

WESTERN ASSET MUNICIPAL HIGH INCOME FUND INC.

Form 8-K

May 23, 2007

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the

Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) May 23, 2007

Western Asset Municipal High Income Fund Inc.

(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction

of incorporation)

811-05497
(Commission File Number)

04-3035821
(IRS Employer

Identification No.)

125 Broad Street, New York, New York
(Address of principal executive offices)

Registrant's telephone number, including area code (212) 291-2556

10004
(Zip Code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

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- .. Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - .. Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - .. Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - .. Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Western Asset Municipal High Income Fund Inc.

CURRENT REPORT ON FORM 8-K

Item 8.01 Other Events.

On May 23, 2007, Western Asset Municipal High Income Fund Inc. (the Fund) issued a press release announcing changes, to be effective as of June 1, 2007, in its non-fundamental investment policies relating to the Fund's ability to invest in derivative instruments.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

**Exhibit
Number**

99.1 Press Release of the Fund dated May 23, 2007.

SIGNATURE

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

Western Asset Municipal High Income Fund Inc.
(Registrant)

Date: May 23, 2007

/s/ William Renahan
(Signature)
Name: William Renahan
Title: Assistant Secretary

EXHIBIT INDEX

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