

BLACKROCK MUNICIPAL INCOME QUALITY TRUST
Form N-Q
January 25, 2012
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED MANAGEMENT INVESTMENT COMPANY

Investment Company Act file number 811-21178

Name of Fund: BlackRock Municipal Income Quality Trust (BYM)

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

Name and address of agent for service: John M. Perlowski, Chief Executive Officer, BlackRock Municipal Income Quality Trust, 55 East 52nd Street, New York, NY 10055

Registrant's telephone number, including area code: (800) 882-0052, Option 4

Date of fiscal year end: 08/31/2012

Date of reporting period: 11/30/2011

Item 1 – Schedule of Investments

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Schedule of Investments November 30, 2011 (Unaudited)

BlackRock Municipal Income Quality Trust (BYM)
(Percentages shown are based on Net Assets)

	Par (000)	Value
Municipal Bonds		
Alabama 3.7%		
Alabama State Docks Department, Refunding RB, 6.00%, 10/01/40	\$ 3,800	\$ 4,007,366
Birmingham Airport Authority, RB (AGM), 5.50%, 7/01/40	5,800	6,095,162
Birmingham Special Care Facilities Financing Authority, RB, Children s Hospital (AGC), 6.00%, 6/01/39	1,495	1,629,101
County of Jefferson Alabama, RB, Series A, 4.75%, 1/01/25	2,800	2,404,556
		14,136,185
Alaska 0.3%		
Alaska Industrial Development & Export Authority, RB, Providence Health Services, Series A, 5.50%, 10/01/41	1,070	1,130,680
Arizona 0.5%		
State of Arizona, COP, Department of Administration, Series A (AGM):		
5.00%, 10/01/27	1,500	1,608,315
5.25%, 10/01/28	250	270,480
		1,878,795
California 22.8%		
California Health Facilities Financing Authority, Refunding RB, St. Joseph Health System, Series A, 5.75%, 7/01/39	625	651,856
California Infrastructure & Economic Development Bank, RB, Bay Area Toll Bridges, First Lien, Series A (AMBAC), 5.00%, 1/01/28 (a)	10,100	12,545,109
Coast Community College District California, GO, Refunding, CAB, Election of 2002, Series C (AGM):		
5.59%, 8/01/13 (b)	7,450	6,910,024
5.40%, 8/01/36 (c)	4,200	922,404
Golden State Tobacco Securitization Corp. California, RB, Series 2003-A-1 (a):		
6.63%, 6/01/13	6,500	7,088,705
6.75%, 6/01/13	14,500	15,840,380
Metropolitan Water District of Southern California, RB, Series B-1 (NPFGC), 5.00%, 10/01/33	16,745	17,181,207
Municipal Bonds	Par (000)	Value
California (concluded)		
Monterey Peninsula Community College District, GO, CAB, Series C (AGM) (c):		
5.15%, 8/01/31	\$ 13,575	\$ 4,180,964
5.16%, 8/01/32	14,150	3,991,857
Orange County Sanitation District, COP, Series B (AGM), 5.00%, 2/01/31	2,500	2,627,500

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San Diego Unified School District California, GO, CAB, Election of 2008, Series C, 6.84%, 7/01/38 (c)	2,000	394,500
San Joaquin Hills Transportation Corridor Agency California, Refunding RB, CAB, Series A (NPFGC), 5.50%, 1/15/31 (c)	53,000	10,985,840
San Jose Unified School District Santa Clara County California, GO, Election of 2002, Series B (NPFGC), 5.00%, 8/01/29	2,350	2,448,888
		85,769,234
Colorado 0.3%		
Regional Transportation District, COP, Series A, 5.38%, 6/01/31	960	1,017,408
Connecticut 0.2%		
Connecticut State Health & Educational Facility Authority, RB, Hartford Healthcare, Series A, 5.00%, 7/01/32	735	739,976
District of Columbia 2.5%		
District of Columbia Tobacco Settlement Financing Corp., Refunding RB, Asset- Backed, 6.75%, 5/15/40	9,500	9,346,290
Florida 16.5%		
Broward County School Board Florida, COP, Series A (AGM), 5.25%, 7/01/33	2,000	2,061,600
County of Broward Florida, RB, Series A, 5.25%, 10/01/34	6,750	7,200,022
County of Duval Florida, COP, Master Lease Program (AGM), 5.00%, 7/01/33	3,800	3,881,472
County of Miami-Dade Florida, RB: CAB, Sub-Series A (NPFGC), 5.25%, 10/01/38 (c)	25,520	4,016,848

Portfolio Abbreviations

To simplify the listings of portfolio holdings in the Schedule of Investments, the names and descriptions of many of the securities have been abbreviated according to the following list:

AGC	Assured Guaranty Corp.
AGM	Assured Guaranty Municipal Corp.
AMBAC	American Municipal Bond Assurance Corp.
BHAC	Berkshire Hathaway Assurance Corp.
CAB	Capital Appreciation Bonds
COP	Certificates of Participation
EDA	Economic Development Authority
ERB	Education Revenue Bonds
FGIC	Financial Guaranty Insurance Co.
GO	General Obligation Bonds
IDA	Industrial Development Authority
ISD	Independent School District
NPFGC	National Public Finance Guarantee Corp.
PSF-GTD	Permanent School Fund Guaranteed
RB	Revenue Bonds
SBPA	Stand-by Bond Purchase Agreements
VRDN	Variable Rate Demand Notes

Schedule of Investments (continued)

BlackRock Municipal Income Quality Trust (BYM)
(Percentages shown are based on Net Assets)

	Par (000)	Value
Municipal Bonds		
Florida (concluded)		
County of Miami-Dade Florida, RB (concluded):		
Miami International Airport, Series A, 5.50%, 10/01/41	\$ 5,000	\$ 5,176,450
Series A, 5.50%, 10/01/36	5,000	5,186,350
Water & Sewer System (AGM), 5.00%, 10/01/39	10,100	10,479,154
County of Miami-Dade Florida, Refunding RB (AGM), 5.00%, 7/01/35	1,300	1,335,152
Florida Housing Finance Corp., RB, Homeowner Mortgage, Series 3, 5.45%, 7/01/33	3,800	3,937,978
Florida State Department of Environmental Protection, RB, Series B (NPFGC), 5.00%, 7/01/27	7,500	7,934,700
Miami-Dade County School Board, COP, RB, Series B (AGC), 5.25%, 5/01/31	1,135	1,190,343
Orange County School Board, COP, Series A (AGC), 5.50%, 8/01/34	6,090	6,436,399
Sarasota County Public Hospital District, RB, Sarasota Memorial Hospital Project, Series A, 5.63%, 7/01/39	300	306,009
South Florida Water Management District, COP (AMBAC), 5.00%, 10/01/36	1,000	1,015,810
Tohopekaliga Water Authority, Refunding RB, Series A, 5.25%, 10/01/36	2,000	2,142,680
		62,300,967
Georgia 2.9%		
Burke County Development Authority, RB, Oglethorpe Power, Vogtle Project, Series C, 5.70%, 1/01/43	1,250	1,296,163
City of Atlanta Georgia, Refunding RB, General, Series C, 6.00%, 1/01/30	7,500	8,645,400
Gwinnett County Hospital Authority, Refunding RB, Gwinnett Hospital System Series D (AGM), 5.50%, 7/01/41	900	939,627
		10,881,190
Hawaii 1.4%		
Hawaii State Harbor, RB, Series A, 5.50%, 7/01/35	5,000	5,265,250
Illinois 4.3%		
Chicago Board of Education Illinois, GO, Series A, 5.50%, 12/01/39	2,590	2,730,585
Chicago Board of Education Illinois, GO, Refunding, Chicago School Reform Board, Series A (NPFGC), 5.50%, 12/01/26	2,500	2,704,350

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Chicago Park District, GO, Harbor Facilities, Series C, 5.25%, 1/01/40	600	626,856
Chicago Transit Authority, RB, Sales Tax Receipts Revenue, Third Lien, 5.25%, 12/01/36	650	675,636
	Par (000)	Value
Municipal Bonds		
Illinois (concluded)		
City of Chicago Illinois, RB, Series A (AGC), 5.00%, 1/01/38	\$ 7,310	\$ 7,397,574
Illinois Municipal Electric Agency, RB, Series A (NPFGC), 5.25%, 2/01/27	1,350	1,425,451
Railsplitter Tobacco Settlement Authority, RB, 6.00%, 6/01/28	710	747,268
		16,307,720
Indiana 2.1%		
Indiana Finance Authority, Refunding RB, First Lien, CWA Authority, Series A, 5.25%, 10/01/38	1,100	1,167,617
Indiana Municipal Power Agency, RB, Series B, 5.75%, 1/01/34	450	461,421
Indianapolis Local Public Improvement Bond Bank, Refunding RB, Waterworks Project, Series A (AGC), 5.50%, 1/01/38	5,750	6,163,770
		7,792,808
Iowa 1.4%		
Iowa Finance Authority, RB, Series A (AGC), 5.63%, 8/15/37	5,000	5,223,450
Kentucky 0.4%		
Kentucky State Property & Buildings Commission, Refunding RB, Project No. 93 (AGC), 5.25%, 2/01/29	1,500	1,602,285
Louisiana 2.5%		
Jefferson Parish Hospital Service District No. 1, Refunding RB, West Jefferson Medical Center, Series A, 6.00%, 1/01/39	1,550	1,626,214
State of Louisiana, RB, Series A (AGM), 5.00%, 5/01/31	7,500	7,797,750
		9,423,964
Michigan 4.6%		
City of Detroit Michigan, RB, System, Second Lien, Series A (BHAC), 5.50%, 7/01/36	2,900	3,043,376
City of Detroit Michigan, Refunding RB, Second Lien, Series E (BHAC), 5.75%, 7/01/31	3,000	3,220,410
Kalamazoo Hospital Finance Authority, RB, Bronson Methodist Hospital (AGM), 5.25%, 5/15/36	465	476,797
Lansing Board of Water & Light, RB, Series A, 5.50%, 7/01/41	1,100	1,203,664
Michigan State Building Authority, RB, Refunding Facilities Program:		
Series I-A, 5.38%, 10/15/36	2,000	2,139,820
Series I-A, 5.38%, 10/15/41	800	851,336
Series II-A, 5.38%, 10/15/36	1,500	1,604,865
Michigan Finance Authority, Refunding RB, 5.00%, 12/01/39	4,700	4,685,947

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NOVEMBER 30, 2011

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Schedule of Investments (continued)

BlackRock Municipal Income Quality Trust (BYM)
(Percentages shown are based on Net Assets)

	Par (000)	Value
Municipal Bonds		
Nebraska 1.2%		
Nebraska Investment Finance Authority, Refunding RB, Series A:		
5.90%, 9/01/36	\$ 2,450	\$ 2,644,187
6.05%, 9/01/41	1,690	1,789,575
		4,433,762
Nevada 1.1%		
County of Clark Nevada, RB, Las Vegas-McCarran International Airport, Series A (AGC), 5.25%, 7/01/39	4,100	4,255,677
New Jersey 1.4%		
New Jersey Transportation Trust Fund Authority, RB, Transportation System:		
5.25%, 6/15/36 (d)	1,990	2,057,859
Series A, 5.50%, 6/15/41	3,000	3,225,750
		5,283,609
New York 1.1%		
Hudson Yards Infrastructure Corp., RB, Series A, 5.75%, 2/15/47	770	814,468
New York City Transitional Finance Authority, RB, Fiscal 2009, Series S-4, 5.50%, 1/15/33	1,950	2,089,717
New York State Dormitory Authority, ERB, Series B, 5.75%, 3/15/36	1,300	1,462,682
		4,366,867
North Carolina 0.9%		
North Carolina Medical Care Commission, RB, Novant Health Obligation, Series A, 4.75%, 11/01/43	3,875	3,627,504
Ohio 0.5%		
County of Lucas Ohio, Refunding RB, Promedica Healthcare, Series A, 6.50%, 11/15/37	610	694,942
Ohio Higher Educational Facility Commission, Refunding RB, Summa Health System, 2010 Project (AGC), 5.25%, 11/15/40	1,125	1,129,624
		1,824,566
Pennsylvania 0.2%		
Pennsylvania Turnpike Commission, RB, Subordinate, Special Motor, License Fund, Series A, 6.00%, 12/01/36	625	717,194
Puerto Rico 2.5%		
Puerto Rico Sales Tax Financing Corp., RB, First Sub-Series A:		
6.38%, 8/01/39	5,300	5,869,326
5.50%, 8/01/42	3,450	3,594,797
		9,464,123

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	Par (000)	Value
Municipal Bonds		
Rhode Island 0.8%		
Rhode Island Health & Educational Building Corp., Refunding RB, Public Schools Financing Program, Series E (AGC), 6.00%, 5/15/29	\$ 2,625	\$ 2,910,626
South Carolina 1.5%		
South Carolina Jobs-EDA, Refunding RB, Palmetto Health, Series A (AGM), 6.50%, 8/01/39	260	284,994
South Carolina State Ports Authority, RB, 5.25%, 7/01/40	5,000	5,246,250
		5,531,244
Tennessee 3.6%		
Knox County Health Educational & Housing Facilities Board Tennessee, Refunding RB, CAB, Series A (AGM) (c): 5.88%, 1/01/23	8,910	4,755,534
5.90%, 1/01/24	8,500	4,263,515
5.91%, 1/01/25	6,850	3,231,899
Memphis Center City Revenue Finance Corp., RB, Sub-Pyramid & Pinch District, Series B, 5.25%, 11/01/30	1,240	1,317,785
		13,568,733
Texas 25.4%		
City of Houston Texas, Refunding RB, Senior Lien, Series A, 5.50%, 7/01/34	4,165	4,431,685
City of San Antonio Texas, Refunding RB (NPFGC): 5.13%, 5/15/29	9,250	9,851,065
5.13%, 5/15/34	10,000	10,679,500
Comal ISD, GO, School Building (PSF-GTD), 5.00%, 2/01/36	2,500	