cost \$44,611,594)</b>		<b>\$ 43,802,823</b>
<b>Auction Preferred Shares Plus Cumulative Unpaid Dividends (62.9)%</b>		<b>\$ (17,500,611)</b>
<b>Other Assets, Less Liabilities 5.5%</b>		<b>\$ 1,536,967</b>
<b>Net Assets Applicable to Common Shares 100.0%</b>		<b>\$ 27,839,179</b>

The percentage shown for each investment category in the Portfolio of Investments is based on net assets applicable to common shares.

AGC - Assured Guaranty Corp.

AGM - Assured Guaranty Municipal Corp.

AMBAC - AMBAC Financial Group, Inc.

AMT -

Interest earned from these securities may be considered a tax preference item for purposes of the Federal Alternative Minimum Tax.

FGIC - Financial Guaranty Insurance Company

NPFG - National Public Finance Guaranty Corp.

XLCA - XL Capital Assurance, Inc.

The Trust invests primarily in debt securities issued by Michigan municipalities. The ability of the issuers of the debt securities to meet their obligations may be affected by economic developments in a specific industry or municipality. In order to reduce the risk associated with such economic developments, at February 28, 2010, 45.8% of total investments are backed by bond insurance of various financial institutions and financial guaranty assurance agencies. The aggregate percentage insured by an individual financial institution ranged from 0.9% to 18.5% of total investments.

(1) Security (or a portion thereof) has been pledged to cover margin requirements on open financial futures contracts.

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A summary of financial instruments outstanding at February 28, 2010 is as follows:

**Futures Contracts**

<b>Expiration Date</b>	<b>Contracts</b>	<b>Position</b>	<b>Aggregate Cost</b>	<b>Value</b>	<b>Net Unrealized Depreciation</b>
6/10	3 U.S. 10 Year Treasury Note	Short	\$ (347,333)	\$ (352,453)	\$ (5,120)
6/10	2 U.S. 30 Year Treasury Bond	Short	(233,368)	(235,375)	(2,007)
					\$ (7,127)

**Interest Rate Swaps**

<b>Counterparty</b>	<b>Notional Amount</b>	<b>Annual Fixed Rate Paid By Trust</b>	<b>Floating Rate Paid To Trust</b>	<b>Effective Date/ Termination Date</b>	<b>Net Unrealized Depreciation</b>
Merrill Lynch Capital Services, Inc.	\$ 400,000	4.665%	3-Month USD-LIBOR-BBA	May 24, 2010 / May 24, 2040	\$ (12,934)

The effective date represents the date on which the Trust and the counterparty to the interest rate swap contract begin interest payment accruals.

At February 28, 2010, the Trust had sufficient cash and/or securities to cover commitments under these contracts.

The Trust is subject to interest rate risk in the normal course of pursuing its investment objectives. Because the Trust holds fixed rate bonds, the value of these bonds may decrease if interest rates rise. To hedge against this risk, the Trust may enter into interest rate swap contracts. The Trust may also purchase and sell U.S. Treasury futures contracts to hedge against changes in interest rates.

At February 28, 2010, the aggregate fair value of derivative instruments (not considered to be hedging instruments for accounting disclosure purposes) in a liability position and whose primary underlying risk exposure is interest rate risk was \$20,061.

The cost and unrealized appreciation (depreciation) of investments of the Trust at February 28, 2010, as determined on a federal income tax basis, were as follows:

<b>Aggregate cost</b>	<b>\$ 44,578,856</b>
Gross unrealized appreciation	\$ 1,636,327
Gross unrealized depreciation	(2,412,360)
<b>Net unrealized depreciation</b>	<b>\$ (776,033)</b>

Under generally accepted accounting principles for fair value measurements, a three-tier hierarchy to prioritize the assumptions, referred to as inputs, is used in valuation techniques to measure fair value. The three-tier hierarchy of inputs is summarized in the three broad levels listed below.

Level 1 quoted prices in active markets for identical investments

Level 2 other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)

Level 3 significant unobservable inputs (including a fund's own assumptions in determining the fair value of investments)

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

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At February 28, 2010, the inputs used in valuing the Trust's investments, which are carried at value, were as follows:

<b>Asset Description</b>	<b>Quoted Prices in Active Markets for Identical Assets  (Level 1)</b>	<b>Significant Other Observable Inputs  (Level 2)</b>	<b>Significant Unobservable Inputs  (Level 3)</b>	<b>Total</b>
Tax-Exempt Investments	\$	\$ 43,802,823	\$	\$ 43,802,823
<b>Total Investments</b>	<b>\$</b>	<b>\$ 43,802,823</b>	<b>\$</b>	<b>\$ 43,802,823</b>
<b>Liability Description</b>				
Futures Contracts	\$ (7,127)	\$	\$	\$ (7,127)
Interest Rate Swaps		(12,934)		(12,934)
<b>Total</b>	<b>\$ (7,127)</b>	<b>\$ (12,934)</b>	<b>\$</b>	<b>\$ (20,061)</b>

The Trust held no investments or other financial instruments as of November 30, 2009 whose fair value was determined using Level 3 inputs.

For information on the Trust's policy regarding the valuation of investments and other significant accounting policies, please refer to the Trust's most recent financial statements included in its semiannual or annual report to shareholders.

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**Item 2. Controls and Procedures**

(a) It is the conclusion of the registrant's principal executive officer and principal financial officer that the effectiveness of the registrant's current disclosure controls and procedures (such disclosure controls and procedures having been evaluated within 90 days of the date of this filing) provide reasonable assurance that the information required to be disclosed by the registrant has been recorded, processed, summarized and reported within the time period specified in the Commission's rules and forms and that the information required to be disclosed by the registrant has been accumulated and communicated to the registrant's principal executive officer and principal financial officer in order to allow timely decisions regarding required disclosure.

(b) There have been no changes in the registrant's internal controls over financial reporting during the fiscal quarter for which the report is being filed that have materially affected, or are reasonably likely to materially affect the registrant's internal control over financial reporting.

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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.

**Eaton Vance Michigan Municipal Income Trust**

By: /s/ Cynthia J. Clemson

Cynthia J. Clemson  
President

Date: April 26, 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/ Cynthia J. Clemson

Cynthia J. Clemson  
President

Date: April 26, 2010

By: /s/ Barbara E. Campbell

Barbara E. Campbell  
Treasurer

Date: April 26, 2010