

EATON VANCE MICHIGAN MUNICIPAL INCOME TRUST

Form N-Q

April 29, 2008

**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

**811-09153**

## **Eaton Vance Michigan Municipal Income Trust**

(Exact Name of Registrant as Specified in Charter)

**The Eaton Vance Building,  
255 State Street, Boston, Massachusetts**  
(Address of Principal Executive Offices)

**02109**  
(Zip code)

**Maureen A. Gemma**

**Eaton Vance Management, 255 State Street, Boston, Massachusetts 02109**  
(Name and Address of Agent for Service)

Registrant's Telephone Number, Including Area Code:

(617) 482-8260

Date of Fiscal Year End:

November 30

Date of Reporting Period:

February 29, 2008

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**Item 1. Schedule of Investments**

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Eaton Vance Michigan Municipal Income Trust

as of February 29, 2008

## PORTFOLIO OF INVESTMENTS (Unaudited)

## Tax-Exempt Investments 167.2%

Principal Amount (000 s omitted)	Security	Value
<b>Education 6.4%</b>		
\$ 1,250	Michigan Higher Education Facilities Authority, (Creative Studies), 5.90%, 12/1/27	\$ 1,257,325
540	Michigan Higher Education Facilities Authority, (Hillsdale College), 5.00%, 3/1/35	493,760
		<b>\$ 1,751,085</b>
<b>Electric Utilities 8.6%</b>		
\$ 1,250	Michigan Strategic Fund, (Detroit Edison Pollution Control), 5.45%, 9/1/29	\$ 1,239,062
375	Puerto Rico Electric Power Authority, DRIVERS, Variable Rate, 7.74%, 7/1/25 (1) (2)	296,520
1,125	Puerto Rico Electric Power Authority, DRIVERS, Variable Rate, 7.74%, 7/1/37 (1) (2)	803,317
		<b>\$ 2,338,899</b>
<b>Escrowed/Prerefunded 11.8%</b>		
\$ 500	Kent Hospital Finance Authority, (Spectrum Health), Prerefunded to 7/15/11, 5.50%, 1/15/31	\$ 537,380
750	Michigan Hospital Finance Authority, (Ascension Health Care), Prerefunded to 11/15/09, 6.125%, 11/15/26	795,052
750	Michigan Hospital Finance Authority, (Sparrow Obligation Group), Prerefunded to 11/15/11, 5.625%, 11/15/36	813,337
1,000	Puerto Rico Electric Power Authority, Prerefunded to 7/1/12, 5.25%, 7/1/31	1,084,960
		<b>\$ 3,230,729</b>
<b>General Obligations 10.2%</b>		
\$ 500	East Grand Rapids Public School District, 5.00%, 5/1/25	\$ 495,420
1,000	Manistee Area Public Schools, 5.00%, 5/1/24	997,730
345	Puerto Rico Public Buildings Authority, Commonwealth Guaranteed, 5.25%, 7/1/29	320,322
1,000	White Cloud Public Schools, Prerefunded to 5/1/11, 5.125%, 5/1/31	975,430
		<b>\$ 2,788,902</b>
<b>Health Care-Miscellaneous 0.3%</b>		
\$ 100	Puerto Rico Infrastructure Financing Authority, (Mepsi Campus Project), 6.50%, 10/1/37	\$ 93,841
		<b>\$ 93,841</b>
<b>Hospital 29.0%</b>		
\$ 500	Allegan Hospital Finance Authority, (Allegan General Hospital), 7.00%, 11/15/21	\$ 514,675
185	Gaylord Hospital Finance Authority, (Otsego Memorial Hospital Association), 6.20%, 1/1/25	172,426
125	Gaylord Hospital Finance Authority, (Otsego Memorial Hospital Association), 6.50%, 1/1/37	117,357
560	Macomb County Hospital Finance Authority, (Mount Clemens General Hospital), 5.875%, 11/15/34	508,497
500		491,905

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		Mecosta County, (Michigan General Hospital), 6.00%, 5/15/18	
1,000		Michigan Hospital Finance Authority, (Central Michigan Community Hospital), 6.25%, 10/1/27	1,000,390
750		Michigan Hospital Finance Authority, (Henry Ford Health System), 5.00%, 11/15/38	654,712
1,000		Michigan Hospital Finance Authority, (Henry Ford Health System), 5.25%, 11/15/46	892,770
1,080		Michigan Hospital Finance Authority, (McLaren Healthcare), 5.00%, 8/1/35	952,636
750		Michigan Hospital Finance Authority, (Memorial Healthcare Center), 5.875%, 11/15/21	754,508
1,000		Michigan Hospital Finance Authority, (Trinity Health), 6.00%, 12/1/27	1,024,240
800		Saginaw Hospital Finance Authority, (Covenant Medical Center), 6.50%, 7/1/30	843,208
			<b>\$ 7,927,324</b>
<b>Housing</b>	<b>3.1%</b>		
\$	1,000	Michigan State Housing Development Authority, (Williams Pavilion), (AMT), 4.90%, 4/20/48	\$ 841,810
			<b>\$ 841,810</b>

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<b>Industrial Development Revenue 8.0%</b>			
\$	1,000	Detroit Local Development Finance Authority, (Chrysler Corp.), 5.375%, 5/1/21	\$ 831,690
	800	Dickinson County Electronic Development Corp., (International Paper Co.), 5.75%, 6/1/16	810,896
	625	Puerto Rico Port Authority, (American Airlines), (AMT), 6.25%, 6/1/26	538,919
			<b>\$ 2,181,505</b>
<b>Insured-Electric Utilities 10.9%</b>			
\$	1,000	Michigan Strategic Fund, (Detroit Edison Co.), (MBIA), (AMT), 5.55%, 9/1/29	\$ 963,550
	500	Michigan Strategic Fund, (Detroit Edison Co.), (XLCA), 5.25%, 12/15/32	481,840
	500	Puerto Rico Electric Power Authority, (FGIC), 5.25%, 7/1/34	476,005
	1,200	Puerto Rico Electric Power Authority, (MBIA), 4.75%, 7/1/33 (3)	1,046,616
			<b>\$ 2,968,011</b>
<b>Insured-Escrowed/Prerefunded 22.9%</b>			
\$	1,000	Central Montcalm Public Schools, (MBIA), Prerefunded to 5/1/09, 6.00%, 5/1/29	\$ 1,037,020
	1,000	Detroit Sewer Disposal, (FGIC), Prerefunded to 7/1/11, 5.125%, 7/1/31	1,058,670
	2,000	Fenton Area Public Schools, (FGIC), Prerefunded to 5/1/08, 5.00%, 5/1/24	2,008,700
	2,000	Novi Building Authority, (FSA), Prerefunded to 10/1/10, 5.50%, 10/1/25	2,142,380
			<b>\$ 6,246,770</b>
<b>Insured-General Obligations 8.6%</b>			
\$	650	Detroit City School District, (FGIC), 4.75%, 5/1/28	\$ 602,186
	750	Detroit City School District, (FSA), 5.25%, 5/1/32	766,523
	200	Eaton Rapids Public Schools, (MBIA), 4.75%, 5/1/25	191,160
	700	Puerto Rico, (FSA), Variable Rate, 11.337%, 7/1/27 (1) (2)	782,061
			<b>\$ 2,341,930</b>
<b>Insured-Hospital 7.1%</b>			
\$	1,000	Royal Oak Hospital Finance Authority, (William Beaumont Hospital), (MBIA), 5.25%, 11/15/35	\$ 936,280
	1,000	Saginaw Hospital Finance Authority, (Covenant Medical Center), (MBIA), 5.50%, 7/1/24	1,005,580
			<b>\$ 1,941,860</b>
<b>Insured-Lease Revenue/Certificates of Participation 3.8%</b>			
\$	4,300	Michigan State Building Authority, (FGIC), 0.00%, 10/15/30	\$ 1,033,677
			<b>\$ 1,033,677</b>
<b>Insured-Special Tax Revenue 10.9%</b>			
\$	5,160	Puerto Rico Sales Tax Financing, (AMBAC), 0.00%, 8/1/54	\$ 295,616
	1,225	Puerto Rico Sales Tax Financing, (MBIA), 0.00%, 8/1/44	135,375
	2,430	Puerto Rico Sales Tax Financing, (MBIA), 0.00%, 8/1/45	252,866
	1,470	Puerto Rico Sales Tax Financing, (MBIA), 0.00%, 8/1/46	144,104
	2,250	Wayne Charter County, (Airport Hotel-Detroit Metropolitan Airport), (MBIA), 5.00%, 12/1/30	2,135,543
			<b>\$ 2,963,504</b>
<b>Insured-Student Loan 7.0%</b>			
\$	1,000	Michigan Higher Education Student Loan Authority, (AMBAC), (AMT), 5.00%, 3/1/31	\$ 900,250
	1,000	Michigan Higher Education Student Loan Authority, (AMBAC), (AMT), 5.50%, 6/1/25 (4)	1,002,490
			<b>\$ 1,902,740</b>
<b>Insured-Transportation 3.2%</b>			
\$	1,000	Wayne Charter County Airport, (MBIA), (AMT), 5.00%, 12/1/28	\$ 885,350

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			\$	<b>885,350</b>
<b>Insured-Water and Sewer</b>	<b>5.7%</b>			
\$	1,650	Detroit Water Supply System, (FGIC), 5.00%, 7/1/30	\$	1,570,998
			\$	<b>1,570,998</b>
<b>Lease Revenue/Certificates of Participation</b>	<b>0.9%</b>			
\$	250	Puerto Rico, (Guaynabo Municipal Government Center Lease), 5.625%, 7/1/22	\$	242,683
			\$	<b>242,683</b>



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<b>Other Revenue 3.5%</b>				
\$	12,500	Michigan Tobacco Settlement Finance Authority, 0.00%, 6/1/52	\$	480,625
	500	Michigan Tobacco Settlement Finance Authority, 6.00%, 6/1/48		463,740
			\$	<b>944,365</b>
<b>Transportation 5.3%</b>				
\$	1,500	Kent County Airport Facility, 5.00%, 1/1/25 (3)	\$	1,451,805
			\$	<b>1,451,805</b>
<b>Total Tax-Exempt Investments 167.2%</b>				
<b>(identified cost \$47,642,487)</b>				
			\$	<b>45,647,788</b>
<b>Other Assets, Less Liabilities (3.1%)</b>				
			\$	<b>(848,520)</b>
<b>Auction Preferred Shares Plus Cumulative Unpaid Dividends (64.1%)</b>				
			\$	<b>(17,504,320)</b>
<b>Net Assets Applicable to Common Shares 100.0%</b>				
			\$	<b>27,294,948</b>

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.
DRIVERS	Derivative Inverse Tax-Exempt Receipts
FGIC	Financial Guaranty Insurance Company
FSA	Financial Security Assurance, Inc.
MBIA	Municipal Bond Insurance Association
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 29, 2008, 47.9% 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 1.1% to 19.1% of total investments.

- (1) Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be sold in transactions exempt from registration, normally to qualified institutional buyers. At February 29, 2008, the aggregate value of the securities is \$1,881,898 or 6.9% of the Trust's net assets applicable to common shares.
- (2) Security has been issued as a leveraged inverse floater bond. The stated interest rate represents the rate in effect at February 29, 2008.
- (3) Security represents the underlying municipal obligation of an inverse floating rate obligation held by the Trust.
- (4) Security (or a portion thereof) has been segregated to cover margin requirements on open financial futures contracts.

A summary of financial instruments at February 29, 2008 is as follows:

**Futures Contracts**

Expiration Date	Contracts	Position	Aggregate Cost	Value	Net Unrealized Depreciation
6/08	6 U.S. Treasury Bond	Short	\$ (700,104)	\$ (711,750)	\$ (11,646)

**Interest Rate Swaps**

<b>Counterparty</b>	<b>Notional Amount</b>	<b>Annual Fixed Rate Paid By Fund</b>	<b>Floating Rate Paid To Fund</b>	<b>Effective Date/ Termination Date</b>	<b>Net Unrealized Appreciation (Depreciation)</b>
Merrill Lynch Capital Services, Inc.	\$ 400,000	4.9025%	3-month USD-LIBOR-BBA	July 9, 2008/ July 9, 2038	\$ 656
Morgan Stanley Capital Services, Inc.	\$ 275,000	5.428%	3-month USD-LIBOR- BBA	September 10, 2008/ September 10, 2038	\$ (20,877)
					<b>\$ (20,221)</b>

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 29, 2008, the Trust had sufficient cash and/or securities to cover commitments under these contracts.

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The cost and unrealized appreciation (depreciation) of investments of the Trust at February 29, 2008, as determined on a federal income tax basis, were as follows:

<b>Aggregate cost</b>	<b>\$</b>	<b>45,678,471</b>
Gross unrealized appreciation		1,157,811
Gross unrealized depreciation		(3,113,494)
<b>Net unrealized depreciation</b>	<b>\$</b>	<b>(1,955,683)</b>

The Trust adopted Financial Accounting Standards Board Statement of Financial Accounting Standards No. 157 (FAS 157), Fair Value Measurements, effective December 1, 2007. FAS 157 established a three-tier hierarchy to prioritize the assumptions, referred to as inputs, 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)

At February 29, 2008, the inputs used in valuing the Trust's investments, which are carried at value, were as follows:

	Valuation Inputs	Investments in Securities	Other Financial Instruments*
Level 1	Quoted Prices	\$	\$ (11,646)
Level 2	Other Significant Observable Inputs	45,647,788	(20,221)
Level 3	Significant Unobservable Inputs		
Total		\$ 45,647,788	\$ (31,867)

\*Other financial instruments are derivative instruments not reflected in the Portfolio of Investments, such as futures, forwards and swap contracts, which are valued at the unrealized appreciation (depreciation) on the instrument.

The Trust held no investments or other financial instruments as of November 30, 2007 whose fair value was determined using Level 3 inputs.

The Trust generally uses a pricing vendor to provide evaluations for its investments in municipal bonds, which are derived from the vendor's pricing models. Inputs to the models may include, but are not limited to, reported trades, executable bid and asked prices, broker/dealer

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quotations, benchmark curves or information pertaining to the issuer. The pricing vendor may use a matrix approach, which considers information regarding securities with similar characteristics to determine the evaluation for a security. The Trust's investments in interest rate swaps are normally valued using valuations provided by a pricing vendor. Such vendor valuations are based on the present value of fixed and projected floating rate cash flows over the term of a swap contract. Future cash flows are discounted to their present value using swap curves provided by electronic data services or by broker/dealers. The Trust's investments in futures contracts are valued based on the closing price on the primary exchange on which such contracts trade.

**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 21, 2008

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 21, 2008

By: /s/ Barbara E. Campbell  
Barbara E. Campbell  
Treasurer

Date: April 21, 2008

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