

EATON VANCE MICHIGAN MUNICIPAL INCOME TRUST
Form N-CSR
January 25, 2017

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: 811-09153

Eaton Vance Michigan Municipal Income Trust
(Exact Name of Registrant as Specified in Charter)

Two International Place, Boston, Massachusetts 02110
(Address of Principal Executive Offices)

Maureen A. Gemma

Two International Place, Boston, Massachusetts 02110

(Name and Address of Agent for Services)

(617) 482-8260

(Registrant's Telephone Number)

November 30

Date of Fiscal Year End

November 30, 2016

Date of Reporting Period

Item 1. Reports to Stockholders

Eaton Vance

Municipal Income Trusts

Annual Report

November 30, 2016

California (CEV)

Massachusetts (MMV)

Michigan (EMI)

New Jersey (EVJ)

New York (EVY)

Ohio (EVO)

Pennsylvania (EVP)

Commodity Futures Trading Commission Registration. Effective December 31, 2012, the Commodity Futures Trading Commission (CFTC) adopted certain regulatory changes that subject registered investment companies and advisers to regulation by the CFTC if a fund invests more than a prescribed level of its assets in certain CFTC-regulated instruments (including futures, certain options and swap agreements) or markets itself as providing investment exposure to such instruments. Each Fund has claimed an exclusion from the definition of the term commodity pool operator under the Commodity Exchange Act. Accordingly, neither the Funds nor the adviser with respect to the operation of the Funds is subject to CFTC regulation. Because of its management of other strategies, each Fund s adviser is registered with the CFTC as a commodity pool operator and a commodity trading advisor.

Fund shares 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.

Annual Report November 30, 2016

Eaton Vance

Municipal Income Trusts

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Eaton Vance

Municipal Income Trusts

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Management's Discussion of Fund Performance

Economic and Market Conditions

As the period opened on December 1, 2015, U.S. Treasuries, along with municipal bonds, were several months into a rally that would continue for much of the period.

Concerns about the Chinese economy, falling commodity prices and interest rate uncertainty led many asset classes to experience dramatic volatility in late 2015. But the municipal market, a high quality asset class with a generally improving credit landscape, continued its steady rally despite the Federal Reserve Board (the Fed) rate hike in December 2015.

In January of 2016, the municipal rally accelerated as U.S. equities experienced what was widely reported as their worst-ever start to a new year. Plummeting oil prices and slowing economic growth in China helped drive a global flight to quality, with investors fleeing asset classes regarded as risky for the perceived safety of U.S. Treasuries and municipal bonds. Falling government interest rates around the world, driven by actions such as quantitative easing in Japan and the European Union, put many sovereign rates into negative territory and made U.S. Treasuries look attractive by comparison.

Great Britain's June 2016 vote to leave the European Union, ongoing Fed caution, and mixed U.S. economic reports continued to fuel the municipal rally in the summer of 2016. Even the Commonwealth of Puerto Rico's July 1, 2016 default on over \$1 billion in municipal bond and debt service payments—its second default in 2016 and its largest to date—failed to put a dent in the municipal rally, as the market had expected the defaults for some time.

In early fall, however, remarks by the European Central Bank, the Bank of Japan and the Fed seemed to indicate that rates might begin to rise sooner than markets had anticipated. As a result, municipal rates crept upward in September and October of 2016. In the final month of the period, Donald Trump's surprise win in the U.S. presidential election precipitated one of the largest municipal market declines in at least two decades. Rates rose and prices fell as markets anticipated that decreasing regulation and lower tax rates under a Trump administration could lead to higher economic growth and inflation. In general, municipal market returns were virtually flat for the period, with coupon yields and price appreciation earlier in the fiscal year balanced by price declines in the closing months.

For the one-year period as a whole, the yield curve for municipal AAA-rated⁷ issues flattened with rates rising throughout the curve, but with the greatest increases occurring in the short end of the curve, causing the curve to flatten. Across the yield curve, municipal bonds, which had outperformed U.S. Treasuries from the beginning of the period until the election, underperformed U.S. Treasuries for the period as a whole.

Fund Performance

For the fiscal year ended November 30, 2016, the California, Michigan, New Jersey, New York, Ohio and Pennsylvania Trusts (the Funds) shares at net asset value (NAV) outperformed the 0.39% return of the Bloomberg Barclays Long (22+) Year Municipal Bond Index (the Index),² while the Massachusetts Fund at NAV underperformed the Index.

During the period, each Fund benefited from the tender and repurchase of a portion of its Auction Preferred Shares (APS) at 95.5% of the Fund's APS per share liquidation preference.

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Each Fund's overall strategy is to invest primarily in investment grade bonds of the Fund's particular state. Management may hedge to various degrees against the greater potential risk of volatility caused by the use of leverage and by investing in bonds at the long end of the yield curve by using U.S. Treasury futures. As a risk management tactic within each Fund's overall strategy, interest rate hedging is intended to moderate performance on both the upside and the downside of the market. During the period, the California, Massachusetts, New Jersey, New York and Pennsylvania Funds did employ a hedging strategy, but that strategy did not have a material effect on the performance of those Funds versus the Index.

In managing the Funds, management employs leverage through Residual Interest Bond (RIB) and/or APS and Institutional MuniFund Term Preferred (iMTP) Shares⁶ to seek to enhance the Funds' tax-exempt income. The use of leverage has the effect of achieving additional exposure to the municipal market, and thus magnifying a Fund's exposure to its underlying investments in both up and down market environments. During this period, the additional income derived from the use of leverage contributed to Fund performance versus the Index which does not employ leverage for all seven Funds.

See Endnotes and Additional Disclosures in this report.

Past performance is no guarantee of future results. Returns are historical and are calculated by determining the percentage change in net asset value (NAV) or market price (as applicable) with all distributions reinvested and include management fees and other expenses. Fund performance at market price will differ from its results at NAV due to factors such as changing perceptions about the Fund, market conditions, fluctuations in supply and demand for Fund shares, or changes in Fund distributions. Investment return and principal value will fluctuate so that shares, when sold, may be worth more or less than their original cost. Performance less than or equal to one year is cumulative. Performance is for the stated time period only; due to market volatility, current Fund performance may be lower or higher than the quoted return. For performance as of the most recent month-end, please refer to eatonvance.com.

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Municipal Income Trusts

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Management's Discussion of Fund Performance *continued*

State-specific Results

Eaton Vance California Municipal Income Trust shares at NAV returned 1.38%, outperforming the 0.39% return of the Index. Contributors to Fund performance versus the Index included leverage, as noted earlier, as well as an overweight in zero-coupon bonds, security selection in the hospitals and health care sector, and security selection in insured Puerto Rico bonds. The majority of the Fund's Puerto Rico holdings were insured by various municipal bond insurers. It should be noted that most uninsured bonds issued by the Commonwealth of Puerto Rico and its various conduit issuers were no longer included in the Index. As Puerto Rico continued to deal with an ongoing fiscal crisis, bonds issued by its various legal entities were impacted by a number of factors throughout the period. As the period ended, the situation in Puerto Rico was continuing to evolve. In contrast, security selection in general obligation bonds, security selection in the water and sewer sector, and security selection in bonds with coupon rates below 5% all detracted from Fund performance relative to the Index.

Eaton Vance Massachusetts Municipal Income Trust shares at NAV returned 0.05%, underperforming the 0.39% return of the Index. Detractors from performance versus the Index included an overweight and security selection in the education sector, security selection in A-rated bonds, and security selection in bonds with 25 years or more remaining to maturity. Leverage, security selection in insured Puerto Rico bonds, and security selection in BBB-rated bonds contributed to performance relative to the Index, as did an overweight and security selection in the hospitals and health care sector.

Eaton Vance Michigan Municipal Income Trust shares at NAV returned 2.98%, outperforming the 0.39% return of the Index. Leverage, an overweight and security selection in insured Puerto Rico bonds, security selection in the water and sewer sector, and an overweight in prerefunded, or escrowed, bonds all helped performance relative to the Index during the period. In contrast, security selection in BBB-rated bonds and an overweight in general obligation bonds detracted from results versus the Index.

Eaton Vance New Jersey Municipal Income Trust shares at NAV returned 2.13%, outperforming the 0.39% return of the Index. Leverage, an overweight and security selection in insured Puerto Rico bonds, an overweight and security

selection in the education sector, an overweight in pre-refunded bonds, and security selection in A-rated bonds all contributed to Fund performance versus the Index. Detractors from the Fund's performance relative to the Index included security selection in BBB-rated bonds, security selection in zero-coupon bonds, and security selection in the water and sewer sector.

Eaton Vance New York Municipal Income Trust shares at NAV returned 1.69%, outperforming the 0.39% return of the Index. Leverage aided performance relative to the Index, as did an overweight and security selection in the hospitals and health care sector, an overweight and security selection in zero-coupon bonds, and an overweight in bonds rated BBB and below. Detractors from performance versus the Index included security selection in the transportation sector and security selection in 4.0% - 4.5% coupon bonds.

Eaton Vance Ohio Municipal Income Trust shares at NAV returned 2.26%, outperforming the 0.39% return of the Index. Contributors to results versus the Index included leverage, an overweight and security selection in insured Puerto Rico bonds, and security selection in the hospitals and health care sector. Performance versus the Index was hurt by security selection in zero-coupon bonds, security selection and an overweight in bonds rated BBB and below, and security selection and an overweight in the housing sector.

Eaton Vance Pennsylvania Municipal Income Trust shares at NAV returned 3.46%, outperforming the 0.39% return of the Index. Leverage, an overweight and security selection in insured Puerto Rico bonds, security selection in zero-coupon bonds, and an overweight and security selection in the hospitals and health care sector all contributed to Fund performance versus the Index. Detractors from performance relative to

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the Index included security selection in local general obligation bonds, security selection in the resource recovery sector, and security selection in bonds with coupon rates below 5%.

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Eaton Vance

California Municipal Income Trust

November 30, 2016

Performance^{2,3}

Portfolio Manager Craig R. Brandon, CFA

% Average Annual Total Returns	Inception Date	One Year	Five Years	Ten Years
Fund at NAV	01/29/1999	1.38%	7.81%	4.23%
Fund at Market Price		0.68	5.00	4.06
Bloomberg Barclays Long (22+) Year Municipal Bond Index		0.39%	5.09%	4.35%

% Premium/Discount to NAV⁴

9.85%

Distributions⁵

Total Distributions per share for the period	\$ 0.607
Distribution Rate at NAV	3.86%
Taxable-Equivalent Distribution Rate at NAV	7.87%
Distribution Rate at Market Price	4.29%
Taxable-Equivalent Distribution Rate at Market Price	8.74%

% Total Leverage⁶

Auction Preferred Shares (APS)	1.87%
Institutional MuniFund Term Preferred (iMTP) Shares	29.28
Residual Interest Bond (RIB) Financing	7.38

Fund Profile

Credit Quality (% of total investments)^{7,8}

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Eaton Vance

Massachusetts Municipal Income Trust

November 30, 2016

Performance^{2,3}

Portfolio Manager Craig R. Brandon, CFA

% Average Annual Total Returns	Inception Date	One Year	Five Years	Ten Years
Fund at NAV	01/29/1999	0.05%	6.06%	4.54%
Fund at Market Price		1.02	2.99	4.46
Bloomberg Barclays Long (22+) Year Municipal Bond Index		0.39%	5.09%	4.35%

% Premium/Discount to NAV⁴

8.45%

Distributions⁵

Total Distributions per share for the period	\$ 0.589
Distribution Rate at NAV	3.61%
Taxable-Equivalent Distribution Rate at NAV	6.72%
Distribution Rate at Market Price	3.94%
Taxable-Equivalent Distribution Rate at Market Price	7.34%

% Total Leverage⁶

APS	5.26%
iMTP Shares	27.17
RIB Financing	3.10

Fund Profile

Credit Quality (% of total investments)^{7,8}

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Eaton Vance

Michigan Municipal Income Trust

November 30, 2016

Performance^{2,3}

Portfolio Manager Cynthia J. Clemson

% Average Annual Total Returns	Inception Date	One Year	Five Years	Ten Years
Fund at NAV	01/29/1999	2.98%	7.34%	5.40%
Fund at Market Price		6.21	6.40	5.11
Bloomberg Barclays Long (22+) Year Municipal Bond Index		0.39%	5.09%	4.35%

% Premium/Discount to NAV⁴	10.96%
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Distributions⁵

Total Distributions per share for the period	\$ 0.621
Distribution Rate at NAV	3.71%
Taxable-Equivalent Distribution Rate at NAV	6.85%
Distribution Rate at Market Price	4.17%
Taxable-Equivalent Distribution Rate at Market Price	7.70%

% Total Leverage⁶

APS	1.39%
iMTP Shares	36.07

Fund Profile

Credit Quality (% of total investments)⁷

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Eaton Vance

New Jersey Municipal Income Trust

November 30, 2016

Performance^{2,3}

Portfolio Manager Adam A. Weigold, CFA

% Average Annual Total Returns	Inception Date	One Year	Five Years	Ten Years
Fund at NAV	01/29/1999	2.13%	6.48%	4.18%
Fund at Market Price		1.79	3.48	3.71
Bloomberg Barclays Long (22+) Year Municipal Bond Index		0.39%	5.09%	4.35%

% Premium/Discount to NAV⁴	11.02%
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Distributions⁵

Total Distributions per share for the period	
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