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EATON VANCE MUNICIPAL INCOME TRUST  
Form N-CSR  
January 31, 2005

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

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED  
MANAGEMENT INVESTMENT COMPANIES

Investment Company Act File Number: 811-09141  
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Eaton Vance Municipal Income Trust  
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(Exact Name of registrant as Specified in Charter)

The Eaton Vance Building, 255 State Street, Boston, Massachusetts 02109  
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(Address of Principal Executive Offices)

Alan R. Dynner

The Eaton Vance Building, 255 State Street, Boston, Massachusetts 02109  
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(Name and Address of Agent for Services)

(617) 482-8260  
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(registrant's Telephone Number)

November 30  
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Date of Fiscal Year End

November 30, 2004  
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Date of Reporting Period

ITEM 1. REPORTS TO STOCKHOLDERS

[EV LOGO]

[GRAPHIC IMAGE]

ANNUAL REPORT NOVEMBER 30, 2004

[GRAPHIC IMAGE]

EATON VANCE MUNICIPAL INCOME TRUST

[GRAPHIC IMAGE]

PRIVACY NOTICE

## Edgar Filing: EATON VANCE MUNICIPAL INCOME TRUST - Form N-CSR

The Eaton Vance organization is committed to ensuring your financial privacy. Each of the financial institutions identified below has in effect the following policy ("Privacy Policy") with respect to nonpublic personal information about its customers:

- Only such information received from you, through application forms or otherwise, and information about your Eaton Vance fund transactions will be collected. This may include information such as name, address, social security, tax status, account balances and transactions.
- None of such information about you (or former customers) will be disclosed to anyone, except as permitted by law (which includes disclosure to employees necessary to service your account). In the normal course of servicing a customer's account, Eaton Vance may share information with unaffiliated third parties that perform various required services such as transfer agents, custodians and broker/dealers.
- Policies and procedures (including physical, electronic and procedural safeguards) are in place that are designed to protect the confidentiality of such information.
- We reserve the right to change our Privacy Policy at any time upon proper notification to you. Customers may want to review our Policy periodically for changes by accessing the link on our homepage: [www.eatonvance.com](http://www.eatonvance.com).

Our pledge of privacy applies to the following entities within the Eaton Vance organization: the Eaton Vance Family of Funds, Eaton Vance Management, Eaton Vance Investment Counsel, Boston Management and Research, and Eaton Vance Distributors, Inc.

In addition, our Privacy Policy only applies to those Eaton Vance customers who are individuals and who have a direct relationship with us. If a customer's account (i.e., fund shares) is held in the name of a third-party financial adviser/broker-dealer, it is likely that only such adviser's privacy policies apply to the customer. This notice supersedes all previously issued privacy disclosures.

For more information about Eaton Vance's Privacy Policy, please call 1-800-262-1122.

### IMPORTANT NOTICE REGARDING DELIVERY OF SHAREHOLDER DOCUMENTS

The Securities and Exchange Commission permits funds to deliver only one copy of shareholder documents, including prospectuses, proxy statements and shareholder reports, to fund investors with multiple accounts at the same residential or post office box address. This practice is often called "householding" and it helps eliminate duplicate mailings to shareholders.

EATON VANCE, OR YOUR FINANCIAL ADVISER, MAY HOUSEHOLD THE MAILING OF YOUR DOCUMENTS INDEFINITELY UNLESS YOU INSTRUCT EATON VANCE, OR YOUR FINANCIAL ADVISER, OTHERWISE.

If you would prefer that your Eaton Vance documents not be househanded, please contact Eaton Vance at 1-800-262-1122, or contact your financial adviser.

Your instructions that householding not apply to delivery of your Eaton Vance documents will be effective within 30 days of receipt by Eaton Vance or your financial adviser.

The Fund will file a schedule of its portfolio holdings on Form N-Q with the

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Securities and Exchange Commission (the "SEC") for the first and third quarters of each fiscal year. The Fund's Form N-Q will be available on the Eaton Vance website [www.eatonvance.com](http://www.eatonvance.com), by calling Eaton Vance at 1-800-262-1122 or in the EDGAR database on the SEC's website at [www.sec.gov](http://www.sec.gov). Form N-Q may also be reviewed and copied at the SEC's public reference room in Washington, D.C. (call 1-800-732-0330 for information on the operation of the public reference room).

From time to time, funds are required to vote proxies related to the securities held by the funds. The Eaton Vance Funds or their underlying Portfolios vote proxies according to a set of policies and procedures approved by the Funds' and Portfolios' Boards. You may obtain a description of these policies and procedures and information on how the Fund or Portfolio voted proxies relating to portfolio securities during the 12 month period ended June 30 without charge, upon request, by calling 1-800-262-1122. This description is also available on the Securities and Exchange Commission's website at <http://www.sec.gov>.

EATON VANCE MUNICIPAL INCOME TRUST as of November 30, 2004  
LETTER TO SHAREHOLDERS

[PHOTO OF THOMAS J. FETTER]

Thomas J. Fetter  
President

The municipal bond market is a center of capital formation for states, municipalities and, in some cases, private economic initiatives. In this edition of our continuing educational series, we will discuss industrial development revenue (IDR) bonds. IDR bonds have long been used as a financing mechanism by local governments to provide assistance to local employers and encourage job retention and creation within their communities.

IDR BONDS FINANCE PRIVATE ACTIVITIES THAT BENEFIT THE PUBLIC...

IDR bonds are issued by municipal authorities to finance projects and facilities used by private corporations. Historically, IDR bonds have represented a partnership between the private and public sectors - a source of dedicated funding for companies and a source of job creation in projects beneficial to local communities. The "Private-Activities" provision of the Tax Reform Act of 1986 permits issuance of tax-exempt bonds for specific activities, including pollution control; gas and electric service; water distribution; wastewater systems; solid waste disposal; airports and selected transportation projects; and other industrial projects.

The Act also placed a cap on the dollar amount that may be raised for IDR bonds in each state, limiting the amount to \$50 per person/per state/per year, with a \$150 million maximum. These limitations provide protection against potential abuse and ensure that tax-exempt IDR bonds will indeed be issued for projects that will benefit the public.

IDR BONDS FINANCE UTILITY-RELATED PROJECTS AND OTHER INDUSTRIAL INITIATIVES...

Typically, IDR bond projects provide financing for manufacturing, processing or utility facilities. Historically, about one-half of these bonds have been issued to finance pollution control facilities for manufacturers and electric utilities. As many utilities and manufacturers have been ordered to comply with stricter environmental and fuel standards, pollution control bonds have helped finance the retrofits of existing plants. Other IDR bonds have served as inducements from state and local issuers to locate plants or build new facilities, in the hope that such construction might generate further economic growth for a community.

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IDR BONDS ARE SECURED BY CORPORATE REVENUES - NOT THOSE OF STATE OR LOCAL GOVERNMENTS...

IDR bond issues are secured by the credit of the underlying corporation. The municipal issuing authority acts solely as a conduit to permit tax-exempt financing. The corporation pledges to make payments sufficient to meet all debt service obligations. Unlike some revenue issues, IDR bonds are backed by revenues of the entire corporation, not solely by those of the project being financed.

Because IDR bonds are backed by corporate revenues and not by the taxing authority of a state or local jurisdiction, they have historically provided coupon premiums above those of general obligations and other more traditional revenue bonds. Bonds may be either collateralized or unsecured. Collateralized bonds have a lien against the company's assets, which may provide bond holders enhanced bargaining power in the event of a bankruptcy. Unsecured bonds have no such lien.

WHILE PROVIDING NEW OPPORTUNITIES, IDR BONDS REQUIRE RIGOROUS ANALYSIS...

While IDR bonds may provide unusual investment opportunities, they also may entail increased risk, and therefore, demand especially intensive analysis. At Eaton Vance, we have credit analysts and resources dedicated to IDR bond research.

IDR bonds represent a key segment of the municipal bond market and should remain an important source of capital formation. In our view, the experience and resources needed to evaluate these issues further demonstrates the value of professional management. We will continue to look for opportunities in this sector of the municipal market.

Sincerely,

/s/ Thomas J. Fetter  
Thomas J. Fetter  
President  
January 12, 2005

SHARES OF THE FUNDS ARE NOT INSURED BY THE FDIC AND ARE NOT DEPOSITS OR OTHER OBLIGATIONS OF, OR GUARANTEED BY, ANY DEPOSITORY INSTITUTION. SHARES ARE SUBJECT TO INVESTMENT RISKS, INCLUDING POSSIBLE LOSS OF PRINCIPAL INVESTED. YIELDS WILL VARY.

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EATON VANCE MUNICIPAL INCOME TRUST as of November 30, 2004  
MANAGEMENT'S DISCUSSION OF FUND PERFORMANCE

[PHOTO OF THOMAS M. METZOLD]

Thomas M. Metzold  
Co-Manager

[PHOTO OF WILLIAM H. AHERN]

William H. Ahern  
Co-Manager

THE TRUST

PERFORMANCE FOR THE PAST YEAR

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- Based on share price (traded on the New York Stock Exchange), the Trust had a total return of 12.54% for the year ended November 30, 2004. That return was the result of an increase in share price from \$15.55 on November 30, 2003, to \$16.15 on November 30, 2004, and the reinvestment of \$1.19 per share in regular monthly dividends.(1)
- Based on net asset value, the Trust had a total return of 7.28% for the year ended November 30, 2004. That return was the result of a decrease in net asset value per share from \$14.09 on November 30, 2003, to \$13.95 on November 30, 2004, and the reinvestment of \$1.19 per share in regular monthly dividends.
- Based on the last dividend of the fiscal year and a share price of \$16.15, the Trust had a market yield of 7.37% at November 30, 2004.(2) The Trust's market yield is equivalent to a taxable yield of 11.34%.(3)

### MANAGEMENT DISCUSSION

- The expansion of the U.S. economy continued throughout the year ended November 30, 2004, bolstered by a stronger-than-expected third quarter GDP and the brighter employment picture that emerged at the end of the fiscal year. One key economic factor during the period, however, was the surge in gasoline and energy prices, which raised fears that inflation could re-emerge. Amid those concerns, the Federal Reserve Bank increased its benchmark Federal Funds interest rate four times between June and November of 2004.
  - Following a strong rally in the first half of the year, the municipal bond market lost some momentum in the second half, as inflation remained a concern for fixed-income investors. For the year ended November 30, 2004, the Lehman Brothers Municipal Bond Index had a total return of 4.07%.(4)
  - We are pleased to announce that, as of September 13, 2004, William H. Ahern has joined the Trust's management team. Mr. Ahern joined Eaton Vance in 1989 as an analyst in the fixed-income department and was named a Portfolio Manager in 1993. He serves as Portfolio Manager of 10 Eaton Vance tax-exempt mutual funds, closed-end funds for eight states, as well as several other Eaton Vance funds.
  - Insured\* transportation bonds constituted the Trust's largest sector weighting at November 30, 2004. These issues have financed key projects within the nation's air and highway transportation infrastructure. The Trust's holdings included issues that financed projects for the Dallas-Fort Worth, Texas, International Airport and for the Las Vegas, Nevada, monorail system.
  - Hospital bonds were prominent holdings in the Trust. Given stricter Medicare reimbursements and intense industry competition, management focused on institutions we believe have sound financial structures and good management and are well-positioned in their local markets.
  - At November 30, 2004, the Trust had leverage in the amount of approximately 36% of the Trust's total assets. The Trust is leveraged through the issuance of preferred shares. Use of financial leverage creates an opportunity for increased income, but, at the same time, creates special risks (including the likelihood of greater volatility of net asset value and market price of common shares).
- \* Private insurance does not remove the risk of loss of principal associated with insured investments.

THE VIEWS EXPRESSED THROUGHOUT THIS REPORT ARE THOSE OF THE PORTFOLIO MANAGERS AND ARE CURRENT ONLY THROUGH THE END OF THE PERIOD OF THE REPORT AS STATED ON THE COVER. THESE VIEWS ARE SUBJECT TO CHANGE AT ANY TIME BASED

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UPON MARKET OR OTHER CONDITIONS, AND THE INVESTMENT ADVISER DISCLAIMS ANY RESPONSIBILITY TO UPDATE SUCH VIEWS. THESE VIEWS MAY NOT BE RELIED ON AS INVESTMENT ADVICE AND, BECAUSE INVESTMENT DECISIONS ARE BASED ON MANY FACTORS, MAY NOT BE RELIED ON AS AN INDICATION OF TRADING INTENT ON BEHALF OF ANY EATON VANCE FUND.

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- (1) A portion of the Trust's income may be subject to federal income tax and/or federal alternative minimum tax. Income may be subject to state tax.
  - (2) The Trust's market yield is calculated by dividing the most recent dividend per share by the share price at the end of the period and annualizing the result.
  - (3) Taxable-equivalent yield assumes maximum 35.0% federal income tax rate. A lower rate would result in a lower tax-equivalent figure.
  - (4) It is not possible to invest directly in an Index. The Index's total return does not reflect the commissions or expenses that would have been incurred if an investor individually purchased or sold the securities represented in the Index.

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EATON VANCE MUNICIPAL INCOME TRUST as of November 30, 2004  
PERFORMANCE

TRUST INFORMATION  
as of November 30, 2004

PERFORMANCE\*

Average Annual Total Returns (by share price, New York Stock Exchange)

One Year	12.54%
Life of Trust (1/29/99)	8.64%

Average Annual Total Returns (by net asset value)

One Year	7.28%
Life of Trust (1/29/99)	5.95%

\* Performance results reflect the effect of leverage resulting from the Trust's issuance of Auction Preferred Shares.

PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS. RETURNS ARE HISTORICAL AND ARE CALCULATED BY DETERMINING THE PERCENTAGE CHANGE IN SHARE PRICE OR NET ASSET VALUE (AS APPLICABLE) WITH ALL DISTRIBUTIONS REINVESTED. INVESTMENT RETURN AND MARKET PRICE WILL FLUCTUATE SO THAT SHARES, WHEN SOLD, MAY BE WORTH MORE OR LESS THAN THEIR ORIGINAL COST. PERFORMANCE IS FOR THE STATED TIME PERIOD ONLY; DUE TO MARKET VOLATILITY, CURRENT PERFORMANCE MAY BE LOWER OR HIGHER THAN QUOTED.

RATING DISTRIBUTION\*\*

[PIE CHART]

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AAA	39.1%
AA	6.8%
A	8.1%
BBB	17.1%
BB	1.3%
B	1.3%
CCC	1.4%
CC	0.4%
Non-Rated	24.5%

\*\*RATING DISTRIBUTION SUBJECT TO CHANGE DUE TO ACTIVE MANAGEMENT.

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EATON VANCE MUNICIPAL INCOME TRUST as of November 30, 2004  
PORTFOLIO OF INVESTMENTS

TAX-EXEMPT INVESTMENTS -- 152.0%

PRINCIPAL AMOUNT  
(000'S OMITTED)                      SECURITY

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COGENERATION -- 1.3%

\$	2,950	Maryland Energy Cogeneration, (AES Warrior Run), (AMT), 7.40%, 9/1/19
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EDUCATION -- 2.6%

\$	2,250	California Educational Facilities Authority, Stanford University, Residual Certificates, Variable Rate, 14.67%, 12/1/32(1)(2)
	3,430	Massachusetts Development Finance Agency, (Boston University), 5.45%, 5/15/59

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ELECTRIC UTILITIES -- 9.0%

\$	6,500	Brazos River Authority, TX, (Reliant Energy, Inc.), 7.75%, 12/1/18
	2,000	Brazos River Authority, TX, PCR (Texas Energy Co.), (AMT), 6.75%, 4/1/38
	3,550	Mississippi Business Finance Corp., (System Energy Resources, Inc.), 5.90%, 5/1/22
	7,250	North Carolina Municipal Power Agency, (Catawba), 6.50%, 1/1/20

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ESCROWED / PREREFUNDED -- 8.8%

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\$	5,000	Bakersfield, CA, (Bakersfield Assisted Living Center), Escrowed to Maturity, 0.00%, 4/15/21
	35,000	Dawson Ridge, CO, Metropolitan District #1, Escrowed to Maturity, 0.00%, 10/1/22
	95	Delaware County, PA, IDA, (Glen Riddle), Escrowed to Maturity, (AMT), 8.125%, 9/1/05
	2,000	Delaware County, PA, IDA, (Glen Riddle), Prerefunded to 9/1/05, (AMT), 8.625%, 9/1/25
	1,725	Maricopa County, AZ, IDA, (Place Five and The Greenery), Escrowed to Maturity, 8.625%, 1/1/27

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GENERAL OBLIGATIONS -- 6.8%

\$	1,500	California, 5.25%, 11/1/29
	4,950	California, 5.50%, 11/1/33
	2,000	Kershaw County, SC, School District, 5.00%, 2/1/18(3)
	1,200	New York, NY, Variable Rate, 11.535%, 6/1/28(1)(2)
	5,000	Puerto Rico, Variable Rate, 9.023%, 7/1/29(2)(4)

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HEALTH CARE-MISCELLANEOUS -- 1.2%

\$	608	Tax Exempt Securities Trust, Community Health Provider, Pooled Loan Program, 6.00%, 12/1/36
	1,605	Tax Exempt Securities Trust, Community Health Provider, Pooled Loan Program, 6.25%, 12/1/36
	609	Tax Exempt Securities Trust, Community Health Provider, Pooled Loan Program, 7.75%, 12/1/36

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HOSPITAL -- 21.0%

\$	2,500	California Health Facilities Authority, (Cedars Sinai Medical Center), Variable Rate, 10.372%, 12/1/34(2)(4)
	895	Chautauqua County, NY, IDA, (Women's Christian Association), 6.35%, 11/15/17
	975	Chautauqua County, NY, IDA, (Women's Christian Association), 6.40%, 11/15/29
	1,000	Halifax, FL, Medical Center, 7.25%, 10/1/24
	6,000	Henderson, NV, Health Care Facility, 5.625%, 7/1/24
	2,725	Highland County, OH, (Joint Township Hospital District), 6.75%, 12/1/29
	5,000	Illinois Health Facility Authority, (Loyola University Health System), 6.00%, 7/1/21
	2,575	Louisiana Public Facilities Authority, (Tuoro Infirmary), 5.625%, 8/15/29
	2,000	Martin County, MN, (Fairmont Community Hospital Association), 6.625%, 9/1/22
	1,150	Mecosta County, MI, General Hospital, 5.75%, 5/15/09
	2,500	Mecosta County, MI, General Hospital, 6.00%, 5/15/18
	4,260	New Jersey Health Care Facilities Financing Authority, (Capital Health System), 5.25%, 7/1/27
	1,500	New Jersey Health Care Facilities Financing Authority, (Trinitas Hospital), 7.50%, 7/1/30



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5,000	North Central, TX, Health Facility Development Corp., (Baylor Healthcare System), 5.125%, 5/15/29
1,470	Oneonta, AL, Eastern Health Care Facility Financing Authority, (Eastern Health Systems, Inc.), 7.75%, 7/1/21
7,000	Rhode Island HEFA, (St. Joseph Health Services), 5.50%, 10/1/29
2,425	Southwestern Illinois, Development Authority, (Anderson Hospital), 5.625%, 8/15/29

HOUSING -- 13.2%

\$	990	California Statewide Communities Development Authority, (AMT), Variable Rate, 33.556%, 12/1/34(2)(4)
	4,000	Charter Mac Equity Trust, TN, 6.00%, 4/30/19
	4,000	Charter Mac Equity Trust, TN, (AMT), 6.625%, 6/30/09

See notes to financial statements

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PRINCIPAL AMOUNT (000'S OMITTED)	SECURITY
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HOUSING (CONTINUED)

\$	3,185	Florida Capital Projects Finance Authority, Student Housing Revenue, (Florida University), 7.75%, 8/15/20
	880	Lake Creek, CO, Affordable Housing Corp., Multifamily, 7.00%, 12/1/23
	4,460	Louisiana Public Facilities Authority, (Eden Point), 6.25%, 3/1/34
	4,000	Muni Mae Tax-Exempt Bond, LLC, (AMT), 6.875%, 6/30/09
	3,080	North Little Rock, AR, Residential Housing Facilities, (Parkstone Place), 6.50%, 8/1/21
	3,550	Oregon Health Authority, (Trillium Affordable Housing), (AMT), 6.75%, 2/15/29
	970	Raleigh, NC, Housing Authority, Multifamily, (Cedar Point), 7.00%, 11/1/30(5)
	3,300	Texas Student Housing Corp., (University of Northern Texas), 6.75%, 7/1/16

INDUSTRIAL DEVELOPMENT REVENUE -- 7.2%

\$	1,870	ABIA Development Corp., TX, (Austin Cargoport Development), (AMT), 6.50%, 10/1/24
	1,772	Broward County, FL, IDR, (Lynxs Cargoport), (AMT), 6.75%, 6/1/19
	2,500	Gulf Coast, TX, Waste Disposal Authority, (Valero Energy Corp.) (AMT), 5.70%, 4/1/32
	2,000	Kenton County, KY, Airport, (Delta Airlines), (AMT),

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7.125%, 2/1/21  
 6,000 New Jersey EDA, (Continental Airlines), (AMT),  
 6.25%, 9/15/29  
 3,500 New York City, NY, IDA, (American Airlines, Inc.), (AMT),  
 8.50%, 8/1/28  
 2,950 Phoenix, AZ, IDA, (America West Airlines, Inc.), (AMT),  
 6.25%, 6/1/19

INSURED-EDUCATION -- 1.3%

\$ 3,000 Massachusetts HEFA, (Berklee College of Music), (MBIA),  
 Variable Rate, 8.30%, 10/1/27(2)(4)

INSURED-ELECTRIC UTILITIES -- 0.7%

\$ 100 Los Angeles, CA, Department of Water and Power, (MBIA),  
 Variable Rate, 458.187%, 2/15/30(1)(2)  
 1,350 Wamego, KS, PCR, (MBIA), 5.30%, 6/1/31

INSURED-ESCROWED / PREREFUNDED -- 1.8%

\$ 4,250 Metropolitan Transportation Authority of New York,  
 Escrowed to Maturity, (FGIC), 4.75%, 7/1/26

INSURED-GENERAL OBLIGATIONS -- 13.0%

\$ 3,500 California, (FGIC), Variable Rate, 11.925%, 9/1/30(1)(2)  
 500 California, (FGIC), Variable Rate, 88.267%, 12/1/29(1)(2)  
 2,000 Chicago, IL, (MBIA), 5.00%, 1/1/41  
 30,160 Chicago, IL, Board of Education, (FGIC), 0.00%, 12/1/22  
 13,000 Illinois Development Finance Authority, (Local Government  
 Program-Elgin School District-U46), (FSA), 0.00%, 1/1/20  
 4,000 Puerto Rico, (FSA), Variable Rate, 12.446%, 7/1/27(1)(2)

INSURED-HOSPITAL -- 8.9%

\$ 19,705 Kentucky EDA, (Norton Healthcare, Inc.), (MBIA),  
 0.00%, 10/1/25  
 22,770 Kentucky EDA, (Norton Healthcare, Inc.), (MBIA),  
 0.00%, 10/1/26  
 10,000 Kentucky EDA, (Norton Healthcare, Inc.), (MBIA),  
 0.00%, 10/1/27  
 4,000 New Jersey Health Care Facilities Financing Authority,  
 (St. Barnabas Medical Center), (MBIA), Variable Rate,  
 10.448%, 7/1/28(1)(2)

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INSURED-TRANSPORTATION -- 23.1%

\$	3,500	Chicago, IL, O'Hare International Airport, (AMBAC), (AMT), 5.375%, 1/1/32
	2,500	Dallas-Fort Worth, TX, International Airport, (FGIC), (AMT), 5.50%, 11/1/20
	4,930	Dallas-Fort Worth, TX, International Airport, (FGIC), (AMT), 5.75%, 11/1/30
	4,500	Dallas-Fort Worth, TX, International Airport, (FGIC), (AMT), 6.125%, 11/1/35
	4,000	Massachusetts Turnpike Authority, Metropolitan Highway System, (MBIA), 5.00%, 1/1/37
	2,400	Massachusetts Turnpike Authority, Metropolitan Highway System, (MBIA), Variable Rate, 11.257%, 1/1/37(1)(2)
	3,500	Miami-Dade County, FL, International Airport, (FGIC), 5.00%, 10/1/37
	7,500	Minneapolis and St. Paul, MN, Metropolitan Airport Commission, (FGIC), 5.25%, 1/1/32
	5,500	Nevada Department of Business and Industry, (Las Vegas Monorail-1st Tier), (AMBAC), 5.375%, 1/1/40
	2,000	Puerto Rico Highway and Transportation Authority, (FSA), Variable Rate, 11.175%, 7/1/32(1)(2)

See notes to financial statements

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PRINCIPAL AMOUNT  
(000'S OMITTED) SECURITY

INSURED-TRANSPORTATION (CONTINUED)

\$	7,000	San Antonio, TX, Airport System, (Improvements), (FGIC), (AMT), 5.25%, 7/1/21
	1,500	South Carolina Transportation Infrastructure, (AMBAC), 5.00%, 10/1/33
	9,000	Texas Turnpike Authority, (Central Texas Turnpike System), (AMBAC), 0.00%, 8/15/21

INSURED-WATER AND SEWER -- 0.3%

\$	700	Jupiter, FL, (AMBAC), 4.75%, 10/1/33
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LEASE REVENUE / CERTIFICATES OF PARTICIPATION -- 1.9%

\$	1,000	New Jersey EDA, (School Facilities), 5.00%, 6/15/26
	3,340	New Jersey EDA, (School Facilities), Variable Rate, 11.995%, 6/15/28(1)(2)

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NURSING HOME -- 3.5%

\$	3,445	Ohio HFA, Retirement Rental Housing, (Encore Retirement Partners), 6.75%, 3/1/19
	750	Okaloosa County, FL, Retirement Rental Housing, (Encore Retirement Partners), 6.125%, 2/1/14
	2,000	Orange County, FL, Health Facilities Authority, (Westminster Community Care), 6.75%, 4/1/34
	767	Tarrant County, TX, Health Facilities Authority, 8.00%, 9/1/25(5)
	1,154	Tarrant County, TX, Health Facilities Authority, (3927 Foundation), 10.25%, 9/1/19(5)
	2,920	Wisconsin HEFA, (Wisconsin Illinois Senior Housing), 7.00%, 8/1/29

OTHER REVENUE -- 14.2%

\$	4,000	California Statewide Communities Development Authority, (East Valley Tourist Development Authority), 8.25%, 10/1/14
	3,000	Capital Trust Agency, FL, (Seminole Tribe Convention), 8.95%, 10/1/33
	4,000	Capital Trust Agency, FL, (Seminole Tribe Convention), 10.00%, 10/1/33
\$	3,160	Golden Tobacco Securitization Corp., CA, 6.75%, 6/1/39
	2,900	Golden Tobacco Securitization Corp., CA, Variable Rate, 9.243%, 6/1/38(2)(4)
	1,500	Mohegan Tribe Indians, CT, Gaming Authority, (Public Improvements), 6.25%, 1/1/21
	3,900	Puerto Rico Infrastructure Financing Authority, Variable Rate, 19.305%, 10/1/32(1)(2)(3)
	3,300	Santa Fe, NM, (Crow Hobbs), 8.50%, 9/1/16
	1,290	Tobacco Settlement Financing Corp., NJ, 6.75%, 6/1/39
	3,000	Tobacco Settlement Financing Corp., NJ, Variable Rate, 12.022%, 6/1/39(2)(4)

POOLED LOANS -- 0.4%

\$	895	Virginia Resources Authority, (Virginia Pooled Financing Program), 4.50%, 11/1/35
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SENIOR LIVING / LIFE CARE -- 2.5%

\$	1,960	Cliff House Trust, PA, (AMT), 6.625%, 6/1/27
	3,240	Logan County, CO, Industrial Development Revenue, (TLC Care Choices, Inc.), 6.875%, 12/1/23
	1,400	Mesquite, TX, Health Facilities Authority, (Christian Retirement Facility), 7.625%, 2/15/28

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SPECIAL TAX REVENUE -- 5.1%

\$	3,280	Bell Mountain Ranch, CO, Metropolitan District, 6.625%, 11/15/25
	3,570	Black Hawk, CO, Business Improvement District, 6.50%, 12/1/11
	395	Longleaf, FL, Community Development District, 6.20%, 5/1/09
	1,720	Longleaf, FL, Community Development District, 6.65%, 5/1/20
	1,150	New Jersey EDA, (Cigarette Tax), 5.50%, 6/15/24
	2,115	New Jersey EDA, (Cigarette Tax), 5.75%, 6/15/29

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See notes to financial statements

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PRINCIPAL AMOUNT  
(000'S OMITTED)                      SECURITY

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TRANSPORTATION -- 4.2%

\$	3,750	Kent County, MI, Airport Facility, Variable Rate, 8.01%, 1/1/25(2)(4)
	6,000	Port Authority of New York and New Jersey, 5.25%, 7/15/34

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TOTAL TAX-EXEMPT INVESTMENTS -- 152.0%  
(IDENTIFIED COST \$342,420,664)

OTHER ASSETS, LESS LIABILITIES -- 3.5%

AUCTION PREFERRED SHARES PLUS CUMULATIVE  
UNPAID DIVIDENDS -- (55.5)%

NET ASSETS APPLICABLE TO COMMON  
SHARES -- 100.0%

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.

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FGIC - Financial Guaranty Insurance Company

FSA - Financial Security Assurance, Inc.

MBIA - Municipal Bond Insurance Association

At November 30, 2004, the concentration of the Trust's investments in the various states, determined as a percentage of net assets, is as follows:

California	13.3%
Colorado	10.5%
Illinois	13.4%
New Jersey	11.3%
Texas	20.0%
Others, representing less than 10% individually	83.5%

The Trust invests primarily in debt securities issued by 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 November 30, 2004, 32.3% of the securities in the portfolio of 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 3.7% to 14.8% of total investments.

- (1) Security has been issued as a leveraged inverse floater bond. The stated interest rate represents the rate in effect at November 30, 2004
- (2) 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 November 30, 2004, the aggregate value of the securities is \$54,614,807 or 23.1% of the Trust's net assets.
- (3) Security (or a portion thereof) has been segregated to cover margin requirements on open financial futures contracts.
- (4) Security has been issued as an inverse floater bond. The stated interest rate represents the rate in effect at November 30, 2004
- (5) Defaulted bond.

See notes to financial statements

EATON VANCE MUNICIPAL INCOME TRUST as of November 30, 2004  
FINANCIAL STATEMENTS

STATEMENT OF ASSETS AND LIABILITIES

AS OF NOVEMBER 30, 2004

ASSETS

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Investments, at value (identified cost, \$342,420,664)	\$	359,091,0
Cash		1,836,3
Receivable for investments sold		90,0
Interest receivable		7,104,7
Receivable for daily variation margin on open financial futures contracts		178,1
Prepaid expenses		100,5
<hr style="border-top: 1px dashed black;"/>		
TOTAL ASSETS	\$	368,400,8

### LIABILITIES

Payable for open swap contracts	\$	901,2
Payable to affiliate for Trustees' fees		1,8
Accrued expenses		112,2
<hr style="border-top: 1px dashed black;"/>		
TOTAL LIABILITIES	\$	1,015,3

AUCTION PREFERRED SHARES (5,240 SHARES OUTSTANDING) AT LIQUIDATION VALUE PLUS CUMULATIVE UNPAID DIVIDENDS		131,082,3
--	--	-----------

NET ASSETS APPLICABLE TO COMMON SHARES	\$	236,303,2
--	----	-----------

### SOURCES OF NET ASSETS

Common Shares, \$0.01 par value, unlimited number of shares authorized, 16,944,390 shares issued and outstanding	\$	169,4
Additional paid-in capital		250,726,0
Accumulated net realized loss (computed on the basis of identified cost)		(34,739,1
Accumulated undistributed net investment income		3,738,7
Net unrealized appreciation (computed on the basis of identified cost)		16,408,1
<hr style="border-top: 1px dashed black;"/>		
NET ASSETS APPLICABLE TO COMMON SHARES	\$	236,303,2

### NET ASSET VALUE PER COMMON SHARE

(\$236,303,224 DIVIDED BY 16,944,390 COMMON SHARES ISSUED AND OUTSTANDING)	\$	13.
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### STATEMENT OF OPERATIONS

FOR THE YEAR ENDED  
NOVEMBER 30, 2004

### INVESTMENT INCOME

Interest	\$	25,558,0
<hr style="border-top: 1px dashed black;"/>		
TOTAL INVESTMENT INCOME	\$	25,558,0

### EXPENSES

Investment adviser fee	\$	2,553,9
Administration fee		729,6
Trustees' fees and expenses		16,0

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Preferred shares remarketing agent fee		328,4
Transfer and dividend disbursing agent fees		241,4
Custodian fee		159,0
Legal and accounting services		60,6
Printing and postage		25,9
Miscellaneous		68,8
-----		
TOTAL EXPENSES	\$	4,183,9
-----		
Deduct --		
Reduction of custodian fee	\$	12,2
-----		
TOTAL EXPENSE REDUCTIONS	\$	12,2
-----		
NET EXPENSES	\$	4,171,7
-----		
NET INVESTMENT INCOME	\$	21,386,2
-----		
REALIZED AND UNREALIZED GAIN (LOSS)		
Net realized gain (loss) --		
Investment transactions (identified cost basis)	\$	1,802,9
Financial futures contracts		(4,468,1)
-----		
NET REALIZED LOSS	\$	(2,665,1)
-----		
Change in unrealized appreciation (depreciation) --		
Investments (identified cost basis)	\$	1,268,5
Financial futures contracts		26,4
Swap contracts		(901,2)
-----		
NET CHANGE IN UNREALIZED APPRECIATION (DEPRECIATION)	\$	393,7
-----		
NET REALIZED AND UNREALIZED LOSS	\$	(2,271,3)
-----		
DISTRIBUTIONS TO PREFERRED SHAREHOLDERS FROM INCOME	\$	(1,514,3)
-----		
NET INCREASE IN NET ASSETS FROM OPERATIONS	\$	17,600,4
-----		

See notes to financial statements

STATEMENTS OF CHANGES IN NET ASSETS

	YEAR ENDED NOVEMBER 30, 2004	YEAR END NOVEMBER
INCREASE (DECREASE) IN NET ASSETS		



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From operations --			
Net investment income	\$	21,386,249	\$
Net realized loss from investment transactions and financial futures contracts		(2,665,151)	
Net change in unrealized appreciation (depreciation) from investments, financial futures contracts and swap contracts		393,770	
Distributions to preferred shareholders from net investment income		(1,514,374)	
-----			
NET INCREASE IN NET ASSETS FROM OPERATIONS	\$	17,600,494	\$
-----			
Distributions to common shareholders --			
From net investment income	\$	(20,069,386)	\$
-----			
TOTAL DISTRIBUTIONS TO COMMON SHAREHOLDERS	\$	(20,069,386)	\$
-----			
Capital share transactions --			
Reinvestment of distributions to common shareholders	\$	2,211,642	\$
-----			
NET INCREASE IN NET ASSETS FROM CAPITAL SHARE TRANSACTIONS	\$	2,211,642	\$
-----			
NET INCREASE (DECREASE) IN NET ASSETS	\$	(257,250)	\$
-----			
NET ASSETS APPLICABLE TO COMMON SHARES			
At beginning of year	\$	236,560,474	\$
-----			
AT END OF YEAR	\$	236,303,224	\$
-----			
ACCUMULATED UNDISTRIBUTED NET INVESTMENT INCOME INCLUDED IN NET ASSETS APPLICABLE TO COMMON SHARES			
AT END OF YEAR	\$	3,738,738	\$
-----			

See notes to financial statements

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FINANCIAL HIGHLIGHTS

SELECTED DATA FOR A COMMON SHARE OUTSTANDING DURING THE PERIODS STATED

YEAR ENDED

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	2004 (1)	2003 (1)	2002 (1)
Net asset value -- Beginning of year (Common shares)	\$ 14.090	\$ 13.020	\$ 12.000
INCOME (LOSS) FROM OPERATIONS			
Net investment income	\$ 1.268	\$ 1.269	\$ 1.269
Net realized and unrealized gain (loss)	(0.128)	1.026	1.026
Distribution to preferred shareholders from net investment income	(0.090)	(0.095)	(0.095)
TOTAL INCOME FROM OPERATIONS	\$ 1.050	\$ 2.200	\$ 2.200
LESS DISTRIBUTIONS TO COMMON SHAREHOLDERS			
From net investment income	\$ (1.190)	\$ (1.130)	\$ (1.130)
TOTAL DISTRIBUTIONS TO COMMON SHAREHOLDERS	\$ (1.190)	\$ (1.130)	\$ (1.130)
NET ASSET VALUE -- END OF YEAR (COMMON SHARES)	\$ 13.950	\$ 14.090	\$ 12.870
MARKET VALUE -- END OF YEAR (COMMON SHARES)	\$ 16.150	\$ 15.550	\$ 14.500
TOTAL RETURN(3)	12.54%	20.02%	17.50%

See notes to financial statements

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SELECTED DATA FOR A COMMON SHARE OUTSTANDING DURING THE PERIODS STATED

	YEAR END	
	2004 (1)	2003 (1)
RATIOS/SUPPLEMENTAL DATA+		
Net assets applicable to common shares, end of year (000's omitted)	\$ 236,303	\$ 236,560
Ratios (As a percentage of average net assets applicable to common shares):		
Expenses(4)	1.79%	1.80%
Expenses after custodian fee reduction(4)	1.78%	1.80%
Net investment income(4)	9.14%	9.37%
Portfolio Turnover	21%	30%
+ The ratios reported above are based on net assets applicable solely to common shares. The ratios based on net assets, including amounts related to preferred shares are as follows:		
Ratios (As a percentage of average total net assets):		
Expenses	1.15%	1.14%
Expenses after custodian fee reduction	1.14%	1.14%

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Net investment income	5.86%	5.93%
Senior Securities:		
Total preferred shares outstanding	5,240	5,240
Asset coverage per preferred share(5)	\$ 70,112	\$ 70,154
Involuntary liquidation preference per preferred share(6)	\$ 25,000	\$ 25,000
Approximate market value per preferred share(6)	\$ 25,000	\$ 25,000

- (1) Computed using average common shares outstanding.
- (2) The Trust has adopted the provisions of the revised AICPA AUDIT AND ACCOUNTING GUIDE FOR INVESTMENT COMPANIES and began using the interest method to amortize premiums on fixed-income securities. The effect of this change for the year ended November 30, 2002 was to increase net investment income per share by \$0.011, decrease net realized and unrealized gains per share by \$0.011, increase the ratio of net investment income to average net assets applicable to common shares from 9.61% to 9.69% and increase the ratio of net investment income to average total net assets from 5.96% to 6.01%. Per share data and ratios for the periods prior to December 1, 2001 have not been restated to reflect this change in presentation.
- (3) Returns are historical and are calculated by determining the percentage change in market value with all distributions reinvested. Total return is not computed on an annualized basis.
- (4) Ratios do not reflect the effect of dividend payments to preferred shareholders. Ratios to average net assets applicable to common shares reflect the Trust's leveraged capital structure.
- (5) Calculated by subtracting the Trust's total liabilities (not including the preferred shares) from the Trust's total assets, and dividing this by the number of preferred shares outstanding.
- (6) Plus accumulated and unpaid dividends.

See notes to financial statements

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EATON VANCE MUNICIPAL INCOME TRUST as of November 30, 2004  
NOTES TO FINANCIAL STATEMENTS

### 1 SIGNIFICANT ACCOUNTING POLICIES

Eaton Vance Municipal Income Trust (the Trust) is an entity commonly known as a Massachusetts business trust and is registered under the Investment Company Act of 1940 as a non-diversified, closed-end management investment company. The Trust was organized under the laws of the Commonwealth of Massachusetts by an Agreement and Declaration of Trust dated December 10, 1998. The Trust's investment objective is to provide current income exempt from regular federal income tax by investing primarily in investment grade municipal obligations.

The following is a summary of significant accounting policies consistently followed by the Trust in the preparation of its financial statements. The policies are in conformity with accounting principles generally accepted in the United States of America.

A INVESTMENT VALUATION -- Municipal bonds are normally valued on the basis of valuations furnished by a pricing service. Taxable obligations, if any, for which price quotations are readily available are normally valued at the mean

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between the latest bid and asked prices. Futures contracts and options on futures contracts listed on commodity exchanges are valued at closing settlement prices. Over-the-counter options on futures contracts are normally valued at the mean between the latest bid and asked prices. Interest rate swaps are normally valued on the basis of valuations furnished by a broker. Short-term obligations, maturing in sixty days or less, are valued at amortized cost, which approximates value. Investments for which valuations or market quotations are not readily available are valued at fair value using methods determined in good faith by or at the direction of the Trustees.

**B INVESTMENT TRANSACTIONS** -- Investment transactions are recorded on a trade date basis. Realized gains and losses from such transactions are determined using the specific identification method. Securities purchased or sold on a when-issued or delayed delivery basis may be settled a month or more after the transaction date. The securities so purchased are subject to market fluctuations during this period. To the extent that when-issued or delayed delivery purchases are outstanding, the Trust instructs the custodian to segregate assets in a separate account, with a current value at least equal to the amount of its purchase commitments.

**C INCOME** -- Interest income is determined on the basis of interest accrued, adjusted for amortization of premium or accretion of discount.

**D FEDERAL INCOME TAXES** -- The Trust's policy is to comply with the provisions of the Internal Revenue Code applicable to regulated investment companies and to distribute to shareholders each year all of its taxable income, if any, and tax-exempt income, including any net realized gain on investments. Therefore, no provision for federal income or excise tax is necessary. At November 30, 2004, the Trust, for federal income tax purposes, had a capital loss carryover of \$34,626,951 which will reduce the taxable income arising from future net realized gain on investments, if any, to the extent permitted by the Internal Revenue Code and thus will reduce the amount of distributions to shareholders which would otherwise be necessary to relieve the Trust of any liability for federal income or excise tax. Such capital loss carryover will expire on November 30, 2007 (\$9,497,591), November 30, 2008 (\$14,623,294), November 30, 2009 (\$5,266,337), November 30, 2011 (\$2,541,236) and November 30, 2012 (\$2,698,493). In addition, the Trust intends to satisfy conditions which will enable it to designate distributions from the interest income generated by its investments in municipal obligations, which are exempt from regular federal income taxes when received by the Trust, as exempt-interest dividends. The portion of such interest, if any, earned on private activity bonds issued after August 7, 1986, may be considered a tax preference item for investors.

**E FINANCIAL FUTURES CONTRACTS** -- Upon the entering of a financial futures contract, the Trust is required to deposit (initial margin) either in cash or securities an amount equal to a certain percentage of the purchase price indicated in the financial futures contract. Subsequent payments are made or received by the Trust (margin maintenance) each day, dependent on the daily fluctuations in the value of the underlying security, and are recorded for book purposes as unrealized gains or losses by the Trust. The Trust's investment in financial futures contracts is designed for both hedging against anticipated future changes in interest rates and investment purposes. Should interest rates move unexpectedly, the Trust may not achieve the anticipated benefits of the financial futures contracts and may realize a loss.

**F OPTIONS ON FINANCIAL FUTURES CONTRACTS** -- Upon the purchase of a put option on a financial futures contract by the Trust, the premium paid is recorded as an investment, the value of which is marked-to-market daily. When a purchased option expires, the Trust will realize a loss in the amount of the cost of the option. When the Trust enters into a closing sale transaction, the Trust will realize a gain or loss depending on whether the sales

proceeds from the closing sale transaction are greater or less than the cost of the option. When the Trust exercises a put option, settlement is made in cash. The risk associated with purchasing put options is limited to the premium originally paid.

**G INTEREST RATE SWAPS** -- The Trust may enter into interest rate swap agreements to enhance return, to hedge against fluctuations in securities prices or interest rates or as substitution for the purchase or sale of securities. Pursuant to these agreements, the Trust makes semi-annual payments at a fixed interest rate. In exchange, the Trust receives payments based on the interest rate of a benchmark industry index. During the term of the outstanding swap agreement, changes in the underlying value of the swap are recorded as unrealized gains and losses. Payments received or made at the end of a measurement period are recorded as realized gains and losses. The value of the swap is determined by changes in the relationship between two rates of interest. The Trust is exposed to credit loss in the event of non-performance by the swap counterparty. However, the Trust does not anticipate non-performance by the counterparty. Risk may also arise from the unanticipated movements in value of interest rates.

**H USE OF ESTIMATES** -- The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expense during the reporting period. Actual results could differ from those estimates.

**I INDEMNIFICATIONS** -- Under the Trust's organizational documents, its officers and Trustees may be indemnified against certain liabilities and expenses arising out of the performance of their duties to the Trust, and shareholders are indemnified against personal liability for obligations of the Trust. Additionally, in the normal course of business, the Trust enters into agreements with service providers that may contain indemnification clauses. The Trust's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Trust that have not yet occurred.

**J EXPENSE REDUCTION** -- Investors Bank & Trust Company (IBT) serves as custodian of the Trust. Pursuant to the custodian agreement, IBT receives a fee reduced by credits which are determined based on the average daily cash balance the Trust maintains with IBT. All credit balances used to reduce the Trust's custodian fees are reported as a reduction of total expenses in the Statement of Operations.

## 2 AUCTION PREFERRED SHARES (APS)

The Trust issued 2,620 shares of Auction Preferred Shares Series A and 2,620 shares of Auction Preferred Shares Series B on March 1, 1999 in a public offering. The underwriting discount and other offering costs were recorded as a reduction of the capital of the common shares. Dividends on the APS, which accrue daily, are cumulative at a rate which was established at the offering of the APS and have been reset every 7 days thereafter by an auction. Effective July 8, 2003, a special dividend period of 733 days was set on the series A shares. The dividend rate, which matures on July 12, 2005, is 1.25%. Dividend rates ranged from 0.45% to 1.70% for Series B Shares, during the year ended November 30, 2004. Series A and Series B are identical in all respects except for the dates of reset for the dividend rates.

The APS are redeemable at the option of the Trust, at a redemption price equal to \$25,000 per share, plus accumulated and unpaid dividends on any dividend

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payment date. The APS are also subject to mandatory redemption at a redemption price equal to \$25,000 per share, plus accumulated and unpaid dividends, if the Trust is in default for an extended period on its asset maintenance requirements with respect to the APS. If the dividends on the APS shall remain unpaid in an amount equal to two full years' dividends, the holders of the APS as a class have the right to elect a majority of the Board of Trustees. In general, the holders of the APS and the common shares have equal voting rights of one vote per share, except that the holders of the APS, as a separate class, have the right to elect at least two members of the Board of Trustees. The APS have a liquidation preference of \$25,000 per share, plus accumulated and unpaid dividends. The Trust is required to maintain certain asset coverage with respect to the APS as defined in the Trust's By-Laws and the Investment Company Act of 1940. The Trust pays an annual fee equivalent to 0.25% of the preferred shares' liquidation value for the remarketing efforts associated with the preferred auctions.

### 3 DISTRIBUTIONS TO SHAREHOLDERS

The Trust intends to make monthly distributions of net investment income, after payment of any dividends on any outstanding Auction Preferred Shares. Distributions are recorded on the ex-dividend date. Distributions to preferred shareholders are recorded daily and are payable at the end of

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each dividend period. Each dividend payment period for the Auction Preferred Shares is generally seven days. Effective July 8, 2003, the Series A shares set a special dividend period of 733 days. The applicable dividend rate for the Auction Preferred Shares on November 30, 2004 was 1.25% and 1.70%, for Series A and Series B Shares, respectively. For the year ended November 30, 2004, the Trust paid dividends to Auction Preferred shareholders amounting to \$831,226 and \$683,148 for Series A and Series B Shares, respectively, representing an average APS dividend rate for such period of 1.25% and 1.05%, respectively.

The Trust distinguishes between distribution on a tax basis and a financial reporting basis. Accounting principles generally accepted in the United States of America require that only distributions in excess of tax basis earnings and profits be reported in the financial statements as a return of capital. Permanent differences between book and tax accounting relating to distributions are reclassified to paid in capital. These differences relate primarily to the method for amortizing premiums.

The tax character of distributions paid for the years ended November 30, 2004 and November 30, 2003 was as follows:

	YEAR ENDED NOVEMBER 30,	
	2004	2003
Distributions declared from:		
Tax-exempt income	\$ 21,583,544	\$ 20,455,081
Ordinary income	\$ 216	\$ 2,473

During the year ended November 30, 2004, accumulated undistributed net investment income was decreased by \$156,112, and accumulated net realized loss was decreased by \$156,112 primarily due to differences between book and tax accounting for amortization and accretion on debt securities. This change had no

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effect on the net assets or the net asset value per share.

As of November 30, 2004, the components of distributable earnings (accumulated losses) on a tax basis were as follows:

Undistributed income	\$	3,821,040
Capital loss carryforward	\$	(34,626,951)
Unrealized gain	\$	16,295,939
Other temporary differences	\$	(82,302)

#### 4 INVESTMENT ADVISER FEE AND OTHER TRANSACTIONS WITH AFFILIATES

The investment adviser fee, computed at an annual rate of 0.70% of the Trust's average weekly gross assets, was earned by Eaton Vance Management (EVM) as compensation for management and investment advisory services rendered to the Trust. Except for Trustees of the Trust who are not members of EVM's organization, officers and Trustees receive remuneration for their services to the Trust out of such investment adviser fee. For the year ended November 30, 2004, the fee was equivalent to 0.70% of the Trust's average weekly gross assets and amounted to \$2,553,910. EVM also serves as the administrator of the Trust. An administration fee, computed at the annual rate of 0.20% of the average weekly gross assets of the Trust, is paid to EVM for managing and administering business affairs of the Trust. For the year ended November 30, 2004, the administrative fee amounted to \$729,688.

Certain officers and Trustees of the Trust are officers of EVM.

#### 5 INVESTMENTS

Purchases and sales of investments, other than U.S. Government securities and short-term obligations, aggregated \$73,672,456 and \$75,698,884, respectively, for the year ended November 30, 2004.

#### 6 FEDERAL INCOME TAX BASIS OF UNREALIZED APPRECIATION (DEPRECIATION)

The cost and unrealized appreciation (depreciation) in value of the investments owned by the Trust at November 30, 2004, as computed for federal income tax purposes, are as follows:

AGGREGATE COST	\$	341,893,928
-----		
Gross unrealized appreciation	\$	26,041,256
Gross unrealized depreciation		(8,844,101)
-----		
NET UNREALIZED APPRECIATION	\$	17,197,155
-----		

#### 7 SHARES OF BENEFICIAL INTEREST

The Declaration of Trust permits the Trustees to issue an unlimited number of full and fractional \$0.01 par value common shares. Transactions in common shares were as follows:

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	YEAR ENDED NOVEMBER 30,	
	2004	2003
Shares issued pursuant to the Trust's dividend reinvestment plan	149,511	181,895
NET INCREASE	149,511	181,895

8 FINANCIAL INSTRUMENTS

The Trust regularly trades in financial instruments with off-balance sheet risk in the normal course of its investing activities to assist in managing exposure to various market risks. These financial instruments include futures contracts and interest rate swaps and may involve, to a varying degree, elements of risk in excess of the amounts recognized for financial statement purposes. The notional or contractual amounts of these instruments represent the investment the Trust has in particular classes of financial instruments and does not necessarily represent the amounts potentially subject to risk. The measurement of the risks associated with these instruments is meaningful only when all related and offsetting transactions are considered. A summary of obligations under these financial instruments at November 30, 2004 is as follows:

FUTURES CONTRACTS

EXPIRATION DATE (S)	CONTRACTS	POSITION	AGGREGATE COST	VALUE	NET UNREALIZED APPRECIATION
03/05	400 U.S. Treasury Bond	Short	\$ (44,214,520)	\$ (44,050,000)	\$ 164,520
03/05	500 U.S. Treasury Note	Short	(55,849,437)	(55,375,000)	474,437
					\$ 638,957

At November 30, 2004, the Trust had sufficient cash and/or securities to cover margin requirements on open futures contracts.

At November 30, 2004, the Trust had entered into an interest rate swap agreement with Morgan Stanley Capital Services, Inc. whereby the Trust makes bi-annual payments at a fixed rate equal to 5.1225% on the notional amount of \$40,000,000. In exchange, the Trust receives quarterly payments at a rate equal to the three month USD-LIBOR on the same notional amount. The effective date of the interest rate swap is February 7, 2005. The value of the contract, which terminates February 7, 2015, is recorded as a payable for open swap contracts of \$901,216 at November 30, 2004.



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TO THE TRUSTEES AND SHAREHOLDERS  
OF EATON VANCE MUNICIPAL INCOME TRUST:

We have audited the accompanying statement of assets and liabilities of Eaton Vance Municipal Income Trust (the Trust), including the portfolio of investments, as of November 30, 2004, and the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended. These financial statements and financial highlights are the responsibility of the Trust's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audit.

We conducted our audit in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. Our procedures included confirmation of securities held as of November 30, 2004 by correspondence with the custodian. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights, referred to above, present fairly, in all material respects, the financial position of Eaton Vance Municipal Income Trust as of November 30, 2004, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended, and the financial highlights for the respective stated periods, in conformity with accounting principles generally accepted in the United States of America.

DELOITTE & TOUCHE LLP  
Boston, Massachusetts  
January 18, 2005

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EATON VANCE MUNICIPAL INCOME TRUST as of November 30, 2004  
FEDERAL TAX INFORMATION (UNAUDITED)

The Form 1099-DIV you receive in January 2005 will show the tax status of all distributions paid to your account in calendar 2004. Shareholders are advised to consult their own tax adviser with respect to the tax consequences of their investment in the Trust. As required by the Internal Revenue Code regulations, shareholders must be notified within 60 days of the Trust's fiscal year end regarding exempt-interest dividends.

EXEMPT-INTEREST DIVIDENDS -- The Trust designates 100% of dividends from net investment income as an exempt-interest dividend.

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EATON VANCE MUNICIPAL INCOME TRUST  
DIVIDEND REINVESTMENT PLAN

The Trust offers a dividend reinvestment plan (the Plan) pursuant to which shareholders automatically have dividends and capital gains distributions reinvested in common shares (the Shares) of the Trust unless they elect



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share certificate must sign.

YOU SHOULD NOT RETURN THIS FORM IF YOU WISH TO RECEIVE YOUR DIVIDENDS AND DISTRIBUTIONS IN CASH. THIS IS NOT A PROXY.

THIS AUTHORIZATION FORM, WHEN SIGNED, SHOULD BE MAILED TO THE FOLLOWING ADDRESS:

Eaton Vance Municipal Income Trust  
c/o PFPC, Inc.  
P.O. Box 43027  
Providence, RI 02940-3027  
800-331-1710

## NUMBER OF EMPLOYEES

The Trust is organized as a Massachusetts business trust and is registered under the Investment Company Act of 1940, as amended, as a closed-end, non-diversified, management investment company and has no employees.

## NUMBER OF SHAREHOLDERS

As of November 30, 2004, our records indicate that there are 163 registered shareholders and approximately 2,000 shareholders owning the Trust shares in street name, such as through brokers, banks, and financial intermediaries.

If you are a street name shareholder and wish to receive our reports directly, which contain important information about the Trust, please write or call:

Eaton Vance Distributors, Inc.  
The Eaton Vance Building  
255 State Street  
Boston, MA 02109  
1-800-225-6265

## NEW YORK STOCK EXCHANGE SYMBOL

The New York Stock Exchange symbol is EVN.

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## EATON VANCE MUNICIPAL INCOME TRUST MANAGEMENT AND ORGANIZATION

**FUND MANAGEMENT.** The Trustees of Eaton Vance Municipal Income Trust (the Trust) are responsible for the overall management and supervision of the Trust's affairs. The Trustees and officers of the Trust are listed below. Except as indicated, each individual has held the office shown or other offices in the same company for the last five years. The "noninterested Trustees" consist of those Trustees who are not "interested persons" of the Trust, as that term is defined under the 1940 Act. The business address of each Trustee and officer is The Eaton Vance Building, 255 State Street, Boston, Massachusetts 02109. As used below, "EVC" refers to Eaton Vance Corp., "EV" refers to Eaton Vance, Inc., "EVM" refers to Eaton Vance Management, "BMR" refers to Boston Management and Research and "EVD" refers to Eaton Vance Distributors, Inc. EVC and EV are the corporate parent and trustee, respectively, of EVM and BMR. EVD is the Trust's principal underwriter and a wholly-owned subsidiary of EVM.

POSITION(S)	TERM OF OFFICE AND
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NUMBER OF P	IN FUND C
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NAME AND DATE OF BIRTH	WITH THE TRUST	LENGTH OF SERVICE	PRINCIPAL OCCUPATION(S) DURING PAST FIVE YEARS	OVERSEE TRUSTE
INTERESTED TRUSTEE				
James B. Hawkes 11/9/41	Vice President and Trustee	Until 2007. 3 years. Trustee since 1998.	Chairman, President and Chief Executive Officer of BMR, EVC, EVM and EV; Director of EV; Vice President and Director of EVD. Trustee and/or officer of 192 registered investment companies in the Eaton Vance Fund Complex. Mr. Hawkes is an interested person because of his positions with BMR, EVM, EVC and EV, which are affiliates of the Trusts.	193
NONINTERESTED TRUSTEE(S)				
Samuel L. Hayes, III 2/23/35	Trustee	Until 2006. 3 years. Trustee since 1998	Jacob H. Schiff Professor of Investment Banking Emeritus, Harvard University Graduate School of Business Administration.	193
William H. Park 9/19/47	Trustee	Until 2005. Trustee since 2003.	President and Chief Executive Officer, Prizm Capital Management, LLC (investment management firm) (since 2002). Executive Vice President and Chief Financial Officer, United Asset Management Corporation (a holding company owning institutional investment management firms) (1982-2001).	193
Ronald A. Pearlman 7/10/40	Trustee	Until 2006. Trustee since 2003.	Professor of Law, Georgetown University Law Center (since 1999). Tax Partner Covington & Burling, Washington, DC (1991-2000).	193
Norton H. Reamer 9/21/35	Trustee	Until 2005. 3 years. Trustee since 1998.	President, Chief Executive Officer and a Director of Asset Management Finance Corp. (a specialty finance company serving the investment management industry) (since October 2003). President, Unicorn Corporation (an investment and financial advisory services company) (since September 2000). Formerly, Chairman, Hellman, Jordan Management Co., Inc. (an investment management	193

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company) (2000-2003).  
Formerly, Advisory Director  
of Berkshire Capital  
Corporation (investment  
banking firm) (2002-2003).  
Formerly Chairman of the  
Board, United Asset  
Management Corporation (a  
holding company owning  
institutional investment  
management firms) and  
Chairman, President and  
Director, UAM Funds (mutual  
funds) (1980-2000).

Lynn A. Stout 9/14/57	Trustee	Until 2005. 3 years. Trustee since 1998.	Professor of Law, University of California at Los Angeles School of Law (since July 2001). Formerly, Professor of Law, Georgetown University Law Center.	193
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PRINCIPAL OFFICERS WHO ARE NOT TRUSTEES

NAME AND DATE OF BIRTH	POSITION(S) WITH THE TRUSTS	TERM OF OFFICE AND LENGTH OF SERVICE	PRINCIPAL OCCUPATION(S) DURING PAST FIVE YEARS
Thomas J. Fetter 8/20/43	President	Since 1998	Vice President of EVM and BMR. Officer of investment companies managed by EVM or BMR.
William H. Ahern, Jr. 7/28/59	Vice President	Since 2004	Vice President of EVM and BMR. Officer of investment companies managed by EVM or BMR.
Cynthia J. Clemson 3/2/63	Vice President	Since 2004	Vice President of EVM and BMR. Officer of investment companies managed by EVM or BMR.
Robert B. MacIntosh 1/22/57	Vice President	Since 1998	Vice President of EVM and BMR. Officer of investment companies managed by EVM or BMR.
Thomas M. Metzold 8/3/58	Vice President	Since 1998	Vice President of EVM and BMR. Officer of investment companies managed by EVM or BMR.
Alan R. Dynner 10/10/40	Secretary	Since 1998	Vice President, Secretary and Chief Legal Counsel of EVM, EVD, EV and EVC. Officer of 193 registered investment companies managed by EVM or BMR.
James L. O'Connor 4/1/45	Treasurer	Since 1998	Vice President of BMR, EVM and EVD. Officer of registered investment companies managed by EVM or BMR.
Paul M. O'Neil 7/11/53	Chief Compliance Officer	Since 2004	Vice President of EVM and BMR. Officer of investment companies managed by EVM or BMR.

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(1) Includes both master and feeder funds in a master-feeder structure.

In accordance with Section 303A.12 (a) of the New York Stock Exchange Listed Company Manual, the Fund's Annual CEO Certification certifying as to compliance with NYSE's Corporate Governance Listing Standards was submitted to the Exchange on April 15, 2004.

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INVESTMENT ADVISER AND ADMINISTRATOR OF EATON VANCE MUNICIPAL INCOME TRUST  
EATON VANCE MANAGEMENT  
THE EATON VANCE BUILDING  
255 STATE STREET  
BOSTON, MA 02109

CUSTODIAN  
INVESTORS BANK & TRUST COMPANY  
200 CLARENDON STREET  
BOSTON, MA 02116

TRANSFER AGENT AND DIVIDEND DISBURSING AGENT  
PFPC INC.  
P.O. BOX 43027  
PROVIDENCE, RI 02940-3027  
(800) 331-1710

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM  
DELOITTE & TOUCHE LLP  
200 BERKELEY STREET  
BOSTON, MA 02116-5022

EATON VANCE MUNICIPAL INCOME TRUST  
THE EATON VANCE BUILDING  
255 STATE STREET  
BOSTON, MA 02109

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ITEM 2. CODE OF ETHICS

The registrant has adopted a code of ethics applicable to its Principal

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Executive Officer, Principal Financial Officer and Principal Accounting Officer. The registrant undertakes to provide a copy of such code of ethics to any person upon request, without charge, by calling 1-800-262-1122.

### ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT

The registrant's Board has designated William H. Park, Samuel L. Hayes, III and Norton H. Reamer, each an independent trustee, as its audit committee financial experts. Mr. Park is a certified public

accountant who is the President and Chief Executive Officer of Prizm Capital Management, LLC (investment management firm). Previously, he served as Executive Vice President and Chief Financial Officer of United Asset Management Corporation ("UAM") (a holding company owning institutional investment management firms). Mr. Hayes is the Jacob H. Schiff Professor of Investment Banking Emeritus of the Harvard University Graduate School of Business Administration. Mr. Reamer is the President, Chief Executive Officer and a Director of Asset Management Finance Corp. (a specialty finance company serving the investment management industry) and is President of Unicorn Corporation (an investment and financial advisory services company). Formerly, Mr. Reamer was Chairman of Hellman, Jordan Management Co., Inc. (an investment management company) and Advisory Director of Berkshire Capital Corporation (an investment banking firm), Chairman of the Board of UAM and Chairman, President and Director of the UAM Funds (mutual funds).

### ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES

(a) - (d)

The following table presents the aggregate fees billed to the registrant for the registrant's fiscal years ended November 30, 2003 and November 30, 2004 by the registrant's principal accountant for professional services rendered for the audit of the registrant's annual financial statements and fees billed for other services rendered by the principal accountant during such period.

FISCAL YEAR ENDED	11/30/03	11/30/04
Audit Fees	\$ 36,771	\$ 44,846
Audit-Related Fees(1)	14,000	3,600
Tax Fees(2)	5,800	6,100
All Other Fees(3)	0	0
Total	\$ 56,571	\$ 54,546

(1) Audit-related fees consist of the aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit of financial statements and are not reported under the category of audit fees and specifically include fees for the performance of certain agreed-upon procedures relating to the registrant's auction preferred shares.

(2) Tax fees consist of the aggregate fees billed for professional services

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rendered by the principal accountant relating to tax compliance, tax advice, and tax planning.

- (3) All other fees consist of the aggregate fees billed for products and services provided by the principal accountant other than audit, audit-related, and tax services.

(e)(1) The registrant's audit committee has adopted policies and procedures relating to the pre-approval of services provided by the registrant's principal accountant (the "Pre-Approval Policies"). The Pre-Approval Policies establish a framework intended to assist the audit committee in the proper discharge of its pre-approval responsibilities. As a general matter, the Pre-Approval Policies (i) specify certain types of audit, audit-related, tax, and other services determined to be pre-approved by the audit committee; and (ii) delineate specific procedures governing the mechanics of the pre-approval process,

including the approval and monitoring of audit and non-audit service fees. Unless a service is specifically pre-approved under the Pre-Approval Policies, it must be separately pre-approved by the audit committee.

The Pre-Approval Policies and the types of audit and non-audit services pre-approved therein must be reviewed and ratified by the registrant's audit committee at least annually. The registrant's audit committee maintains full responsibility for the appointment, compensation, and oversight of the work of the registrant's principal accountant.

(e)(2) No services described in paragraphs (b)-(d) above were approved by the registrant's audit committee pursuant to the "de minimis exception" set forth in Rule 2-01(c)(7)(i)(C) of Regulation S-X.

(f) Not applicable.

(g) The following table presents (i) the aggregate non-audit fees (i.e., fees for audit-related, tax, and other services) billed for services rendered to the registrant by its principal accountant for the registrant's last two fiscal years; and (ii) the aggregate non-audit fees (i.e., fees for audit-related, tax, and other services) billed for services rendered to the Eaton Vance organization for the registrant's last two fiscal years.

FISCAL YEAR ENDED	11/30/03	11/30/04
REGISTRANT	\$ 19,800	\$ 9,700
EATON VANCE(1)	\$ 479,858.37	\$ 350,713.16

(1) Eaton Vance Management, a subsidiary of Eaton Vance Corp., acts as the registrant's investment adviser and administrator.

(h) The registrant's audit committee has considered whether the provision by the registrant's principal accountant of non-audit services to the registrant's investment adviser and any entity controlling, controlled by, or under common control with the adviser that provides ongoing services to the registrant that were not pre-approved pursuant to Rule 2-01(c)(7)(ii) of Regulation S-X is compatible with maintaining the principal accountant's independence.

### ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS



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The registrant has a separately-designated standing audit committee established in accordance with Section 3(a)(58)(A) of the Securities and Exchange Act of 1934, as amended. Norton H. Reamer (Chair), Samuel L. Hayes, III, William H. Park and Lynn A. Stout are the members of the registrant's audit committee.

### ITEM 6. SCHEDULE OF INVESTMENTS

Please see schedule of investments contained in the Report to Stockholders included under Item 1 of this Form N-CSR.

### ITEM 7. DISCLOSURE OF PROXY VOTING POLICIES AND PROCEDURES FOR CLOSED-END MANAGEMENT INVESTMENT COMPANIES

The Board of Trustees of the Trust has adopted a proxy voting policy and procedure (the "Fund Policy"), pursuant to which the Trustees have delegated proxy voting responsibility to the Fund's investment adviser and adopted the investment adviser's proxy voting policies and procedures (the "Policies") which are described below. The Trustees will review the Fund's proxy voting records from time to time and will annually consider approving the Policies for the upcoming year. In the event that a conflict of interest arises between the Fund's shareholders and the investment adviser, the administrator, or any of their affiliates or any affiliate of the Fund, the investment adviser will generally refrain from voting the proxies related to the companies giving rise to such conflict until it consults with the Board of the Fund except as contemplated under the Fund Policy. The Board's Special Committee will instruct the investment adviser on the appropriate course of action.

The Policies are designed to promote accountability of a company's management to its shareholders and to align the interests of management with those shareholders. The investment adviser will generally support company management on proposals relating to environmental and social policy issues and on matters regarding the state of organization of the company. On all other matters, the investment adviser will take management's proposals under advisement but will consider each matter in light of the guidelines set forth in the Policies. Except in the instance of routine matters related to corporate administration which are not expected to have a significant economic impact on the company or its shareholders (on which the investment adviser will routinely vote with management), the investment adviser will review each matter on a case-by-case basis and reserves the right to deviate from the Policies guidelines when it believes the situation warrants such a deviation. The Policy includes voting guidelines for matters relating to, among other things, the election of directors, approval of independent auditors, executive compensation, corporate structure and anti-takeover defenses. The investment adviser may abstain from voting from time to time where it determines that the costs associated with voting a proxy outweighs the benefits derived from exercising the right to vote.

In addition, the investment adviser will monitor situations that may result in a conflict of interest between the Fund's shareholders and the investment adviser, the administrator, or any of their affiliates or any affiliate of the Fund by maintaining a list of significant existing and prospective corporate clients. The investment adviser's personnel responsible for reviewing and voting proxies on behalf of the Fund will report any proxy received or expected to be received from a company included on that list to the investment adviser's general counsel or chief equity investment officer. The general counsel or chief equity investment officer will determine if a conflict exists. If a conflict does exist, the proxy will either be voted strictly in accordance with the Policy or the investment adviser will seek instruction on how to vote from the Board.

Effective August 31, 2004, information on how the Fund voted proxies relating to portfolio securities during the 12 month period ended June 30, 2004 is available

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(1) without charge, upon request, by calling 1-800-262-1122, and (2) on the Securities and Exchange Commission's website at <http://www.sec.gov>.

### ITEM 8. PURCHASES OF EQUITY SECURITIES BY CLOSED-END MANAGEMENT INVESTMENT COMPANY AND AFFILIATED PURCHASERS.

Not Applicable.

### ITEM 9. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

Effective February 9, 2004, the Governance Committee of the Board of Trustees formalized the procedures by which a Fund's shareholders may recommend nominees to the registrant's Board of Trustees. The Governance Committee shall, when identifying candidates for the position of Independent Trustee, consider any such candidate recommended by a shareholder of a Fund if such recommendation contains sufficient background information concerning the candidate, and is received in a sufficiently timely manner (and in any event no later than the date specified for receipt of shareholder proposals in any applicable proxy statement with respect to a Fund). Shareholders shall be directed to address any such recommendations to the attention of the Governance Committee, c/o the Secretary of the Fund.

### ITEM 10. 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 period that has materially affected, or is reasonably likely to materially affect the registrant's internal control over financial reporting.

### ITEM 11. EXHIBITS

- (a) (1) Registrant's Code of Ethics - Not applicable (please see Item 2).
- (a) (2) (i) Treasurer's Section 302 certification.
- (a) (2) (ii) President's Section 302 certification.
- (b) Combined Section 906 certification.

### 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 MUNICIPAL INCOME TRUST

By: /s/ Thomas J. Fetter  
-----  
Thomas J. Fetter

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President

Date: January 18, 2005

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/ James L. O'Connor  
-----  
James L. O'Connor  
Treasurer

Date: January 18, 2005

By: /s/ Thomas J. Fetter  
-----  
Thomas J. Fetter  
President

Date: January 18, 2005