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MUNIYIELD ARIZONA FUND INC /NJ/
Form N-Q
September 26, 2006

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

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED MANAGEMENT
INVESTMENT COMPANY

Investment Company Act File number 811-7083

Name of Fund: MuniYield Arizona Fund, Inc.

Fund Address: P.O. Box 9011
Princeton, NJ 08543-9011

Name and address of agent for service: Robert C. Doll, Jr., Chief Executive
Officer, MuniYield Arizona Fund, Inc., 800 Scudders Mill Road,
Plainsboro, NJ, 08536. Mailing address: P.O. Box 9011, Princeton,
NJ, 08543-9011

Registrant's telephone number, including area code: (609) 282-2800

Date of fiscal year end: 10/31/2006

Date of reporting period: 05/01/06 - 07/31/06

Item 1 - Schedule of Investments

MuniYield Arizona Fund, Inc.

Schedule of Investments as of July 31, 2006

| | Face Amount | Municipal Bonds |
|------------------|----------------|---|
| Arizona - 139.4% | \$ 1,000 | Arizona Educational Loan Marketing Corporation, Educational Loan R Bonds, AMT, Junior Sub-Series, 6.30% due 12/01/2008 |
| | 1,800 | Arizona Health Facilities Authority, Hospital System Revenue Bonds Children's Hospital), Series A, 6.125% due 11/15/2022 |
| | 1,785 | Arizona Health Facilities Authority Revenue Bonds (Catholic Health Series A, 6.625% due 7/01/2020 |
| | 4,335 | Arizona State University Revenue Bonds, DRIVERS, Series 270, 7.024 |
| | 3,285 | Arizona Student Loan Acquisition Authority, Student Loan Revenue R Junior Subordinated Series B-1, 6.15% due 5/01/2029 |
| | 1,000 | Arizona Student Loan Acquisition Authority, Student Loan Revenue R Senior Series A-1, 5.90% due 5/01/2024 |
| | 1,000 | Arizona Tourism and Sports Authority, Tax Revenue Bonds (Baseball Project), 5% due 7/01/2016 |

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| | |
|-------|---|
| 2,000 | Arizona Tourism and Sports Authority, Tax Revenue Bonds (Multi-Purpose Facility), Series A, 5.375% due 7/01/2023 (b) |
| 1,000 | Cottonwood, Arizona, Senior Lien Water System Revenue Bonds, 5% due 7/01/2023 (b) |
| 750 | Downtown Phoenix Hotel Corporation, Arizona, Revenue Bonds, Senior Series A, 5.25% due 7/01/2025 (e) |
| 1,500 | Downtown Phoenix Hotel Corporation, Arizona, Revenue Bonds, Senior Series A, due 7/01/2036 (e) |
| 2,000 | Downtown Phoenix Hotel Corporation, Arizona, Revenue Bonds, Sub-Series A, due 7/01/2036 (e) |
| 750 | Gladden Farms Community Facilities District, Arizona, GO, 5.50% due 7/01/2023 (b) |
| 3,000 | Greater Arizona Development Authority, Infrastructure Revenue Bonds, Series A, due 8/01/2030 (b) |
| 1,670 | Maricopa County, Arizona, Hospital Revenue Refunding Bonds (Sun Health Services), Series A, 6.125% due 4/01/2007 (i) |
| 735 | Maricopa County, Arizona, Hospital Revenue Refunding Bonds (Sun Health Services), Series A, 6.125% due 4/01/2018 |
| 900 | Maricopa County, Arizona, IDA, Education Revenue Bonds (Arizona Child Care Project 1), Series A, 6.625% due 7/01/2020 |
| 2,400 | Maricopa County, Arizona, IDA, Hospital Facility Revenue Refunding Bonds (Samaritan Health Services), Series A, 7% due 12/01/2016 (b) (d) |

Portfolio Abbreviations

To simplify the listings of MuniYield Arizona Fund, Inc.'s portfolio holdings in the Schedule of Investments, we have abbreviated the names of many of the securities according to the list below.

| | |
|---------|--|
| AMT | Alternative Minimum Tax (subject to) |
| COP | Certificates of Participation |
| DRIVERS | Derivative Inverse Tax-Exempt Receipts |
| GO | General Obligation Bonds |
| IDA | Industrial Development Authority |
| PCR | Pollution Control Revenue Bonds |
| RIB | Residual Interest Bonds |
| RITR | Residual Interest Trust Receipts |
| S/F | Single-Family |

MuniYield Arizona Fund, Inc.

Schedule of Investments as of July 31, 2006 (concluded)

Face
Amount Municipal Bonds

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| | | |
|------------------------|----------|---|
| Arizona (concluded) | \$ 1,000 | Maricopa County, Arizona, Peoria Unified School District Number 11 Series, 5% due 7/01/2025 (e) |
| | 1,485 | Maricopa County, Arizona, Pollution Control Corporation, PCR, Refu (Public Service Company of New Mexico Project), Series A, 6.30% du |
| | 2,250 | Maricopa County, Arizona, Public Finance Corporation, Lease Revenue Series 511X, 7.09% due 7/01/2014 (a) (k) |
| | 1,825 | Maricopa County, Arizona, Scottsdale Unified School District Numbe due 7/01/2012 |
| | 500 | Maricopa County, Arizona, Tempe Elementary Unified School District Refunding, 7.50% due 7/01/2010 (e) |
| | 1,000 | Maricopa County, Arizona, Unified School District Number 090, Scho GO (Saddle Mountain), Series A, 5% due 7/01/2014 |
| | 1,000 | Mesa, Arizona, IDA Revenue Bonds (Discovery Health Systems), Serie 5.625% due 1/01/2010 (b) (i) |
| | 1,000 | Nogales, Arizona, Municipal Development Authority, Inc., Revenue B 6/01/2030 (a) |
| | 4,500 | Northern Arizona University System Revenue Bonds, 5.50% due 6/01/2 |
| | 3,325 | Phoenix, Arizona, Civic Improvement Corporation, Excise Tax Revenue (Civic Plaza Expansion Project), Sub-Series A, 5% due 7/01/2035 (e) |
| | 500 | Phoenix, Arizona, Civic Improvement Corporation, Senior Lien Airpo AMT, Series B, 5.25% due 7/01/2032 (e) |
| | 2,500 | Phoenix, Arizona, Civic Improvement Corporation, Water System Reve Junior Lien, 5.50% due 7/01/2020 (e) |
| | 2,000 | Phoenix, Arizona, Civic Improvement Corporation, Water System Reve Junior Lien, 5% due 7/01/2029 (b) |
| | 750 | Pima County, Arizona, IDA, Education Revenue Bonds (Arizona Charte Series C, 6.70% due 7/01/2021 |
| | 1,000 | Pima County, Arizona, IDA, Education Revenue Bonds (Arizona Charte Series C, 6.75% due 7/01/2031 |
| | 985 | Pima County, Arizona, IDA, Education Revenue Refunding Bonds (Arizona Charter Schools Project II), Series A, 6.75% due 7/01/202 |
| | 1,000 | Pima County, Arizona, IDA, Revenue Refunding Bonds (Health Partner 5.625% due 4/01/2014 (b) |
| | 3,050 | Pima County, Arizona, Unified School District Number 1, Tucson, GO 7.50% due 7/01/2009 (e) |
| | 1,250 | Pinal County, Arizona, COP, 5% due 12/01/2026 |
| | 1,250 | Pinal County, Arizona, COP, 5% due 12/01/2029 |
| | 1,000 | Pinal County, Arizona, IDA, Correctional Facilities Contract Reven (Florence West Prison Project), Series A, 5.25% due 10/01/2023 (c) |
| | 500 | Pinal County, Arizona, IDA, Wastewater Revenue Bonds (San Manuel F |

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| | | |
|---------------------|-------|---|
| | | AMT, 6.25% due 6/01/2026 |
| | 2,500 | Salt River Project, Arizona, Agriculture Improvement and Power Dis System Revenue Refunding Bonds, Series A, 5% due 1/01/2035 |
| | 2,250 | Scottsdale, Arizona, IDA, Hospital Revenue Bonds (Scottsdale Health 12/01/2011 (i) |
| | 1,000 | Scottsdale, Arizona, Municipal Property Corporation, Excise Tax Re due 7/01/2029 |
| | 1,500 | Scottsdale, Arizona, Municipal Property Corporation, Excise Tax Re due 7/01/2030 |
| | 1,195 | Show Low, Arizona, IDA, Hospital Revenue Bonds (Navapache Regional 5% due 12/01/2035 (j) |
| | 1,500 | South Campus Group LLC, Arizona Student Housing Revenue Bonds (Arizona State University South Campus Project), Series 2003, 5.62 |
| | 340 | Tucson and Pima County, Arizona, IDA, S/F Mortgage Revenue Refundi (Mortgage-Backed Securities Program), AMT, Series A-1, 6% due 7/01 |
| | 1,000 | Tucson, Arizona, IDA, Senior Living Facilities Revenue Bonds (Chri Inc. Project), Series A, 6.125% due 7/01/2024 (j) |
| | 1,105 | University of Arizona, COP, Refunding, Series A, 5.125% due 6/01/2 |
| | 2,000 | University of Arizona, COP, Series B, 5% due 6/01/2028 (a) |
| | 1,275 | Vistancia Community Facilities District, Arizona, GO, 6.75% due 7/ |
| | 750 | Vistancia Community Facilities District, Arizona, GO, 5.75% due 7/ |
| | 500 | Watson Road Community Facilities District, Arizona, Special Assess 6% due 7/01/2030 |
| | 2,000 | Yavapai County, Arizona, IDA, Hospital Facility Revenue Bonds (Yav Medical Center), Series A, 6% due 8/01/2033 |
| Guam - 1.6% | 1,000 | Guam Government Waterworks Authority, Water and Wastewater System, Bonds, 5.875% due 7/01/2035 |
| Puerto Rico - 19.8% | 500 | Puerto Rico Commonwealth, GO, Refunding, RITR, Class R, Series 3, 7/01/2016 (b) (k) |
| | 1,700 | Puerto Rico Commonwealth Highway and Transportation Authority, Tra Bonds, Series G, 5% due 7/01/2033 |
| | 2,000 | Puerto Rico Commonwealth, Public Improvement, GO, Series A, 5.125% |
| | 1,000 | Puerto Rico Electric Power Authority, Power Revenue Bonds, Series 7/01/2031 |
| | 1,500 | Puerto Rico Electric Power Authority, Power Revenue Bonds, Series 7/01/2029 |
| | 1,000 | Puerto Rico Electric Power Authority, Power Revenue Bonds, Series 7/01/2032 (b) |

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| | |
|-------|--|
| 1,500 | Puerto Rico Industrial, Tourist, Educational, Medical and Environmental Facilities Revenue Bonds (Cogeneration Facility-AES Puerto Rico Pr due 6/01/2026 |
| 2,000 | Puerto Rico Public Buildings Authority, Government Facilities Revenue Series I, 5.25% due 7/01/2033 |
| 1,000 | Puerto Rico Public Finance Corporation, Commonwealth Appropriation Series E, 5.50% due 8/01/2029 |
| | Total Municipal Bonds (Cost - \$99,433) - 160.8% |

| | |
|-------------|---|
| Shares Held | Short-Term Securities |
| 1,504 | CMA Arizona Municipal Money Fund, 2.96% (1) (m) |
| | Total Short-Term Securities (Cost - \$1,504) - 2.4% |
| | Total Investments (Cost - \$100,938*) - 163.2% |
| | Other Assets Less Liabilities - 0.0% |
| | Preferred Stock, at Redemption Value - (63.2%) |
| | Net Assets Applicable to Common Stock - 100.0% |

* The cost and unrealized appreciation (depreciation) of investments as of July 31, 2006, as computed for federal income tax purposes, were as follows:

| | | |
|-------------------------------|----|---------|
| Aggregate cost | \$ | 100,946 |
| | | ===== |
| Gross unrealized appreciation | \$ | 3,289 |
| Gross unrealized depreciation | | (163) |
| | | ----- |
| Net unrealized appreciation | \$ | 3,126 |
| | | ===== |

- (a) AMBAC Insured.
- (b) MBIA Insured.
- (c) ACA Insured.
- (d) Escrowed to maturity.
- (e) FGIC Insured.
- (f) FHLMC Collateralized.
- (g) FNMA/GNMA Collateralized.
- (h) XL Capital Insured.
- (i) Prerefunded.

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- (j) Radian Insured.
- (k) The rate disclosed is that currently in effect. This rate changes periodically and inversely based upon prevailing market rates.
- (l) Investments in companies considered to be an affiliate of the Fund, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, were as follows:

| Affiliate | Net Activity | Dividend Income |
|----------------------------------|--------------|-----------------|
| CMA Arizona Municipal Money Fund | \$ (103) | \$ 17 |

- (m) Represents the current yield as of July 31, 2006.

Item 2 - Controls and Procedures

- 2(a) - The registrant's certifying officers have reasonably designed such disclosure controls and procedures to ensure material information relating to the registrant is made known to us by others particularly during the period in which this report is being prepared. The registrant's certifying officers have determined that the registrant's disclosure controls and procedures are effective based on our evaluation of these controls and procedures as of a date within 90 days prior to the filing date of this report.
- 2(b) - There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the Act (17 CFR 270.30a-3(d)) that occurred during the last fiscal quarter of the period covered by this report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

Item 3 - Exhibits

Certifications - Attached hereto

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.

MuniYield Arizona Fund, Inc.

By: /s/ Robert C. Doll, Jr.

Robert C. Doll, Jr.
Chief Executive Officer
MuniYield Arizona Fund, Inc.

Date: September 20, 2006

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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/ Robert C. Doll, Jr.

Robert C. Doll, Jr.
Chief Executive Officer
MuniYield Arizona Fund, Inc.

Date: September 20, 2006

By: /s/ Donald C. Burke

Donald C. Burke
Chief Financial Officer
MuniYield Arizona Fund, Inc.

Date: September 20, 2006