

EATON VANCE MICHIGAN MUNICIPAL INCOME TRUST

Form N-Q

April 29, 2008

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM N-Q

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED
MANAGEMENT INVESTMENT COMPANIES**

Investment Company Act File Number

811-09153

Eaton Vance Michigan Municipal Income Trust

(Exact Name of Registrant as Specified in Charter)

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

02109
(Zip code)

Maureen A. Gemma

Eaton Vance Management, 255 State Street, Boston, Massachusetts 02109
(Name and Address of Agent for Service)

Registrant's Telephone Number, Including Area Code: (617) 482-8260

Date of Fiscal Year End: November 30

Date of Reporting Period: February 29, 2008

Item 1. Schedule of Investments

Eaton Vance Michigan Municipal Income Trust

as of February 29, 2008

PORTFOLIO OF INVESTMENTS (Unaudited)

Tax-Exempt Investments 167.2%

| Principal Amount (000 s omitted) | Security | Value |
|---------------------------------------|--|---------------------|
| Education 6.4% | | |
| \$ 1,250 | Michigan Higher Education Facilities Authority, (Creative Studies), 5.90%, 12/1/27 | \$ 1,257,325 |
| 540 | Michigan Higher Education Facilities Authority, (Hillsdale College), 5.00%, 3/1/35 | 493,760 |
| | | \$ 1,751,085 |
| Electric Utilities 8.6% | | |
| \$ 1,250 | Michigan Strategic Fund, (Detroit Edison Pollution Control), 5.45%, 9/1/29 | \$ 1,239,062 |
| 375 | Puerto Rico Electric Power Authority, DRIVERS, Variable Rate, 7.74%, 7/1/25 (1) (2) | 296,520 |
| 1,125 | Puerto Rico Electric Power Authority, DRIVERS, Variable Rate, 7.74%, 7/1/37 (1) (2) | 803,317 |
| | | \$ 2,338,899 |
| Escrowed/Prerefunded 11.8% | | |
| \$ 500 | Kent Hospital Finance Authority, (Spectrum Health), Prerefunded to 7/15/11, 5.50%, 1/15/31 | \$ 537,380 |
| 750 | Michigan Hospital Finance Authority, (Ascension Health Care), Prerefunded to 11/15/09, 6.125%, 11/15/26 | 795,052 |
| 750 | Michigan Hospital Finance Authority, (Sparrow Obligation Group), Prerefunded to 11/15/11, 5.625%, 11/15/36 | 813,337 |
| 1,000 | Puerto Rico Electric Power Authority, Prerefunded to 7/1/12, 5.25%, 7/1/31 | 1,084,960 |
| | | \$ 3,230,729 |
| General Obligations 10.2% | | |
| \$ 500 | East Grand Rapids Public School District, 5.00%, 5/1/25 | \$ 495,420 |
| 1,000 | Manistee Area Public Schools, 5.00%, 5/1/24 | 997,730 |
| 345 | Puerto Rico Public Buildings Authority, Commonwealth Guaranteed, 5.25%, 7/1/29 | 320,322 |
| 1,000 | White Cloud Public Schools, Prerefunded to 5/1/11, 5.125%, 5/1/31 | 975,430 |
| | | \$ 2,788,902 |
| Health Care-Miscellaneous 0.3% | | |
| \$ 100 | Puerto Rico Infrastructure Financing Authority, (Mepsi Campus Project), 6.50%, 10/1/37 | \$ 93,841 |
| | | \$ 93,841 |
| Hospital 29.0% | | |
| \$ 500 | Allegan Hospital Finance Authority, (Allegan General Hospital), 7.00%, 11/15/21 | \$ 514,675 |
| 185 | Gaylord Hospital Finance Authority, (Otsego Memorial Hospital Association), 6.20%, 1/1/25 | 172,426 |
| 125 | Gaylord Hospital Finance Authority, (Otsego Memorial Hospital Association), 6.50%, 1/1/37 | 117,357 |
| 560 | Macomb County Hospital Finance Authority, (Mount Clemens General Hospital), 5.875%, 11/15/34 | 508,497 |
| 500 | | 491,905 |

Edgar Filing: EATON VANCE MICHIGAN MUNICIPAL INCOME TRUST - Form N-Q

| | | | |
|----------------|-------------|---|---------------------|
| | | Mecosta County, (Michigan General Hospital), 6.00%, 5/15/18 | |
| 1,000 | | Michigan Hospital Finance Authority, (Central Michigan Community Hospital), 6.25%, 10/1/27 | 1,000,390 |
| 750 | | Michigan Hospital Finance Authority, (Henry Ford Health System), 5.00%, 11/15/38 | 654,712 |
| 1,000 | | Michigan Hospital Finance Authority, (Henry Ford Health System), 5.25%, 11/15/46 | 892,770 |
| 1,080 | | Michigan Hospital Finance Authority, (McLaren Healthcare), 5.00%, 8/1/35 | 952,636 |
| 750 | | Michigan Hospital Finance Authority, (Memorial Healthcare Center), 5.875%, 11/15/21 | 754,508 |
| 1,000 | | Michigan Hospital Finance Authority, (Trinity Health), 6.00%, 12/1/27 | 1,024,240 |
| 800 | | Saginaw Hospital Finance Authority, (Covenant Medical Center), 6.50%, 7/1/30 | 843,208 |
| | | | \$ 7,927,324 |
| Housing | 3.1% | | |
| \$ | 1,000 | Michigan State Housing Development Authority, (Williams Pavilion), (AMT), 4.90%, 4/20/48 | \$ 841,810 |
| | | | \$ 841,810 |

Edgar Filing: EATON VANCE MICHIGAN MUNICIPAL INCOME TRUST - Form N-Q

| | | | |
|---|-------|--|---------------------|
| Industrial Development Revenue 8.0% | | | |
| \$ | 1,000 | Detroit Local Development Finance Authority, (Chrysler Corp.), 5.375%, 5/1/21 | \$ 831,690 |
| | 800 | Dickinson County Electronic Development Corp., (International Paper Co.), 5.75%, 6/1/16 | 810,896 |
| | 625 | Puerto Rico Port Authority, (American Airlines), (AMT), 6.25%, 6/1/26 | 538,919 |
| | | | \$ 2,181,505 |
| Insured-Electric Utilities 10.9% | | | |
| \$ | 1,000 | Michigan Strategic Fund, (Detroit Edison Co.), (MBIA), (AMT), 5.55%, 9/1/29 | \$ 963,550 |
| | 500 | Michigan Strategic Fund, (Detroit Edison Co.), (XLCA), 5.25%, 12/15/32 | 481,840 |
| | 500 | Puerto Rico Electric Power Authority, (FGIC), 5.25%, 7/1/34 | 476,005 |
| | 1,200 | Puerto Rico Electric Power Authority, (MBIA), 4.75%, 7/1/33 (3) | 1,046,616 |
| | | | \$ 2,968,011 |
| Insured-Escrowed/Prerefunded 22.9% | | | |
| \$ | 1,000 | Central Montcalm Public Schools, (MBIA), Prerefunded to 5/1/09, 6.00%, 5/1/29 | \$ 1,037,020 |
| | 1,000 | Detroit Sewer Disposal, (FGIC), Prerefunded to 7/1/11, 5.125%, 7/1/31 | 1,058,670 |
| | 2,000 | Fenton Area Public Schools, (FGIC), Prerefunded to 5/1/08, 5.00%, 5/1/24 | 2,008,700 |
| | 2,000 | Novi Building Authority, (FSA), Prerefunded to 10/1/10, 5.50%, 10/1/25 | 2,142,380 |
| | | | \$ 6,246,770 |
| Insured-General Obligations 8.6% | | | |
| \$ | 650 | Detroit City School District, (FGIC), 4.75%, 5/1/28 | \$ 602,186 |
| | 750 | Detroit City School District, (FSA), 5.25%, 5/1/32 | 766,523 |
| | 200 | Eaton Rapids Public Schools, (MBIA), 4.75%, 5/1/25 | 191,160 |
| | 700 | Puerto Rico, (FSA), Variable Rate, 11.337%, 7/1/27 (1) (2) | 782,061 |
| | | | \$ 2,341,930 |
| Insured-Hospital 7.1% | | | |
| \$ | 1,000 | Royal Oak Hospital Finance Authority, (William Beaumont Hospital), (MBIA), 5.25%, 11/15/35 | \$ 936,280 |
| | 1,000 | Saginaw Hospital Finance Authority, (Covenant Medical Center), (MBIA), 5.50%, 7/1/24 | 1,005,580 |
| | | | \$ 1,941,860 |
| Insured-Lease Revenue/Certificates of Participation 3.8% | | | |
| \$ | 4,300 | Michigan State Building Authority, (FGIC), 0.00%, 10/15/30 | \$ 1,033,677 |
| | | | \$ 1,033,677 |
| Insured-Special Tax Revenue 10.9% | | | |
| \$ | 5,160 | Puerto Rico Sales Tax Financing, (AMBAC), 0.00%, 8/1/54 | \$ 295,616 |
| | 1,225 | Puerto Rico Sales Tax Financing, (MBIA), 0.00%, 8/1/44 | 135,375 |
| | 2,430 | Puerto Rico Sales Tax Financing, (MBIA), 0.00%, 8/1/45 | 252,866 |
| | 1,470 | Puerto Rico Sales Tax Financing, (MBIA), 0.00%, 8/1/46 | 144,104 |
| | 2,250 | Wayne Charter County, (Airport Hotel-Detroit Metropolitan Airport), (MBIA), 5.00%, 12/1/30 | 2,135,543 |
| | | | \$ 2,963,504 |
| Insured-Student Loan 7.0% | | | |
| \$ | 1,000 | Michigan Higher Education Student Loan Authority, (AMBAC), (AMT), 5.00%, 3/1/31 | \$ 900,250 |
| | 1,000 | Michigan Higher Education Student Loan Authority, (AMBAC), (AMT), 5.50%, 6/1/25 (4) | 1,002,490 |
| | | | \$ 1,902,740 |
| Insured-Transportation 3.2% | | | |
| \$ | 1,000 | Wayne Charter County Airport, (MBIA), (AMT), 5.00%, 12/1/28 | \$ 885,350 |

Edgar Filing: EATON VANCE MICHIGAN MUNICIPAL INCOME TRUST - Form N-Q

| | | | | |
|--|-------------|---|----|------------------|
| | | | \$ | 885,350 |
| Insured-Water and Sewer | 5.7% | | | |
| \$ | 1,650 | Detroit Water Supply System, (FGIC), 5.00%, 7/1/30 | \$ | 1,570,998 |
| | | | \$ | 1,570,998 |
| Lease Revenue/Certificates of Participation | 0.9% | | | |
| \$ | 250 | Puerto Rico, (Guaynabo Municipal Government Center Lease), 5.625%, 7/1/22 | \$ | 242,683 |
| | | | \$ | 242,683 |

Edgar Filing: EATON VANCE MICHIGAN MUNICIPAL INCOME TRUST - Form N-Q

| | | | |
|--|--------|---|------------------------|
| Other Revenue 3.5% | | | |
| \$ | 12,500 | Michigan Tobacco Settlement Finance Authority, 0.00%, 6/1/52 | \$ 480,625 |
| | 500 | Michigan Tobacco Settlement Finance Authority, 6.00%, 6/1/48 | 463,740 |
| | | | \$ 944,365 |
| Transportation 5.3% | | | |
| \$ | 1,500 | Kent County Airport Facility, 5.00%, 1/1/25 (3) | \$ 1,451,805 |
| | | | \$ 1,451,805 |
| Total Tax-Exempt Investments 167.2% | | | |
| (identified cost \$47,642,487) | | | \$ 45,647,788 |
| Other Assets, Less Liabilities (3.1%) | | | \$ (848,520) |
| Auction Preferred Shares Plus Cumulative Unpaid Dividends (64.1%) | | | \$ (17,504,320) |
| Net Assets Applicable to Common Shares 100.0% | | | \$ 27,294,948 |

| | |
|---------|--|
| 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. |
| DRIVERS | Derivative Inverse Tax-Exempt Receipts |
| FGIC | Financial Guaranty Insurance Company |
| FSA | Financial Security Assurance, Inc. |
| MBIA | Municipal Bond Insurance Association |
| 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 February 29, 2008, 47.9% 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 1.1% to 19.1% of total investments.

- (1) 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 February 29, 2008, the aggregate value of the securities is \$1,881,898 or 6.9% of the Trust's net assets applicable to common shares.
- (2) Security has been issued as a leveraged inverse floater bond. The stated interest rate represents the rate in effect at February 29, 2008.
- (3) Security represents the underlying municipal obligation of an inverse floating rate obligation held by the Trust.
- (4) Security (or a portion thereof) has been segregated to cover margin requirements on open financial futures contracts.

A summary of financial instruments at February 29, 2008 is as follows:

Futures Contracts

| Expiration Date | Contracts | Position | Aggregate Cost | Value | Net Unrealized Depreciation |
|-----------------|----------------------|----------|----------------|--------------|-----------------------------|
| 6/08 | 6 U.S. Treasury Bond | Short | \$ (700,104) | \$ (711,750) | \$ (11,646) |

Interest Rate Swaps

| Counterparty | Notional Amount | Annual Fixed Rate Paid By Fund | Floating Rate Paid To Fund | Effective Date/ Termination Date | Net Unrealized Appreciation (Depreciation) |
|---------------------------------------|------------------------|---------------------------------------|-----------------------------------|---|---|
| Merrill Lynch Capital Services, Inc. | \$ 400,000 | 4.9025% | 3-month USD-LIBOR-BBA | July 9, 2008/ July 9, 2038 | \$ 656 |
| Morgan Stanley Capital Services, Inc. | \$ 275,000 | 5.428% | 3-month USD-LIBOR- BBA | September 10, 2008/ September 10, 2038 | \$ (20,877) |
| | | | | | \$ (20,221) |

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

At February 29, 2008, the Trust had sufficient cash and/or securities to cover commitments under these contracts.

Edgar Filing: EATON VANCE MICHIGAN MUNICIPAL INCOME TRUST - Form N-Q

The cost and unrealized appreciation (depreciation) of investments of the Trust at February 29, 2008, as determined on a federal income tax basis, were as follows:

| | | |
|------------------------------------|-----------|--------------------|
| Aggregate cost | \$ | 45,678,471 |
| Gross unrealized appreciation | | 1,157,811 |
| Gross unrealized depreciation | | (3,113,494) |
| Net unrealized depreciation | \$ | (1,955,683) |

The Trust adopted Financial Accounting Standards Board Statement of Financial Accounting Standards No. 157 (FAS 157), Fair Value Measurements, effective December 1, 2007. FAS 157 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)

At February 29, 2008, the inputs used in valuing the Trust's investments, which are carried at value, were as follows:

| | Valuation Inputs | Investments in Securities | Other Financial Instruments* |
|---------|-------------------------------------|---------------------------|------------------------------|
| Level 1 | Quoted Prices | \$ | \$ (11,646) |
| Level 2 | Other Significant Observable Inputs | 45,647,788 | (20,221) |
| Level 3 | Significant Unobservable Inputs | | |
| Total | | \$ 45,647,788 | \$ (31,867) |

*Other financial instruments are derivative instruments not reflected in the Portfolio of Investments, such as futures, forwards and swap contracts, which are valued at the unrealized appreciation (depreciation) on the instrument.

The Trust held no investments or other financial instruments as of November 30, 2007 whose fair value was determined using Level 3 inputs.

The Trust generally uses a pricing vendor to provide evaluations for its investments in municipal bonds, which are derived from the vendor's pricing models. Inputs to the models may include, but are not limited to, reported trades, executable bid and asked prices, broker/dealer

Edgar Filing: EATON VANCE MICHIGAN MUNICIPAL INCOME TRUST - Form N-Q

quotations, benchmark curves or information pertaining to the issuer. The pricing vendor may use a matrix approach, which considers information regarding securities with similar characteristics to determine the evaluation for a security. The Trust's investments in interest rate swaps are normally valued using valuations provided by a pricing vendor. Such vendor valuations are based on the present value of fixed and projected floating rate cash flows over the term of a swap contract. Future cash flows are discounted to their present value using swap curves provided by electronic data services or by broker/dealers. The Trust's investments in futures contracts are valued based on the closing price on the primary exchange on which such contracts trade.

Item 2. Controls and Procedures

(a) It is the conclusion of the registrant's principal executive officer and principal financial officer that the effectiveness of the registrant's current disclosure controls and procedures (such disclosure controls and procedures having been evaluated within 90 days of the date of this filing) provide reasonable assurance that the information required to be disclosed by the registrant has been recorded, processed, summarized and reported within the time period specified in the Commission's rules and forms and that the information required to be disclosed by the registrant has been accumulated and communicated to the registrant's principal executive officer and principal financial officer in order to allow timely decisions regarding required disclosure.

(b) There have been no changes in the registrant's internal controls over financial reporting during the fiscal quarter for which the report is being filed that have materially affected, or are reasonably likely to materially affect the registrant's internal control over financial reporting.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Eaton Vance Michigan Municipal Income Trust

By: /s/ Cynthia J. Clemson
Cynthia J. Clemson
President

Date: April 21, 2008

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: April 21, 2008

By: /s/ Barbara E. Campbell
Barbara E. Campbell
Treasurer

Date: April 21, 2008
