

EATON VANCE MICHIGAN MUNICIPAL INCOME TRUST

Form N-Q

October 29, 2009

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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

**August 31, 2009**

Date of Reporting Period

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**Item 1. Schedule of Investments**

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**Table of Contents****Eaton Vance Michigan Municipal Income Trust****as of August 31, 2009****PORTFOLIO OF INVESTMENTS (Unaudited)****Tax-Exempt Investments 161.4%****Principal****Amount****(000 s****omitted)****Education****Security****Value****11.0%**

|    |       |   |           |                  |
|----|-------|---|-----------|------------------|
| \$ | 525   | Grand Valley State University, 5.625%, 12/1/29  | \$        | 546,972          |
|    | 525   | Grand Valley State University, 5.75%, 12/1/34   |           | 537,752          |
|    | 1,250 | Michigan Higher Education Facilities Authority, (Creative Studies),<br>5.90%, 12/1/27 |           | 1,403,075        |
|    | 540   | Michigan Higher Education Facilities Authority, (Hillsdale College),<br>5.00%, 3/1/35 |           | 490,174          |
|    |       |   | <b>\$</b> | <b>2,977,973</b> |

**Electric Utilities 1.8%**

|    |     |  |           |                |
|----|-----|--|-----------|----------------|
| \$ | 60  | Michigan Strategic Fund, (Detroit Edison Pollution Control), 5.45%, 9/1/29 | \$        | 59,567         |
|    | 435 | Puerto Rico Electric Power Authority, 5.00%, 7/1/25                        |           | 432,616        |
|    |     |  | <b>\$</b> | <b>492,183</b> |

**Escrowed/Prerefunded 16.8%**

|    |       |  |           |                  |
|----|-------|--|-----------|------------------|
| \$ | 500   | Kent Hospital Finance Authority, (Spectrum Health), Prerefunded to 7/15/11,<br>5.50%, 1/15/31                            | \$        | 546,700          |
|    | 560   | Macomb County Hospital Finance Authority, (Mount Clemens General Hospital),<br>Prerefunded to 11/15/13, 5.875%, 11/15/34 |           | 654,142          |
|    | 750   | Michigan Hospital Finance Authority, (Ascension Health Care), Prerefunded to<br>11/15/09, 6.125%, 11/15/26               |           | 766,357          |
|    | 750   | Michigan Hospital Finance Authority, (Sparrow Obligation Group), Prerefunded<br>to 11/15/11, 5.625%, 11/15/36            |           | 834,120          |
|    | 600   | Puerto Rico Electric Power Authority, Prerefunded to 7/1/12, 5.25%, 7/1/31   |           | 676,614          |
|    | 1,000 | White Cloud Public Schools, Prerefunded to 5/1/11, 5.125%, 5/1/31  |           | 1,072,300        |
|    |       |  | <b>\$</b> | <b>4,550,233</b> |

**General Obligations 14.9%**

|    |       |   |    |           |
|----|-------|---|----|-----------|
| \$ | 500   | East Grand Rapids Public School District, 5.00%, 5/1/25                             | \$ | 518,350   |
|    | 1,500 | Kent County, 5.00%, 1/1/25  |    | 1,613,385 |
|    | 750   | Manistee Area Public Schools, 5.00%, 5/1/24   |    | 769,965   |
|    | 270   | Michigan, 5.50%, 11/1/25  |    | 286,608   |
|    | 345   | Puerto Rico Public Buildings Authority, (Commonwealth Guaranteed),<br>5.25%, 7/1/29 |    | 319,718   |
|    | 500   | Wayne Charter County, 5.70%, 8/1/38   |    | 515,475   |

|                                       |       |   |                     |
|---------------------------------------|-------|---|---------------------|
|                                       |       |   | <b>\$ 4,023,501</b> |
| <b>Health Care-Miscellaneous 0.3%</b> |       |   |                     |
| \$                                    | 100   | Puerto Rico Infrastructure Financing Authority, (Mepsi Campus Project),<br>6.50%, 10/1/37     | \$ 83,361           |
|                                       |       |   | <b>\$ 83,361</b>    |
| <b>Hospital 27.4%</b>                 |       |   |                     |
| \$                                    | 500   | Allegan Hospital Finance Authority, (Allegan General Hospital),<br>7.00%, 11/15/21            | \$ 470,850          |
|                                       | 185   | Gaylord Hospital Finance Authority, (Otsego Memorial Hospital Association),<br>6.20%, 1/1/25  | 155,925             |
|                                       | 125   | Gaylord Hospital Finance Authority, (Otsego Memorial Hospital Association),<br>6.50%, 1/1/37  | 96,506              |
|                                       | 275   | Kent Hospital Finance Authority, (Spectrum Health), 5.50% to 1/15/15 (Put<br>Date), 1/15/47   | 294,476             |
|                                       | 500   | Mecosta County, (Michigan General Hospital), 6.00%, 5/15/18                                   | 446,580             |
|                                       | 1,000 | Michigan Hospital Finance Authority, (Central Michigan Community Hospital),<br>6.25%, 10/1/27 | 972,530             |
|                                       | 750   | Michigan Hospital Finance Authority, (Henry Ford Health System),<br>5.00%, 11/15/38           | 597,022             |
|                                       | 1,000 | Michigan Hospital Finance Authority, (Henry Ford Health System),<br>5.25%, 11/15/46           | 812,570             |
|                                       | 1,080 | Michigan Hospital Finance Authority, (McLaren Healthcare), 5.00%, 8/1/35                      | 951,707             |
|                                       | 750   | Michigan Hospital Finance Authority, (Memorial Healthcare Center),<br>5.875%, 11/15/21        | 736,170             |
|                                       | 500   | Michigan Hospital Finance Authority, (Mid Michigan Obligation Group),<br>6.125%, 6/1/39       | 517,185             |
|                                       | 1,000 | Michigan Hospital Finance Authority, (Trinity Health), 6.00%, 12/1/27                         | 1,023,480           |
|                                       | 425   | Monroe County Hospital Finance Authority, (Mercy Memorial Hospital Corp.),<br>5.375%, 6/1/26  | 342,907             |
|                                       |       |   | <b>\$ 7,417,908</b> |
| <b>Housing 3.7%</b>                   |       |   |                     |
| \$                                    | 1,000 | Michigan Housing Development Authority, (Williams Pavilion), (AMT),<br>4.90%, 4/20/48         | \$ 992,050          |
|                                       |       |   | <b>\$ 992,050</b>   |

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Amount  
(000 s  
omitted)**

|  | <b>Security</b>  | <b>Value</b>        |
|--|--|---------------------|
| <b>Industrial Development Revenue 5.7%</b> |  |                     |
| \$ 1,000                                   | Detroit Local Development Finance Authority, (Chrysler Corp.), 5.375%, 5/1/21                  | \$ 468,980          |
| 800  | Dickinson County Economic Development Corp., (International Paper Co.),<br>5.75%, 6/1/16       | 793,536             |
| 625  | Puerto Rico Port Authority, (American Airlines, Inc.), (AMT), 6.25%, 6/1/26                    | 274,075             |
|  |  | <b>\$ 1,536,591</b> |
| <b>Insured-Education 2.2%</b>              |  |                     |
| \$ 570                                     | Ferris State University, (AGC), 5.125%, 10/1/33  | \$ 583,104          |
|  |  | <b>\$ 583,104</b>   |
| <b>Insured-Electric Utilities 7.7%</b>     |  |                     |
| \$ 1,000                                   | Michigan Strategic Fund, (Detroit Edison Co.), (NPPFG), (AMT), 5.55%, 9/1/29                   | \$ 975,250          |
| 400  | Michigan Strategic Fund, (Detroit Edison Co.), (XLCA), 5.25%, 12/15/32                         | 384,892             |
| 220  | Puerto Rico Electric Power Authority, (FGIC), (NPPFG), 5.25%, 7/1/30                           | 224,473             |
| 500  | Puerto Rico Electric Power Authority, (FGIC), (NPPFG), 5.25%, 7/1/34                           | 495,850             |
|  |  | <b>\$ 2,080,465</b> |
| <b>Insured-Escrowed/Prerefunded 11.9%</b>  |  |                     |
| \$ 1,000                                   | Detroit Sewer Disposal, (FGIC), Prerefunded to 7/1/11, 5.125%, 7/1/31                          | \$ 1,076,730        |
| 2,000                                      | Novi Building Authority, (FSA), Prerefunded to 10/1/10, 5.50%, 10/1/25                         | 2,129,260           |
|  |  | <b>\$ 3,205,990</b> |
| <b>Insured-General Obligations 9.1%</b>    |  |                     |
| \$ 650                                     | Detroit City School District, (FGIC), 4.75%, 5/1/28  | \$ 591,389          |
| 300  | Detroit City School District, (FSA), 5.25%, 5/1/32   | 294,519             |
| 200  | Eaton Rapids Public Schools, (NPPFG), 4.75%, 5/1/25  | 200,106             |
| 100  | Lincoln Consolidated School District, (FSA), 5.00%, 5/1/10                                     | 103,018             |
| 1,250                                      | Van Dyke Public Schools, (FSA), 5.00%, 5/1/38  | 1,261,300           |
|  |  | <b>\$ 2,450,332</b> |
| <b>Insured-Hospital 6.9%</b>               |  |                     |
| \$ 985                                     | Royal Oak Hospital Finance Authority, (William Beaumont Hospital), (NPPFG),<br>5.25%, 11/15/35 | \$ 881,979          |
| 1,000                                      | Saginaw Hospital Finance Authority, (Covenant Medical Center), (NPPFG),<br>5.50%, 7/1/24       | 989,930             |
|  |  | <b>\$ 1,871,909</b> |

**Insured-Lease Revenue/Certificates of Participation 5.1%**

|    |       |  |           |                  |
|----|-------|--|-----------|------------------|
| \$ | 1,000 | Michigan Building Authority, (FGIC), (FSA), 0.00%, 10/15/29  | \$        | 285,920          |
|    | 4,300 | Michigan Building Authority, (FGIC), (NPFG), 0.00%, 10/15/30 |           | 1,094,092        |
|    |       |  | <b>\$</b> | <b>1,380,012</b> |

**Insured-Special Tax Revenue 11.5%**

|    |       |  |           |                  |
|----|-------|--|-----------|------------------|
| \$ | 5,160 | Puerto Rico Sales Tax Financing Corp., (AMBAC), 0.00%, 8/1/54                              | \$        | 283,645          |
|    | 2,030 | Puerto Rico Sales Tax Financing Corp., (NPFG), 0.00%, 8/1/44                               |           | 231,339          |
|    | 2,430 | Puerto Rico Sales Tax Financing Corp., (NPFG), 0.00%, 8/1/45                               |           | 259,403          |
|    | 1,470 | Puerto Rico Sales Tax Financing Corp., (NPFG), 0.00%, 8/1/46                               |           | 146,500          |
|    | 2,250 | Wayne Charter County, (Airport Hotel-Detroit Metropolitan Airport), (NPFG), 5.00%, 12/1/30 |           | 2,192,355        |
|    |       |  | <b>\$</b> | <b>3,113,242</b> |

**Insured-Student Loan 6.7%**

|    |       |   |           |                  |
|----|-------|---|-----------|------------------|
| \$ | 1,000 | Michigan Higher Education Student Loan Authority, (AMBAC), (AMT), 5.00%, 3/1/31 | \$        | 857,470          |
|    | 1,000 | Michigan Higher Education Student Loan Authority, (AMBAC), (AMT), 5.50%, 6/1/25 |           | 959,240          |
|    |       |   | <b>\$</b> | <b>1,816,710</b> |

**Insured-Transportation 4.3%**

|    |       |   |           |                  |
|----|-------|---|-----------|------------------|
| \$ | 1,000 | Wayne Charter County Airport, (AGC), (AMT), 5.375%, 12/1/32 | \$        | 895,620          |
|    | 300   | Wayne Charter County Airport, (NPFG), (AMT), 5.00%, 12/1/28 |           | 257,721          |
|    |       |   | <b>\$</b> | <b>1,153,341</b> |

**Insured-Water and Sewer 7.5%**

|    |       |  |           |                  |
|----|-------|--|-----------|------------------|
| \$ | 1,650 | Detroit Water Supply System, (FGIC), (NPFG), 5.00%, 7/1/30 | \$        | 1,510,080        |
|    | 500   | Grand Rapids Water Supply System, (AGC), 5.10%, 1/1/39     |           | 508,510          |
|    |       |  | <b>\$</b> | <b>2,018,590</b> |



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| <b>Principal Amount (000 s omitted)</b>                                  | <b>Security</b>   | <b>Value</b>           |
|--|---|------------------------|
| <b>Lease Revenue/Certificates of Participation 0.9%</b>                  |   |                        |
| \$ 250   | Puerto Rico, (Guaynabo Municipal Government Center Lease), 5.625%, 7/1/22               | \$ 250,108             |
|  |   | <b>\$ 250,108</b>      |
| <b>Other Revenue 1.4%</b>  |   |                        |
| \$ 500   | Michigan Tobacco Settlement Finance Authority, 6.00%, 6/1/48                            | \$ 385,170             |
|  |   | <b>\$ 385,170</b>      |
| <b>Special Tax Revenue 1.3%</b>  |   |                        |
| \$ 115   | Guam, Limited Obligation Bonds, 5.625%, 12/1/29   | \$ 115,122             |
| 125  | Guam, Limited Obligation Bonds, 5.75%, 12/1/34  | 126,144                |
| 110  | Virgin Islands Public Finance Authority, 6.75%, 10/1/37                                 | 112,295                |
|  |   | <b>\$ 353,561</b>      |
| <b>Water and Sewer 3.3%</b>  |   |                        |
| \$ 600   | Michigan Municipal Bond Authority, (Clean Water Revenue), 5.00%, 10/1/29                | \$ 625,566             |
| 250  | Michigan Municipal Bond Authority, (Clean Water Revenue), 5.25%, 10/1/11 <sup>(1)</sup> | 271,850                |
|  |   | <b>\$ 897,416</b>      |
| <b>Total Tax-Exempt Investments 161.4%</b>                               |   |                        |
| <b>(identified cost \$45,511,221)</b>                                    |   | <b>\$ 43,633,750</b>   |
| <b>Auction Preferred Shares Plus Cumulative Unpaid Dividends (64.7)%</b> |   | <b>\$ (17,501,164)</b> |
| <b>Other Assets, Less Liabilities 3.3%</b>                               |   | <b>\$ 903,713</b>      |
| <b>Net Assets Applicable to Common Shares 100.0%</b>                     |   | <b>\$ 27,036,299</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.

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
- FSA - Financial Security Assurance, Inc.
- 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, 2009, 45.1% 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 21.7% 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 August 31, 2009 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> |
|------------------------|----------------------|-----------------|-----------------------|--------------|------------------------------------|
| 12/09                  | 5 U.S. Treasury Bond | Short           | \$ (597,092)          | \$ (598,750) | \$ (1,658)                         |
| 12/09                  | 3 U.S. Treasury Note | Short           | (349,419)             | (351,656)    | (2,237)                            |
|                        |                      |                 |                       |              | <b>\$ (3,895)</b>                  |

**Interest Rate Swaps**

|   | <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> |
|---|------------------------|--|------------------------------------|---|------------------------------------|
| <b>Counterparty</b><br>Merrill Lynch Capital Services, Inc. | \$ 400,000             | 4.517%                                 | 3-month USD-LIBOR-BBA              | December 1, 2009 / December 1, 2039     | \$ (25,977)                        |

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, 2009, 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, 2009, the aggregate fair value of derivative instruments (not accounted for as hedging instruments under Financial Accounting Standards Board (FASB) Statement of Financial Accounting Standards No. 133) in a liability position and whose primary underlying risk exposure is interest rate risk was \$29,872.

The cost and unrealized appreciation (depreciation) of investments of the Trust at August 31, 2009, as determined on a federal income tax basis, were as follows:

|                                    |                       |
|------------------------------------|-----------------------|
| <b>Aggregate cost</b>              | <b>\$ 45,482,487</b>  |
| Gross unrealized appreciation      | \$ 1,416,987          |
| Gross unrealized depreciation      | (3,265,724)           |
| <b>Net unrealized depreciation</b> | <b>\$ (1,848,737)</b> |

FASB Statement of Financial Accounting Standards No. 157, Fair Value Measurements, 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)

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 August 31, 2009, the inputs used in valuing the Trust's investments, which are carried at value, were as follows:

| <b>Asset Description</b>     | <b>Quoted<br/>Prices in<br/>Active<br/>Markets<br/>for<br/>Identical<br/>Assets<br/><br/>(Level 1)</b> | <b>Significant<br/>Other<br/>Observable<br/>Inputs<br/><br/>(Level 2)</b> | <b>Significant<br/>Unobservable<br/>Inputs<br/><br/>(Level 3)</b> | <b>Total</b>         |
|------------------------------|--|---|---|----------------------|
| Tax-Exempt Investments       | \$   | \$ 43,633,750   | \$  | \$ 43,633,750        |
| <b>Total Investments</b>     | <b>\$</b>  | <b>\$ 43,633,750</b>  | <b>\$</b>   | <b>\$ 43,633,750</b> |
| <b>Liability Description</b> |  |   |   |                      |
| Futures Contracts            | \$ (3,895)   | \$  | \$  | \$ (3,895)           |
| Interest Rate Swaps          |  | (25,977)  |   | (25,977)             |
| <b>Total</b>                 | <b>\$ (3,895)</b>  | <b>\$ (25,977)</b>  | <b>\$</b>   | <b>\$ (29,872)</b>   |

The Trust held no investments or other financial instruments as of November 30, 2008 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: October 26, 2009

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 26, 2009

By: /s/ Barbara E. Campbell

Barbara E. Campbell  
Treasurer

Date: October 26, 2009