

EATON VANCE MICHIGAN MUNICIPAL INCOME TRUST
Form N-Q
October 28, 2010

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

August 31, 2010

Date of Reporting Period

Item 1. Schedule of Investments

Eaton Vance Michigan Municipal Income Trust

as of August 31, 2010

PORTFOLIO OF INVESTMENTS (Unaudited)

Tax-Exempt Investments 157.7%

Principal

Amount

(000 s

omitted)

Education

Security

Value

	7.5%		
\$	525	Grand Valley State University, 5.625%, 12/1/29	\$ 563,325
	525	Grand Valley State University, 5.75%, 12/1/34	558,311
	540	Michigan Higher Education Facilities Authority, (Hillsdale College), 5.00%, 3/1/35	540,686
	500	Michigan State University, 5.00%, 2/15/40	545,825
			\$ 2,208,147

Electric Utilities 0.2%

\$	60	Michigan Strategic Fund, (Detroit Edison Pollution Control), 5.45%, 9/1/29	\$ 60,478
			\$ 60,478

Escrowed/Prerefunded 17.2%

\$	500	Kent Hospital Finance Authority, (Spectrum Health), Prerefunded to 7/15/11, 5.50%, 1/15/31	\$ 527,490
	560	Macomb County Hospital Finance Authority, (Mount Clemens General Hospital), Prerefunded to 11/15/13, 5.875%, 11/15/34	653,055
	1,250	Michigan Higher Education Facilities Authority, (Creative Studies), Prerefunded to 6/1/12, 5.90%, 12/1/27	1,367,038
	750	Michigan Hospital Finance Authority, (Sparrow Obligation Group), Prerefunded to 11/15/11, 5.625%, 11/15/36	804,398
	15	Michigan Hospital Finance Authority, (Trinity Health), Prerefunded to 12/1/10, 6.00%, 12/1/27	15,365
	600	Puerto Rico Electric Power Authority, Prerefunded to 7/1/12, 5.25%, 7/1/31	660,282
	1,000	White Cloud Public Schools, Prerefunded to 5/1/11, 5.125%, 5/1/31	1,032,830
			\$ 5,060,458

General Obligations 13.0%

\$	500	East Grand Rapids Public School District, 5.00%, 5/1/25	\$ 512,830
	1,500	Kent County, 5.00%, 1/1/25	1,694,310
	750	Manistee Area Public Schools, 5.00%, 5/1/24	768,330
	270	Michigan, 5.50%, 11/1/25	310,054
	500	Charter County of Wayne, 6.75%, 11/1/39	543,085
			\$ 3,828,609

Hospital 27.4%

\$	500	Allegan Hospital Finance Authority, (Allegan General Hospital), 7.00%, 11/15/21	\$	502,270
	185	Gaylord Hospital Finance Authority, (Otsego Memorial Hospital Association), 6.20%, 1/1/25		173,149
	125	Gaylord Hospital Finance Authority, (Otsego Memorial Hospital Association), 6.50%, 1/1/37		111,893
	275	Kent Hospital Finance Authority, (Spectrum Health), 5.50% to 1/15/15 (Put Date), 1/15/47		318,093
	455	Mecosta County, (Michigan General Hospital), 6.00%, 5/15/18		451,087
	1,000	Michigan Hospital Finance Authority, (Central Michigan Community Hospital), 6.25%, 10/1/27		1,000,420
	750	Michigan Hospital Finance Authority, (Henry Ford Health System), 5.00%, 11/15/38		717,195
	1,000	Michigan Hospital Finance Authority, (Henry Ford Health System), 5.25%, 11/15/46		977,110
	1,080	Michigan Hospital Finance Authority, (McLaren Healthcare), 5.00%, 8/1/35		1,090,724
	750	Michigan Hospital Finance Authority, (Memorial Healthcare Center), 5.875%, 11/15/21		757,785
	500	Michigan Hospital Finance Authority, (Mid Michigan Obligation Group), 6.125%, 6/1/39		545,720
	985	Michigan Hospital Finance Authority, (Trinity Health), 6.00%, 12/1/27		999,706
	425	Monroe County Hospital Finance Authority, (Mercy Memorial Hospital Corp.), 5.375%, 6/1/26		395,679
			\$	8,040,831

Housing 3.4%

\$	1,000	Michigan Housing Development Authority, (Williams Pavilion), (AMT), 4.90%, 4/20/48	\$	1,004,720
			\$	1,004,720

Industrial Development Revenue 5.9%

\$	750	Detroit Local Development Finance Authority, (Chrysler Corp.), 5.375%, 5/1/21	\$	422,280
	800	Dickinson County Economic Development Corp., (International Paper Co.), 5.75%, 6/1/16		823,992

Principal Amount (000 s omitted)	Security	Value
\$ 550	Puerto Rico Port Authority, (American Airlines, Inc.), (AMT), 6.25%, 6/1/26	\$ 472,038
		\$ 1,718,310
Insured-Education 5.7%		
\$ 570	Ferris State University, (AGC), 5.125%, 10/1/33	\$ 613,696
500	Ferris State University, (AGC), 5.25%, 10/1/38	540,100
500	Wayne State University, (AGM), 5.00%, 11/15/35	532,310
		\$ 1,686,106
Insured-Electric Utilities 9.2%		
\$ 1,000	Michigan Strategic Fund, (Detroit Edison Co.), (NPF), (AMT), 5.55%, 9/1/29	\$ 1,005,640
400	Michigan Strategic Fund, (Detroit Edison Co.), (XLCA), 5.25%, 12/15/32	404,216
220	Puerto Rico Electric Power Authority, (FGIC), (NPF), 5.25%, 7/1/30	244,559
500	Puerto Rico Electric Power Authority, (FGIC), (NPF), 5.25%, 7/1/34	547,485
435	Puerto Rico Electric Power Authority, (NPF), 5.25%, 7/1/29	486,747
		\$ 2,688,647
Insured-Escrowed/Prerefunded 10.5%		
\$ 1,000	Detroit Sewer Disposal, (FGIC), Prerefunded to 7/1/11, 5.125%, 7/1/31	\$ 1,040,770
2,000	Novi Building Authority, (AGM), Prerefunded to 10/1/10, 5.50%, 10/1/25	2,028,840
		\$ 3,069,610
Insured-General Obligations 8.5%		
\$ 300	Detroit City School District, (AGM), 5.25%, 5/1/32	\$ 322,044
650	Detroit City School District, (FGIC), 4.75%, 5/1/28	651,040
200	Eaton Rapids Public Schools, (NPF), 4.75%, 5/1/25	200,306
1,250	Van Dyke Public Schools, (AGM), 5.00%, 5/1/38	1,309,475
		\$ 2,482,865
Insured-Hospital 6.8%		
\$ 985	Royal Oak Hospital Finance Authority, (William Beaumont Hospital), (NPF), 5.25%, 11/15/35	\$ 983,552
1,000	Saginaw Hospital Finance Authority, (Covenant Medical Center), (NPF), 5.50%, 7/1/24	1,000,890
		\$ 1,984,442
Insured-Lease Revenue/Certificates of Participation 6.3%		
\$ 1,000	Michigan Building Authority, (AGM), (FGIC), 0.00%, 10/15/29	\$ 391,960

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4,300	Michigan Building Authority, (FGIC), (NPFG), 0.00%, 10/15/30	1,457,657
		\$ 1,849,617

Insured-Special Tax Revenue 3.8%

\$ 5,160	Puerto Rico Sales Tax Financing Corp., (AMBAC), 0.00%, 8/1/54	\$ 355,679
2,030	Puerto Rico Sales Tax Financing Corp., (NPFG), 0.00%, 8/1/44	279,714
2,430	Puerto Rico Sales Tax Financing Corp., (NPFG), 0.00%, 8/1/45	311,890
1,470	Puerto Rico Sales Tax Financing Corp., (NPFG), 0.00%, 8/1/46	175,621
		\$ 1,122,904

Insured-Student Loan 6.8%

\$ 1,000	Michigan Higher Education Student Loan Authority, (AMBAC), (AMT), 5.00%, 3/1/31	\$ 1,000,000
1,000	Michigan Higher Education Student Loan Authority, (AMBAC), (AMT), 5.50%, 6/1/25	1,001,690
		\$ 2,001,690

Insured-Transportation 4.4%

\$ 1,000	Wayne County Airport Authority, (AGC), (AMT), 5.375%, 12/1/32	\$ 1,000,570
300	Wayne County Airport Authority, (NPFG), (AMT), 5.00%, 12/1/28	296,793
		\$ 1,297,363

Insured-Water and Sewer 9.3%

\$ 1,650	Detroit Water Supply System, (FGIC), (NPFG), 5.00%, 7/1/30	\$ 1,652,689
1,000	Grand Rapids Water Supply System, (AGC), 5.10%, 1/1/39	1,072,340
		\$ 2,725,029

Principal Amount (000 s omitted)	Security	Value
Lease Revenue/Certificates of Participation 0.9%		
\$ 250	Puerto Rico, (Guaynabo Municipal Government Center Lease), 5.625%, 7/1/22	\$ 250,370
		\$ 250,370
Other Revenue 1.3%		
\$ 500	Michigan Tobacco Settlement Finance Authority, 6.00%, 6/1/48	\$ 380,930
		\$ 380,930
Special Tax Revenue 1.3%		
\$ 115	Guam, Limited Obligation Bonds, 5.625%, 12/1/29	\$ 122,275
125	Guam, Limited Obligation Bonds, 5.75%, 12/1/34	131,770
110	Virgin Islands Public Finance Authority, 6.75%, 10/1/37	124,666
		\$ 378,711
Water and Sewer 8.3%		
\$ 790	Grand Rapids, (Sanitary Sewer System), 5.00%, 1/1/28	\$ 924,387
600	Michigan Municipal Bond Authority, (Clean Water Revenue), 5.00%, 10/1/29	678,720
500	Michigan Municipal Bond Authority, (Clean Water Revenue), 5.00%, 10/1/30	568,025
250	Michigan Municipal Bond Authority, (Clean Water Revenue), 5.25%, 10/1/11 ⁽¹⁾	263,445
		\$ 2,434,577
Total Tax-Exempt Investments 157.7%		
(identified cost \$45,290,733)		\$ 46,274,414
Auction Preferred Shares Plus Cumulative Unpaid Dividends (59.7)%		\$ (17,501,314)
Other Assets, Less Liabilities 2.0%		\$ 573,254
Net Assets Applicable to Common Shares 100.0%		\$ 29,346,354

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 August 31, 2010, 45.2% 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 18.7% of total investments.

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

A summary of financial instruments outstanding at August 31, 2010 is as follows:

Futures Contracts

Expiration Date	Contracts	Position	Aggregate Cost	Value	Net Unrealized Depreciation
12/10	3 U.S. 10-Year Treasury Note	Short	\$ (374,521)	\$ (376,875)	\$ (2,354)

Interest Rate Swaps

Counterparty	Notional Amount	Annual Fixed Rate Paid By Trust	Floating Rate Paid To Trust	Effective Date/Termination Date	Net Unrealized Depreciation
Merrill Lynch Capital Services, Inc.	\$ 400,000	3.374%	3-month USD-LIBOR-BBA	November 24, 2010 / November 24, 2040	\$ (15,483)

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

At August 31, 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 August 31, 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 \$17,837.

The cost and unrealized appreciation (depreciation) of investments of the Trust at August 31, 2010, as determined on a federal income tax basis, were as follows:

Aggregate cost	\$ 45,256,052
Gross unrealized appreciation	\$ 2,163,618
Gross unrealized depreciation	(1,145,256)
Net unrealized appreciation	\$ 1,018,362

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.

At August 31, 2010, the inputs used in valuing the Trust's investments, which are carried at value, were as follows:

Asset Description	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Tax-Exempt Investments	\$	\$ 46,274,414	\$	\$ 46,274,414
Total Investments	\$	\$ 46,274,414	\$	\$ 46,274,414
Liability Description				
Futures Contracts	\$ (2,354)	\$	\$	\$ (2,354)
Interest Rate Swaps		(15,483)		(15,483)
Total	\$ (2,354)	\$ (15,483)	\$	\$ (17,837)

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.

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.

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: October 25, 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: October 25, 2010

By: /s/ Barbara E. Campbell

Barbara E. Campbell
Treasurer

Date: October 25, 2010