

SUPPORTSOFT INC
Form 10-Q
November 08, 2006

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

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended September 30, 2006

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission File No. 000-30901

SUPPORTSOFT, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction of
Incorporation or Organization)

94-3282005
(I.R.S. Employer
Identification No.)

575 Broadway
Redwood City, CA 94063
(Address of Principal Executive Offices)
(Zip Code)

Registrant's Telephone Number, Including Area Code: **(650) 556-9440**

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act.): Yes No

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On October 27, 2006, 44,442,358 shares of the Registrant's Common Stock, \$0.0001 par value, were outstanding.

SUPPORTSOFT, INC.

FORM 10-Q

QUARTERLY PERIOD ENDED SEPTEMBER 30, 2006

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PART I. FINANCIAL INFORMATION

ITEM 1: FINANCIAL STATEMENTS

SUPPORTSOFT, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands)

	September 30, 2006	December 31, 2005
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 18,495	\$ 23,342
Marketable securities	103,989	97,321
Accounts receivable, net	7,038	17,437
Prepays and other current assets	2,644	2,451
Total current assets	132,166	140,551
Property and equipment, net	928	1,211
Goodwill	9,792	9,792
Intangible assets, net	3,177	3,994
Other assets	441	701
Total assets	\$ 146,504	\$ 156,249
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 210	\$ 1,030
Accrued compensation	1,680	2,669
Other accrued liabilities	3,382	2,985
Deferred revenue, less long-term portion	10,291	14,060
Total current liabilities	15,563	20,744
Deferred revenue - long-term portion	299	969
Other long-term liabilities	173	142
Contingencies		
Stockholders' equity:		
Common stock	4	4
Additional paid-in capital	200,250	195,990
Accumulated other comprehensive loss	(675)	(645)
Accumulated deficit	(69,110)	(60,955)
Total stockholders' equity	130,469	134,394
Total liabilities and stockholders' equity	\$ 146,504	\$ 156,249

See accompanying notes.

SUPPORTSOFT, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share amounts)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2006	2005	2006	2005
Revenue:				
License fees	\$ 4,479	\$ 5,404	\$ 10,013	\$ 23,751
Services	7,379	7,582	20,846	22,369
Total revenue	11,858	12,986	30,859	46,120
Costs and expenses:				
Cost of license fees	119	123	333	440
Cost of services (including stock-based compensation of \$87 and \$210 for the three and nine months ended September 30, 2006)	3,955	3,530	10,442	10,640
Amortization of intangible assets	272	272	816	816
Research and development (including stock-based compensation of \$83 and \$301 for the three and nine months ended September 30, 2006)	2,267	2,700	7,125	8,535
Sales and marketing (including stock-based compensation of \$219 and \$592 for the three and nine months ended September 30, 2006)	6,013	5,304	16,993	18,369
General and administrative (including stock-based compensation of \$415 and \$1,224 for the three and nine months ended September 30, 2006)	2,689	2,110	7,677	6,437
Total costs and expenses	15,315	14,039	43,386	45,237
Income (loss) from operations	(3,457)	(1,053)	(12,527)	883
Interest income and other, net	1,842	909	4,705	2,523
Income (loss) before income taxes	(1,615)	(144)	(7,822)	3,406
(Provision) benefit for income taxes	(72)	59	(333)	(126)
Net income (loss)	\$ (1,687)	\$ (85)	\$ (8,155)	\$ 3,280
Basic net income (loss) per share	\$ (0.04)	\$ (0.00)	\$ (0.19)	\$ 0.08
Shares used in computing basic net income (loss) per share	44,152	43,001	44,000	42,914
Diluted net income (loss) per share	\$ (0.04)	\$ (0.00)	\$ (0.19)	\$ 0.07
Shares used in computing diluted net income (loss) per share	44,152	43,001	44,000	44,629

See accompanying notes.

SUPPORTSOFT, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Nine Months Ended September 30,	
	2006	2005
Operating Activities:		
Net income (loss)	\$ (8,155)	\$ 3,280
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	761	845
Amortization of intangible assets	817	817
Stock-based compensation	2,327	
Other	57	154
Changes in assets and liabilities:		
Accounts receivable, net	10,399	(3,296)
Prepays and other current assets	(193)	791
Other long-term assets	260	(340)
Accounts payable	(820)	484
Accrued compensation	(988)	(979)
Other accrued liabilities	396	(68)
Other long-term liabilities	31	
Deferred revenue	(4,439)	(5,178)
Net cash provided by (used in) operating activities	453	(3,490)
Investing Activities:		
Purchases of property and equipment	(478)	(939)
Purchases of marketable securities	(52,946)	(71,757)
Sales and maturities of marketable securities	46,191	77,746
Net cash provided by (used in) investing activities	(7,233)	5,050
Financing Activities:		
Proceeds from issuances of common stock	1,933	2,036
Repurchase of common stock		(922)
Net cash provided by financing activities	1,933	1,114
Net increase (decrease) in cash and cash equivalents	(4,847)	2,674
Cash and cash equivalents at beginning of period	23,342	16,509
Cash and cash equivalents at end of period	\$ 18,495	\$ 19,183
Supplemental schedule of cash flow information:		
Income taxes paid	\$ 253	\$ 114

See accompanying notes.

SUPPORTSOFT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

(1) Significant Accounting Policies

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements include the accounts of SupportSoft, Inc. (the Company or SupportSoft) and its wholly-owned subsidiaries. All intercompany balances and transactions have been eliminated. The balance sheet as of September 30, 2006 and the statements of operations for the three and nine months ended September 30, 2006 and 2005 and cash flows for the nine months ended September 30, 2006 and 2005 are unaudited. In the opinion of management, these unaudited interim condensed consolidated financial statements reflect all adjustments (consisting of normal recurring adjustments) that are necessary for a fair presentation of the results for and as of the periods shown. The results of operations for such periods are not necessarily indicative of the results expected for the full fiscal year or for any future period. The condensed consolidated financial statement information as of December 31, 2005 is derived from audited financial statements as of that date. These unaudited interim condensed consolidated financial statements should be read with the consolidated financial statements and related notes included in the Company's Annual Report on Form 10-K, filed with the Securities and Exchange Commission on March 16, 2006.

Use of Estimates and Reclassifications

The preparation of interim condensed consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and the accompanying notes. Actual results could differ materially from these estimates. In addition, certain amounts that were previously reported have been reclassified to conform to the current period presentation.

Revenue Recognition

We recognize revenue in accordance with the American Institute of Certified Public Accountants (AICPA) Statement of Position (SOP) 97-2, Software Revenue Recognition, as amended by SOP 98-4 and SOP 98-9. License revenue is recognized when all of the following criteria are met:

- Persuasive evidence of an arrangement exists;
- Delivery has occurred;
- Collection is considered probable; and
- The fees are fixed or determinable.

SupportSoft considers all arrangements with payment terms longer than 90 days not to be fixed or determinable. If the fee is determined not to be fixed or determinable, revenue is recognized as payments become due from the customer.

License revenue is comprised of fees for perpetual and term licenses of our software. Perpetual license revenue is recognized using the residual method described in SOP 98-9 for arrangements in which licenses are sold with multiple elements. We allocate revenue on these licenses based upon the fair value of each undelivered element (for example, undelivered maintenance and support, consulting, and training). The determination of fair value is based upon vendor specific objective evidence (VSOE). VSOE for maintenance and support is determined based upon separate renewals of maintenance and support from customers. VSOE for training and consulting is based upon separate sales of these services to customers. Assuming all other revenue recognition criteria are met, the difference between the total arrangement fee and the amount deferred for each undelivered element is recognized as license revenue. Our perpetual arrangements may include contractual obligations such as rights to unspecified future products which require license revenue to be taken ratably over the contract period.

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Term licenses are sold with maintenance for which SupportSoft does not have VSOE to determine fair value. As a result, license revenue for term licenses is recognized ratably over the duration of the agreement. License fees for term licenses include the right to support and maintenance for the duration of the term license. We do not allocate maintenance revenue from term licenses to services revenue, as we do not believe there is an allocation methodology that provides a meaningful and supportable allocation between license and maintenance revenue. Consulting revenue associated with the term licenses is recognized ratably over the period associated with the initial payment, generally one year.

We also recognize license revenue from arrangements with resellers. Revenue is recognized upon persuasive evidence that the products have been sold to an end user; and all other revenue recognition criteria are met.

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In connection with licensing arrangements we may also provide hosting services, for which SupportSoft does not have VSOE. If hosting services are sold with perpetual licenses, license revenue is recognized ratably over the term of the initial hosting contract. Hosting services revenue is also recognized ratably over the duration of the initial hosting contract. Consulting services sold in conjunction with arrangements that include licenses and hosting services are recognized ratably over the duration of the initial hosting term. Fees for hosting services and consulting services are recognized as services revenue in the Company's consolidated statements of operations.

Services revenue is primarily comprised of revenue from professional services, such as maintenance and support, consulting and training. Arrangements that include services are evaluated to determine whether those services are essential to the functionality of other elements of the arrangement. Revenue from non-essential consulting and training services associated with perpetual licenses is generally recognized as the services are performed or milestones are accepted by customers. When non-essential services are bundled in a term licensing arrangement, revenue from the services is recognized ratably over the period associated with the initial payment, generally one year. Maintenance and support revenue is recognized over the term of the maintenance and support period which is generally one year. In the event services are considered essential to the functionality of other elements of the arrangement, revenue under the arrangement is recognized using contract accounting pursuant to SOP 81-1, Accounting for Performance of Construction-Type and Certain Production-Type Contracts.

Cash, Cash Equivalents and Marketable Securities

SupportSoft considers all liquid instruments with an original maturity at the date of purchase of ninety days or less to be cash equivalents. At September 30, 2006, cash equivalents and marketable securities consisted primarily of money market funds, commercial paper, federal agency securities, corporate bonds and market auction securities. Our marketable securities are classified as available-for-sale as of the respective balance sheet dates, and are reported at fair value with unrealized gains and losses included in accumulated other comprehensive income within stockholders' equity on the consolidated balance sheet. Realized gains and losses and declines in value judged to be other-than-temporary on available-for-sale securities are included in other income (expense), net in the consolidated statement of operations.

The amortized cost of debt securities is adjusted for amortization of premiums and accretion of discounts to maturity, both of which are included in interest income. SupportSoft recorded net unrealized losses on available-for-sale securities of \$29,000 and \$117,000 at September 30, 2006 and December 31, 2005, respectively.

We monitor our investments for impairment on a quarterly basis and determine whether a decline in fair value is other-than-temporary by considering factors such as current economic and market conditions, the credit rating of the security's issuer, the length of time an investment's fair value has been below our carrying value, and our ability and intent to hold investments to maturity. If an investment's decline in fair value is deemed to be other-than-temporary, we would reduce its carrying value to its estimated fair value, as determined based on quoted market prices or liquidation values.

The following is a summary of cash, cash equivalents and available-for-sale securities at September 30, 2006 (in thousands):

	Amortized Cost	Gross Unrealized Losses	Fair Value
Cash	\$ 4,808		\$ 4,808
Money market funds	542		542
Commercial paper	19,605	(16)	19,589
Federal agency securities	1,000	(2)	998
Corporate bonds	28,683	(11)	28,672
Market auction securities	67,875		67,875
	\$ 122,513	\$ (29)	\$ 122,484
Classified as:			
Cash and cash equivalents	\$ 18,508	\$ (13)	\$ 18,495
Marketable securities	104,005	(16)	103,989
	\$ 122,513	\$ (29)	\$ 122,484

Concentrations of Credit Risk

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Financial instruments that potentially subject SupportSoft to concentrations of credit risk consist principally of cash equivalents, marketable securities and trade accounts receivable. Our investment portfolio is diversified and consists of investment grade securities. Our investment policy limits the amount of credit risk exposure to any one issuer and in any

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single country except the United States. The credit risk in our trade accounts receivable is mitigated by our credit evaluation process, reasonably short collection terms and sales primarily to large organizations in diversified industries.

For the three months ended September 30, 2006, one customer accounted for 21% of our total revenue. For the nine months ended September 30, 2006, no customer accounted for 10% of our total revenue. For the three months ended September 30, 2005, one customer accounted for 19% of our total revenue. For the nine months ended September 30, 2005, two customers each accounted for 11% of our total revenue.

Trade Accounts Receivable

Trade accounts receivable are recorded at the invoiced amount. We perform evaluations of our customers' financial condition and generally do not require collateral. We make judgments as to our ability to collect outstanding receivables and provide allowances for the portion of receivables when collection becomes doubtful. Provisions are made based upon a specific review of all significant outstanding invoices. For those invoices not specifically provided for, provisions are recorded at differing rates, based upon the age of the receivable. In determining these percentages, we analyze our historical collection experience and current payment trends. If the historical data we use to calculate the allowance for doubtful accounts does not reflect the future ability to collect outstanding receivables, additional provisions for doubtful accounts may be needed and the future results of operations could be materially affected. At September 30, 2006 and December 31, 2005, the Company had reserves for credit losses of \$276,000 and \$296,000, respectively. At September 30, 2006, two different customers each accounted for 10% or more of total accounts receivable. These customers accounted for 12% and 10% individually of our total accounts receivable, net. At December 31, 2005, two customers each accounted for 10% or more of our total accounts receivable, net. These two customers each accounted for 20% of our total accounts receivable, net.

Stock-Based Compensation

Adoption of SFAS 123R

On January 1, 2006, the Company adopted Statement of Financial Accounting Standards No. 123 (revised 2004), Share-Based Payment, (SFAS 123R) which requires the measurement and recognition of compensation expense for all share-based payment awards, including employee stock options and employee stock purchases, made to employees and directors based on estimated fair values. Prior to January 1, 2006, the Company accounted for share-based payments to employees using the intrinsic value method under APB Opinion No. 25, as permitted by SFAS 123, and, as such, generally recognized no compensation cost for employee stock options or employees stock purchases in its financial statements.

SupportSoft elected the modified prospective transition method for adopting SFAS 123R which required the application of the accounting standard as of January 1, 2006, the first day of the Company's 2006 fiscal year. Under this transition method, compensation cost recognized in the three and nine months ended September 30, 2006 includes the applicable amounts of: (a) compensation cost for all stock-based payments granted prior to, but not yet vested as of, December 31, 2005 based on the grant-date fair value estimated in accordance with the original provisions of SFAS 123 and previously presented in the pro-forma footnote disclosures, and (b) compensation cost of all share-based payments granted subsequent to January 1, 2006 based on the grant-date fair value estimated in accordance with the new provisions of SFAS 123R. Prior periods have not been restated to reflect the impact of SFAS 123R.

Stock Option Plans

During fiscal 1998, SupportSoft adopted the 1998 Stock Option Plan (the Plan). Under this Plan, up to 9,424,434 shares of SupportSoft's common stock may be granted as options or sold to eligible participants. Under the Plan, options to purchase common stock may be granted at no less than 85% of the fair value on the date of the grant (110% of fair value in certain instances), as determined by the Board of Directors. Options under the Plan can be immediately exercisable at the Board of Directors' discretion; however, shares issued are subject to SupportSoft's right to repurchase such shares at the original issuance price, which lapses in a series of installments measured from the vesting commencement date of the option.

In February 2000, the Board of Directors approved SupportSoft's 2000 Omnibus Equity Incentive Plan (the 2000 Incentive Plan). A total of 4,000,000 shares of common stock were initially reserved for issuance to eligible participants under the 2000 Incentive Plan. On January 1 of each year, the number of shares reserved automatically increases by the lesser of 2,000,000 shares, 5% of outstanding shares, or an amount determined by the board of directors. On January 1, 2006, the shares reserved under the 2000 Incentive Plan were automatically increased by 2,000,000 shares. Under both of SupportSoft's option plans, options generally vest over a 48-month period from the date of grant and have a maximum term of 10 years. In the fourth quarter of 2005, SupportSoft began issuing only non-statutory options with a contractual term of 7 years.

As of September 30, 2006 we had approximately 3.4 million shares of common stock reserved for future issuance under both of these plans.

Employee Stock Purchase Plan

In February 2000, the Board of Directors approved SupportSoft's 2000 Employee Stock Purchase Plan (the 2000 Purchase Plan). A total of 2,000,000 shares of common stock were initially reserved for issuance under the 2000 Purchase Plan. On January 1 of each year, the number of shares reserved automatically increases by the lesser of 2,000,000 shares, 3% of the outstanding shares, or an amount determined by the Board of Directors. For 2006, the Board of Directors elected to have zero shares added to the 2000 Purchase Plan. The 2000 Purchase Plan permits eligible employees to acquire shares of SupportSoft's common stock through periodic payroll deductions of up to 15% of total compensation. Purchases occur on the last day of each January and July following the end of each six-month purchase period. The price at which the common stock may be purchased is 85% of the lesser of the fair market value of SupportSoft's common stock at the beginning of the applicable offering period or the end of the applicable purchase period. Beginning August 1, 2006, the offering period for all new participants in the 2000 Purchase Plan will be six months. Prior to August 1, 2006, all participants were enrolled in offering periods which could last up to 24 months and contained up to four separate purchase periods.

As of September 30, 2006, we had approximately 1.9 million shares of common stock reserved for future issuance under this plan.

Determining Fair Value

Valuation and Attribution Method: SupportSoft estimates the fair value of stock options granted generally using the Black-Scholes option pricing model. Stock options vest on a graded schedule, however the Company recognizes the expense on a straight-line basis over the requisite service period of the entire award, net of estimated forfeitures and subject to the minimum expense requirements of SFAS 123R. These limitations require that on any date the compensation cost recognized is at least equal to the portion of the grant-date fair value of the award that is vested at that date.

Risk-free Interest Rate: The Company bases its risk-free interest rate upon the yield currently available on US Treasury zero coupon issues for the expected term of the employee stock options.

Expected Term: The Company's expected term represents the period that the Company's stock options are expected to be outstanding and is determined based on historical experience of similar stock options considering the contractual terms of the stock options, vesting schedules and expectations of future employee behavior.

Expected Volatility: The Company's expected volatility represents the amount by which the stock price is expected to fluctuate throughout the period that the stock option is outstanding. The Company bases its expected volatility on a weighted average calculation combining both historical and implied volatilities as it believes that this combination is more representative of future stock price trends than historical volatility alone. The implied volatility factor included in this computation is based upon traded options on the Company's stock.

Estimated Forfeitures: SFAS 123R requires that the stock option expense recognized be based on awards that are ultimately expected to vest, and therefore a forfeiture rate should be applied at the time of grant and revised, if necessary, in subsequent periods when actual forfeitures differ from those estimates. Prior to January 1, 2006 the Company accounted for forfeitures only as they occurred. Commencing in 2006, the Company has estimated its forfeitures based on historical experience.

Expected Dividend: The Company uses a dividend yield of zero, as it has never paid cash dividends and currently does not expect to pay dividends in the future.

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The fair value of the Company's stock options granted to employees during the three and nine months ended September 30, 2006 and 2005 was estimated using the following assumptions:

	Three months ended September 30,		Nine months ended September 30,			
	2006	2005	2006 (1)	2005 (1)		
Stock Option Plan:						
Risk-free interest rate	4.7	% 4.1	% 4.5	% 3.9	%	%
Expected term	3.9 years	4.0 years	3.9 years	4.0 years		
Volatility	54.6	% 73.3	% 50.6	% 77.9	%	%
Estimated forfeitures	8	% 0	% 8	% 0	%	%
Expected dividend	0	% 0	% 0	% 0	%	%
Weighted average fair value	\$ 1.81	\$ 3.11	\$ 1.92	\$ 3.19		
Employee Stock Purchase Plan (ESPP):						
Risk-free interest rate	4.7	% 3.8	% 4.7	% 3.4	%	%
Expected term	0.5 to 2.0 years	0.5 to 2.0 years	0.5 to 2.0 years	0.5 to 2.0 years		
Volatility	54.1	% 71.0	% 54.1	% 75.6	%	%
Estimated forfeitures	8	% 0	% 8	% 0	%	%
Expected dividend	0	% 0	% 0	% 0	%	%
Weighted average fair value	\$ 1.66	\$ 2.52	\$ 1.66	\$ 2.77		

(1) The assumptions for the nine month period represent weighted averages.

Tax Effects of Share-Based Payments

On November 10, 2005, the Financial Accounting Standards Board (FASB) issued FASB Staff Position No. SFAS-123R-3 Transition Election Related to Accounting for Tax Effects of Share-Based Payment Awards which provides for an alternative transition method to calculate the tax effects of stock-based compensation expense pursuant to SFAS 123R. The alternative transition method includes a simplified approach to establish the beginning balance of the additional paid-in-capital pool related to the tax effects of employee stock-based compensation, and to determine the subsequent impact on the additional paid-in-capital pool and cash flows for the tax effects of employee stock-based compensation awards that are outstanding upon the adoption of SFAS 123R. As of September 30, 2006, the Company was still evaluating which transition method to adopt.

Stock Compensation Expense

The Company recorded the following stock-based compensation expense for the three and nine months ended September 30, 2006 (in thousands):

	Three months ended September 30, 2006	Nine months ended September 30, 2006
Stock option compensation expense recognized in:		
Cost of services	\$ 62	\$ 147
Research and development	65	210
Sales and marketing	196	490
General and administrative	400	1,172
	723	2,019
ESPP compensation expense recognized in:		
Cost of services	25	63
Research and development	18	91
Sales and marketing	23	102
General and administrative	15	52

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	81	308
Stock-based compensation expense included in total costs and expenses	\$ 804	\$ 2,327

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For the three and nine months ended September 30, 2006, the Company recorded \$804,000 and \$2.3 million respectively in stock-based compensation expense. There was no stock-based compensation expense recognized for the three and nine months ended September 30, 2005.

For the nine months ended September 30, 2006, there was \$238,000, of the total stock-based compensation expense related to the acceleration of the stock options awarded to the Company's former chief executive officer in connection with a transition agreement dated March 12, 2006. Pursuant to the terms of this agreement, provided the former CEO remained an employee of the Company, on the date the Board of Directors appointed a new CEO, all then outstanding and unvested options would be immediately vested. A new CEO was appointed on April 6, 2006 and vesting of 115,625 shares was accelerated. This acceleration represents a modification of the original terms of the awards. The cost of this modification was determined to be \$238,000, all of which has been recognized at the end of the second quarter of 2006. There was no stock-based compensation expense related to this recognized in the third quarter of 2006.

As a result of adopting SFAS 123R, the Company's loss before income taxes and net loss for the three months ended September 30, 2006 was \$804,000 higher than if it had continued to account for share-based compensation under APB 25. Basic and diluted loss per share for the three months ended September 30, 2006 would have both been \$0.02 lower if the Company had not adopted SFAS 123R.

Similarly, the Company's loss before income taxes and net loss for the nine months ended September 30, 2006 was \$2.3 million higher than if it had continued to account for share-based compensation under APB 25. Basic and diluted loss per share for the nine months ended September 30, 2006 would have both been \$0.06 lower if the Company had not adopted SFAS 123R.

Net cash proceeds from the exercise of stock options were \$382,000 and \$1.4 million for the three and nine months ended September 30, 2006 respectively. No income tax benefit was realized from stock option exercises during the three and nine months ended September 30, 2006.

The table below reflects the net loss and loss per share for the three and nine months ended September 30, 2006 compared with the pro-forma information for the three and nine months ended September 30, 2005 (in thousands):

	For the three months ended September 30,			For the nine months ended September 30,		
	2006	(1)	2005 (2)	2006	(1)	2005 (2)
Net income (loss) as reported for the prior period	N/A	(1)	\$ (85)	N/A	(1)	\$ 3,280
Stock-based compensation expense relating to:						
Stock options	(723)	)	(2,005)	(2,019)	)	(6,060)
ESPP stock purchases	(81)	)	(56)	(308)	)	(369)
Net loss, including the effect of stock-based compensation expense	\$ (1,687)	)	\$ (2,146)	\$ (8,155)	)	\$ (3,149)
Basic net income per share as reported for the prior period	N/A	(1)	\$ 0.00	N/A	(1)	\$ 0.08
Basic net loss per share including the effect of stock-based compensation	\$ (0.04)	)	\$ (0.05)	\$ (0.19)	)	\$ (0.07)
Diluted net income per share as reported for the prior period	N/A	(1)	\$ 0.00	N/A	(1)	\$ 0.07
Diluted net loss per share including the effect of stock-based compensation	\$ (0.04)	)	\$ (0.05)	\$ (0.19)	)	\$ (0.07)

(1) Net income and net income per share prior to January 1, 2006 did not include stock-based compensation expense for stock options and employee stock purchases under SFAS 123 because the Company had not adopted the recognition provisions of SFAS 123.

(2) Stock-based compensation expense, net income (loss) and net income (loss) per share prior to January 1, 2006 is calculated based on the pro-forma application of SFAS 123.

Prior to the adoption of SFAS 123R, our Board of Directors approved the acceleration of vesting of certain unvested and out-of-money stock options with exercise prices equal to or greater than \$5.00 per share previously awarded to employees, including executive officers, under our equity compensation plans. The acceleration of vesting was effective for stock options outstanding as of December 21, 2005. Options to purchase approximately 3.0 million shares of common stock or 32% of our then outstanding unvested stock options were subject to this acceleration. The weighted average price of the options that were accelerated was \$7.02. The options accelerated excluded options previously

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granted to Board of Directors, employees who had terminations pending and foreign employees who opted out of the acceleration for tax reasons. For all officers and vice-presidents (non-officers) the acceleration was accompanied by restrictions imposed on any shares that may in the future be purchased through the exercise of accelerated stock options. Those restrictions prevent the sale of any such shares prior to the date such shares would have originally vested had the optionee been employed on such date (whether or not the optionee is actually an employee at that time). The purpose of the acceleration was to enable us to avoid recognizing compensation expense associated with these options in our Consolidated Statements of Operations upon the adoption of SFAS 123R on January 1, 2006. The acceleration of the vesting of these stock options resulted in an approximate total savings of \$12.0 million of future compensation expense that would have impacted expenses through the third quarter of 2009.

Stock Option Activity

The following table represents stock option activity for the nine months ended September 30, 2006:

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	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value (in 000 s)
Outstanding options at the beginning of the period	10,124,138	\$ 6.304		
Granted	4,115,200	4.082		
Exercised	(469,544)	4.160		
Forfeited	(1,880,638)	7.603		
Outstanding options at the end of the period	11,889,156	\$ 5.590	6.60	\$ 4,445,558
Options vested and expected to vest	11,810,111	\$ 5.600	6.60	\$ 4,422,866
Outstanding exercisable at the end of the period	7,787,283	\$ 6.330	6.60	\$ 3,359,070

The aggregate intrinsic value in the table above represents the total pre-tax intrinsic value that would have been received by the option holders had they all exercised their options on September 30, 2006. This amount will change based on the fair market value of the Company's stock. During the three and nine months ended September 30, 2006, the aggregate intrinsic value of options exercised under the Company's stock options plans was \$147,000 and \$538,000, respectively. Total fair value of options vested during the three and nine months ended September 30, 2006 was \$733,000 and \$2.1 million, respectively.

At September 30, 2006, there was \$8.7 million of unrecognized compensation cost related to existing options outstanding as of September 30, 2006 which is expected to be recognized over a weighted average period of 3.4 years.

Net Income (Loss) Per Share

Basic and diluted net income (loss) per share are presented in accordance with Statement of Financial Accounting Standards No. 128, Earnings per Share (SFAS 128), for all periods presented. In accordance with SFAS 128, basic and diluted net loss per share have been computed using the weighted-average number of common shares outstanding during the period.

The following table sets forth the computation of basic and diluted net income (loss) per share (in thousands, except per share data):

	Three months ended September 30,		Nine months ended September 30,	
	2006	2005	2006	2005
Net income (loss)	\$ (1,687)	\$ (85)	\$ (8,155)	\$ 3,280
Basic:				
Weighted-average shares of common stock outstanding	44,152	43,001	44,000	42,914
Shares used in computing basic net income per share	44,152	43,001	44,000	42,914
Basic net income (loss) per share	\$ (0.04)	\$ (0.00)	\$ (0.19)	\$ 0.08
Diluted:				
Weighted-average shares of common stock outstanding	44,152	43,001	44,000	42,914
Add: Common equivalent shares outstanding				1,715
Shares used in computing diluted net income per share	44,152	43,001	44,000	44,629
Diluted net income (loss) per share:	\$ (0.04)	\$ (0.00)	\$ (0.19)	\$ 0.07

Warranties and Indemnifications

SupportSoft generally provides a warranty for its software products and services to its customers and accounts for its warranties under the FASB's Statement of Financial Accounting Standards No. 5, Accounting for Contingencies (SFAS 5). Our standard warranty period is 90 days, but warranty periods can sometimes be longer and vary from customer to customer. In the event there is a failure of the product in breach of such warranties, SupportSoft generally is obligated to correct the product or service to conform to the warranty provision or, if SupportSoft is

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unable to do so, the customer is entitled to seek a refund of the purchase price of the product or service. SupportSoft did not provide for a warranty accrual as of September 30, 2006 or December 31, 2005. To date, SupportSoft's product warranty expense has not been significant.

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SupportSoft generally agrees to indemnify its customers against legal claims that SupportSoft's software products infringe certain third-party intellectual property rights and accounts for its indemnification obligations under SFAS 5. To date, SupportSoft has not been required to make any payment resulting from infringement claims asserted against our customers and has not recorded any related accruals.

Recent Accounting Pronouncements

In June 2006, the Financial Accounting Standards Board (FASB) issued Interpretation No. 48 (FIN 48), Accounting for Uncertainty in Income Taxes. This Interpretation clarifies the accounting for uncertainty in income taxes recognized in a company's financial statements in accordance with SFAS No. 109, Accounting for Income Taxes. FIN 48 prescribes a recognition and measurement threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. FIN 48 is effective for fiscal years beginning after December 15, 2006. The Company is currently evaluating the effects that FIN 48 may have on its accounting for income tax practices.

(2) Comprehensive Income (Loss)

Statement of Financial Accounting Standards No. 130, Reporting Comprehensive Income (SFAS 130) establishes standards for reporting and displaying comprehensive net income and its components in stockholders' equity. However, it has no impact on our net income or loss as presented in our financial statements. SFAS 130 requires foreign currency translation adjustments and changes in the fair value of available-for-sale securities to be included in comprehensive income or loss.

The following are the components of comprehensive income (loss) (in thousands):

	Three months ended September 30,		Nine months ended September 30,	
	2006	2005	2006	2005
Net income (loss)	\$ (1,687)	\$ (85)	\$ (8,155)	\$ 3,280
Net unrealized gain (loss) on available-for-sale securities	72	38	87	134
Foreign currency translation gain (loss)	46	132	(118)	(311)
Comprehensive income (loss)	\$ (1,569)	\$ 85	\$ (8,186)	\$ 3,103

The components of accumulated other comprehensive income (loss) relate entirely to translation adjustment gains and losses and unrealized gains and losses on available-for-sale securities and are \$(646,000) and \$(29,000) at September 30, 2006, respectively.

(3) Income Taxes

We recorded income tax provisions of \$72,000 and \$333,000 for the three and nine months ended September 30, 2006, respectively. These provisions primarily reflect foreign income taxes and foreign withholding taxes. For the three months ended September 30, 2005, we recorded a benefit for income taxes of approximately \$59,000. The income tax benefit reflects a reduction of projected annual income in the third quarter of 2005. For the nine months ended September 30, 2005, we recorded a provision of \$126,000 which primarily reflects foreign taxes.

As of September 30, 2006, our deferred tax assets are fully offset by a valuation allowance. The Financial Accounting Standards Board's Statement of Financial Accounting Standards No. 109 Accounting for Income Taxes, provides for the recognition of deferred tax assets if realization of such assets is more likely than not. Based upon the weight of available evidence, which includes SupportSoft's historical operating performance, reported cumulative net losses since inception and difficulty in accurately forecasting our future results, the Company provided a full valuation allowance against its net deferred tax assets. We reassess the need for our valuation allowance on a quarterly basis. If it is later determined that a portion of the valuation allowance should be reversed it will be a benefit to the income tax provision.

(4) Contingencies

Legal Matters

Except as noted below, there are no material changes in the status of our legal proceedings from those described in our Annual Report on Form 10-K for the year ended December 31, 2005, as updated in our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2006 and June 30, 2006.

In re SupportSoft, Inc. Securities Litigation is a consolidated complaint filed in the United States District Court of the Northern District of California against the Company, our former CEO and former CFO. The complaint generally

alleges

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violations of certain federal securities law and seeks unspecified damages. On May 31, 2006, this action was certified to proceed as a class action on behalf of all persons and entities who purchased or otherwise acquired the securities of the Company from January 29, 2004 to October 1, 2004 and who were allegedly damaged thereby.

White v. Base et al. is a derivative shareholder complaint filed in the Superior Court of the State of California for the County of San Mateo. This complaint was filed on behalf of the Company as a nominal defendant against certain of our directors and former directors and alleges that the director defendants harmed the Company by making or permitting the Company to make false and misleading statements between January 20, 2004 and October 1, 2004. On September 25, 2006, the court denied Defendants' demurrer to the plaintiffs' First Amended Complaint. Defendants' answer is due on November 6, 2006.

We are also subject to other routine legal proceedings, as well as demands, claims and threatened litigation, that arise in the normal course of our business. The ultimate outcome of any litigation is uncertain, and either unfavorable or favorable outcomes could have a material negative impact. Regardless of outcome, litigation can have an adverse impact on SupportSoft because of defense costs, diversion of management resources and other factors.

Taxes

We are required to make periodic filings in the states where we are deemed to have a presence for tax purposes. We have undergone state audits in the past and have paid assessments arising from these audits. To date, such amounts have not been material. We evaluate estimated losses that could arise from similar assessments in accordance with Statement of Financial Accounting Standard No. 5, Accounting for Contingencies. We consider such factors as the degree of probability of an unfavorable outcome and the ability to make a reasonable estimate of the amount of loss.

(5) Restructuring Obligations and Other Charges

In the fourth quarter of 2005, SupportSoft's management performed a review of its business operations and realigned its resources and go-to-market strategies to help maximize future revenue opportunities. As a result of this business review, the Company implemented a restructuring plan that included the termination of 27 employees and closure of various offices worldwide. All of the employees included in the restructuring were terminated as of December 31, 2005. As a result of the restructuring plan, the Company recorded a restructuring charge of \$645,000 for severance costs and lease termination-related costs during the fourth quarter of 2005.

In the third quarter of 2006, in connection with a business review conducted by SupportSoft's new Chief Executive Officer, the Company reduced its workforce by 25 employees, or approximately 10% of its workforce at that time. As a result, the Company recorded a restructuring charge of \$756,000 in the third quarter of 2006. The restructuring charge was comprised entirely of severance costs and other personnel-related termination costs. Restructuring expenses included in the Consolidated Statements of Operations for the three and nine months ended September 30, 2006 were \$184,000 for cost of services, \$40,000 for research and development, \$338,000 for sales and marketing and \$194,000 for general and administrative. Cash payments of \$468,000 were made against those obligations during the third quarter of 2006.

The obligations at September 30, 2006 are summarized in the following table (in thousands):

	Severance (1)	Facilities (2)	Total
Restructuring costs	\$ 456	\$ 189	\$ 645
Cash payments	(346)	(34)	(380)
Restructuring obligations, December 31, 2005	\$ 110	\$ 155	\$ 265
Cash payments	(110)	(102)	(212)
Restructuring obligations, March 31, 2006	\$	\$ 53	\$ 53
Cash payments		(53)	(53)
Restructuring obligations, June 30, 2006	\$	\$	\$
Restructuring costs	756		
Cash payments	(468)		
Restructuring obligations, September 30, 2006	\$ 288	\$	\$

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- (1) Severance costs include those expenses related to severance pay and related employee benefit obligations.
 - (2) Facilities costs include obligations under non-cancelable leases for facilities that we will no longer occupy, as well as penalties associated with early terminations of leases and disposal of fixed assets. The related leases are short term in nature expiring in less than one year. No sublease income has been included.

ITEM 2: MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This Management's Discussion and Analysis of Financial Condition and Results of Operations should be read together with the unaudited condensed consolidated financial statements and related notes appearing in Item 1 of this report on Form 10-Q and the section entitled Management's Discussion and Analysis of Financial Condition and Results of Operations and the consolidated financial statements and related notes included in SupportSoft's Annual Report on Form 10-K for the year ended December 31, 2005.

This report on Form 10-Q contains forward-looking statements. These statements relate to our future plans, objectives, expectations, intentions and financial performance, as well as statements regarding our plans to introduce consumer technology support services. Forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those discussed in these forward-looking statements. These risks and uncertainties include, but are not limited to, our ability to achieve broad adoption and acceptance of our offerings, the potential for a decrease in revenue caused by our reliance on a few large transactions in any period, long sales cycles, the ability of our software to operate with hardware and software platforms that are used by our customers now or in the future, our ability to compete successfully in the support automation software market and in the consumer technology support market, our limited experience in servicing consumers directly, our ability to meet consumer expectations, our dependence on channel partners for customer acquisition, our ability to manage rapid headcount growth, our ability to address market opportunities in light of the recent restructuring and leadership transitions, diversion of management attention to litigation matters or strategic matters, our ability to accurately predict performance, our ability to retain key employees, our ability to obtain sufficient patent protection, and the uncertain economic conditions in the United States and in international markets. Additional risks and uncertainties include those listed under Item 1A, Risk Factors. SupportSoft expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this report to conform these statements to actual results or changes in our expectations or in events, conditions or circumstances on which any such statement is based. You should not place undue reliance on these forward-looking statements, which apply only as of the date hereof.

Overview

We have historically developed, marketed and distributed software designed to facilitate the identification, diagnosis and resolution of technology-related problems. Our software solutions have been utilized by:

- Digital service providers, to provide automated installation, verification and support of the broadband services they provide to their subscribers; and
- Corporate enterprises, either directly or as part of an outsourced solution from managed service providers, to automate the management of computing endpoints and to provide service and support automation to customers, partners and employees.

Our revenue to date has consisted of software license fees and fees for maintenance, consulting, hosting and training services. We have licensed our software to customers predominately on a perpetual basis in which we recognize the license revenue upfront, assuming all criteria for revenue recognition under the applicable accounting rules have been met. Maintenance fees relating to perpetual software licenses result in ratable revenue over the length of the maintenance term, which is generally one year. Consulting and training revenues are generally recognized as the services are performed or in accordance with predefined project milestones.

Our total revenue for the three and nine months ended September 30, 2006 was approximately \$11.9 million and \$30.9 million. Our total revenue increased in the third quarter of 2006 by \$1.1 million, or approximately 10%, over the second quarter of 2006 driven primarily by an increase in license revenue. License revenue in the third quarter of 2006 increased \$1.0 million, or approximately 29%, over the prior quarter. Services revenue increased \$98,000, or approximately 1%, in the third quarter of 2006 over the prior quarter. Despite the sequential quarterly increases in license and services revenue in 2006, our total revenue for the three and nine months ended September 30, 2006 represents decreases of 9% and 33% from the comparable periods in 2005.

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In April 2006, we named Joshua Pickus as President and Chief Executive Officer of SupportSoft. In July 2006, following an evaluation of the Company's business operations and market opportunities we announced a plan to (1) strengthen our current business through more effective deployment and management of resources, and (2) extend our business by providing consumer technology support services. In addition to continuing to offer our software to corporate customers, we plan to offer technology support services to consumers through call-center based experts using our own technology.

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We believe the market for consumer technology support services is large and rapidly growing. We also believe we are well positioned to participate in this market because of our support automation technology, our expertise in addressing technology support problems and our customer relationships. We plan to reach consumers through channel partners, such as hardware manufacturers, independent software vendors, service providers, portals and other channel partners who will refer consumers to us and receive a referral fee or revenue share from us. We also plan to acquire customers directly through our support.com website where consumers would connect to our expert center and pay us a fee for resolving their technology problems.

Although we intend to leverage many of our existing resources, we anticipate making significant additional investments in support of our new technology support service offering, including investments in establishment of our technology support call center and additional personnel. We expect that these additional investments will precede any material revenue from our new business initiative. As a result, we currently expect to incur losses for the foreseeable future in our business. See the risk factor relating to our new consumer technology services initiative under Item 1A, Risk Factors. To partially offset the cost of these new investments, we reduced our workforce by 25 employees, or approximately 10% of our workforce at that time during the third quarter of 2006. We incurred approximately \$756,000 in severance and other personnel-related termination costs in connection with this restructuring.

Our diluted earnings (loss) per share for the three and nine months ended September 30, 2006 was \$(0.04) and \$(0.19) compared to \$0.00 and \$0.07 for the three and nine months ended September 30, 2005, including the impact of stock compensation expense in 2006.

We intend the following discussion of our financial condition and results of operations that follows to provide information that will assist in understanding our financial statements, the changes in certain key items in those financial statements from year to year, and the primary factors that accounted for those changes, as well as how certain accounting principles, policies and estimates affect our financial statements.

Critical Accounting Policies and Estimates

In preparing our consolidated financial statements in conformity with accounting principles generally accepted in the United States, we make assumptions, judgments and estimates that can have a significant impact on our net revenue, operating results, as well as on the value of certain assets and liabilities on our consolidated balance sheet. We base our assumptions, judgments and estimates on historical experience and various other factors that we believe to be reasonable under the circumstances. Actual results could differ materially from these estimates under different assumptions or conditions. On a regular basis we evaluate our assumptions, judgments and estimates and make changes accordingly. We believe that the assumptions, judgments and estimates involved in the accounting for revenue recognition, allowance for doubtful accounts, accounting for income taxes, business combinations and stock-based compensation have the greatest potential impact on our consolidated financial statements, so we consider these to be our critical accounting policies. We discuss below the critical accounting estimates associated with these policies. For further information on the critical accounting policies, see Note 1 of our Notes to Consolidated Financial Statements.

Revenue Recognition

We recognize revenue in accordance with generally accepted accounting principles that have been prescribed for the software industry. Revenue recognition requirements in the software industry are very complex and are subject to change. Our revenue recognition policy is one of our critical accounting policies because revenue is a key component of our results of operations and is based on complex rules which require us to make judgments. In applying our revenue recognition policy we must determine which portions of our revenue are recognized currently and which portions must be deferred. In order to determine current and deferred revenue, we make judgments with regard to the expected amount of future services and the appropriate fair value for those services. We also make judgments as to whether future services are essential to the functionality of other elements of the software arrangement.

We do not record revenue on sales transactions when the collection of cash is in doubt at the time of sale. Rather, revenue is recognized from these transactions as cash is collected. The determination of collectibility requires significant judgment.

Allowance for Doubtful Accounts

We make judgments as to our ability to collect outstanding receivables and provide allowances for the portion of receivables when collection becomes doubtful. Provisions are made based upon a specific review of all significant outstanding invoices. For those invoices not specifically provided for, provisions are recorded at differing rates, based upon the age of the receivable. In determining these percentages, we analyze our historical collection experience and current payment trends. If the historical data we use to calculate the allowance for doubtful accounts does not reflect the future ability to collect

outstanding receivables, additional provisions for doubtful accounts may be needed and the future results of operations could be materially affected.

Accounting for Income Taxes

We are required to estimate our income taxes in each of the tax jurisdictions in which we operate. This process involves management's estimation of our actual current tax exposures together with an assessment of temporary differences determined based on the difference between the financial statement and tax basis of certain items. These differences result in net deferred tax assets and liabilities, which are included within the consolidated balance sheet. We must then assess the likelihood that the deferred tax assets will be recovered from future taxable income and to the extent we believe that recovery is not likely, we must establish a valuation allowance. To the extent we establish a valuation allowance or adjust this allowance in a period, we must include a tax expense or benefit within the tax provision in the statement of operations.

Business Combinations

When we acquire businesses, we allocate the purchase price to the fair value of tangible assets and liabilities acquired and identifiable intangible assets. Any residual purchase price is recorded as goodwill. We engage independent third-party appraisal firms to assist in determining the fair values of assets acquired and liabilities assumed. Such a valuation requires management to make significant estimates, especially with respect to intangible assets. These estimates are based on historical experience and information obtained from the management of the acquired companies. These estimates can include, but are not limited to, the cash flows than an asset is expected to generate in the future, the appropriate weighted average cost of capital, and the cost savings expected to be derived from acquiring an asset. These estimates are inherently uncertain and unpredictable. In addition, unanticipated events and circumstances may occur which may affect the accuracy or validity of such estimates.

At September 30, 2006, goodwill was \$9.8 million, and net identifiable intangible assets were \$3.2 million. We assess the impairment of goodwill annually or more often if events or changes in circumstances indicate that the carrying value may not be recoverable. We assess the impairment of goodwill at the entity level because we have only one reporting unit. We determine the fair value of the Company by analyzing sales prices of comparable software companies as a multiple of revenue. We supplement this evaluation using the Company's market capitalization. An impairment loss would be recognized if the fair value of the Company is less than the carrying value of the Company's net assets on the date of the evaluation. We assess the impairment of identifiable intangible assets whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. An impairment loss would be recognized when the sum of the undiscounted future net cash flows expected to result from the use of the asset and its eventual disposition is less than its carrying amount. Such impairment loss would be measured as the difference between the carrying amount of the asset and its fair value. The estimate of cash flow is based upon, among other things, certain assumptions about expected future operating performance and an appropriate discount rate determined by our management. Our estimates of discounted cash flows may differ from actual cash flows due to, among other things, economic conditions, changes to the business model or changes in operating performance. If we made different estimates, material differences may result in write-downs of net long-lived and intangible assets, which would be reflected by charges to our operating results for any period presented. At September 30, 2006, management concluded its annual evaluation for impairment of goodwill and no impairment was recognized. We test for impairment during the third quarter of each year, or earlier if indicators of impairment exist.

Stock-based compensation

We account for stock-based compensation in accordance with the provisions of SFAS 123R. We adopted SFAS 123R using the modified prospective transition method which requires the application of the accounting standard starting from January 1, 2006. Under the fair value recognition provisions of SFAS 123R, stock-based compensation cost is estimated at the grant date based on the fair value of the award and is recognized as expense ratably over the requisite service period of the award. We estimate the fair value of stock-based awards on the grant date generally using the Black-Scholes-Merton option-pricing model. Determining the appropriate fair value model and calculating the fair value of stock-based awards requires judgment, including estimating stock price volatility, forfeiture rates and expected life. If any of these assumptions used in the option-pricing models change significantly, stock-based compensation may differ materially in the future from that recorded in the accompanying financial statements.

RESULTS OF OPERATIONS

The following table sets forth the results of operations for the three and nine months ended September 30, 2006 and 2005 expressed as a percentage of total revenue.

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2006		2005		2006		2005	
Revenue:								
License fees	38	%	42	%	32	%	51	%
Services	62		58		68		49	
Net revenue	100		100		100		100	
Costs and expenses:								
Cost of license fees	1		1		1		1	
Cost of services	33		27		34		23	
Amortization of intangible assets	2		2		2		2	
Research and development	19		21		23		18	
Sales and marketing	51		41		55		40	
General and administrative	23		16		25		14	
Total costs and expenses	129		108		140		98	
Income (loss) from operations	(29	)	(8	)	(40	)	2	
Interest and other income, net	16		7		15		5	
Income (loss) before income taxes	(13	)	(1	)	(25	)	7	
Income tax provision	(1	)	0		(1	)	0	
Net income (loss)	(14	)%	(1	)%	(26	)%	7	%

Three and Nine Months Ended September 30, 2006**Revenue**

License fees. Although license fees increased sequentially from the second quarter of 2006, license fees decreased to \$4.5 million for the three months ended September 30, 2006 from \$5.4 million for the three months ended September 30, 2005 and to \$10.0 million for the nine months ended September 30, 2006 from \$23.8 million for the nine months ended September 30, 2005. The decrease reflected consummation of fewer large license transactions in addition to a lower number of total license transactions.

Most of our customer contracts are for perpetual licenses, which, provided the criteria for revenue recognition are met, generally result in the immediate recognition of license revenue. Although under certain contracts we have sold hosting services with our licenses or we have sold term licenses, both of which result in ratable license revenue, ratable license revenue is currently an immaterial percentage of our total revenue. As a result, failure to enter into significant new perpetual licenses in any particular period, as we experienced in the first three quarters of 2006, could cause our license revenue to decline substantially. We are seeking to introduce transaction structures that involve ratable revenue recognition and we currently expect that any revenues from our planned consumer technology support services initiative would consist of revenue sharing payments or service fees from a large number of transactions rather than large upfront software license fees upon which we have depended in the past.

Services revenue. Although services revenue increased sequentially from the second quarter of 2006, services revenue

decreased to \$7.4 million for the three months ended September 30, 2006 from \$7.6 million for the three months ended September 30, 2005 and to \$20.8 million for the nine months ended September 30, 2006 from \$22.4 million for the nine months ended September 30, 2005. Services revenue decreased primarily due to lower consulting revenue of \$518,000 and \$2.5 million for the three and nine month periods in 2006 as compared with the same periods in 2005 primarily as a result of one service provider customer in North America ordering less consulting services than previous quarters. These decreases in consulting revenues were partially offset by increases in maintenance revenue of \$348,000 and \$1.2 million in the three and nine month periods in 2006 as compared with the same periods in 2005 arising from maintenance contracts related to new license transactions.

Revenue from customers outside the United States accounted for approximately 19% and 22% of our total revenue for the three and nine month periods ended September 30, 2006, compared with 21% and 23% for the three and nine month periods ended September 30, 2005.

Cost of license fees

Cost of license fees consists primarily of costs related to third-party royalty fees under license arrangements for technology embedded in or resold with our products. Cost of license fees decreased to \$119,000 in the three months ended September 30, 2006 from \$123,000 in the three months ended September 30, 2005. Cost of license fees for the nine months ended September 30, 2006 decreased to \$333,000 from \$440,000 for the same period in 2005. These decreases primarily resulted from the sale of less third-party software in the three and nine months ended September 30, 2006 compared with the same periods in the prior year.

Cost of services

Cost of services consists primarily of compensation costs, travel costs, related overhead expenses for professional services personnel, payments made to third parties for subcontracted consulting services and outsourced hosting fees. Cost of services increased to \$4.0 million for the three months ended September 30, 2006 from \$3.5 million for the three months ended September 30, 2005. This increase was primarily due to restructuring charges of \$184,000 relating to our reduction in workforce and increases in compensation related costs, third party consulting fees and outsourced hosting fees. Cost of services for the nine months ended September 30, 2006 decreased to \$10.4 million from \$10.6 million for the same period in 2005. This decrease was primarily due to decreases in the use of third party consultants.

Included in the cost of services for the three and nine months ended September 30, 2006 was \$87,000 and \$210,000 of stock-based compensation expense. There were no comparable expenses in the same periods last year, because we adopted the provisions of SFAS 123R effective January 1, 2006.

Operating Expenses

Research and development. Research and development costs are expensed as incurred. Research and development expense consists primarily of compensation costs, consulting expenses and related overhead costs for research and development personnel. Research and development expense decreased to \$2.3 million for the three months ended September 30, 2006 from \$2.7 million for the three months ended September 30, 2005. Research and development expense decreased to \$7.1 million for the nine months ended September 30, 2006 from \$8.5 million for the same period in 2005. These decreases were primarily due to decreases in salary and related expenses as a result of lower headcount and decreases in third-party consulting costs. Included in research and development expense for the three and nine months ended September 30, 2006 was \$83,000 and \$301,000 of stock-based compensation expense. There were no comparable expenses in the same periods last year, because we adopted the provisions of SFAS123R effective January 1, 2006.

Sales and marketing. Sales and marketing expense consists primarily of compensation costs, including salaries, sales commissions and related overhead costs for sales and marketing personnel and promotional expenses, including public relations, advertising and trade shows. Sales and marketing expense increased to \$6.0 million for the three months ended September 30, 2006 from \$5.3 million for the three months ended September 30, 2005. The increase was primarily due to a restructuring charge of \$338,000 relating to our reduction in workforce, increases in recruiting expenses and commission expenses offset by a decrease in salaries and related costs due to lower headcount. Sales and marketing expense decreased to \$17.0 million for the nine months ended September 30, 2006 from \$18.4 million for the same period in 2005. The decrease was primarily due to lower variable compensation expenses, including lower sales commissions resulting from fewer license sales, a decrease in salary and related expenses as a result of lower headcount, and fewer events and tradeshow. Included in sales and marketing expenses for the three and nine months ended September 30, 2006 was \$219,000 and \$592,000 of stock-based compensation expense. There were no comparable expenses in the same periods last year, because we adopted the provisions of SFAS123R effective January 1, 2006.

General and administrative. General and administrative expense consists primarily of compensation costs and related overhead costs for administrative personnel and professional fees for legal, accounting and other professional services. General and administrative expense increased to \$2.7 million for the three months ended September 30, 2006 from \$2.1 million for the three months ended September 30, 2005. General and administrative expense increased to \$7.7 million for the nine months ended September 30, 2006 from \$6.4 million for the same period in 2005. This increase was primarily due to a restructuring charge of \$194,000 relating to our reduction in workforce, increases in salary expense due to executive transitions and third-party consulting fees. Also included in general and administrative expenses for the three and nine months ended September 30, 2006 is \$415,000 and \$1.2 million of stock-based compensation expense. There were no

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comparable expenses in the same periods last year, because we adopted the provisions of SFAS123R effective January 1, 2006.

Stock-based compensation. On January 1, 2006, we adopted Statement of Financial Accounting Standards No. 123 (revised 2004), Share-Based Payment, (SFAS 123R) which requires the measurement and recognition of compensation expense for all share-based payment awards made to employees and directors including employee stock options and employee stock purchases based on estimated fair values. Prior to January 1, 2006, we accounted for share-based payments to employees using the intrinsic value method under APB Opinion No. 25, as permitted by SFAS 123, and, as such, generally recognized no compensation cost for employee stock options or employee stock purchases in our financial statements.

We elected the modified prospective transition method for adopting SFAS 123R which requires the application of the accounting standard as of January 1, 2006, the first day of our 2006 fiscal year. Under this transition method, compensation cost recognized in the three and nine months ended September 30, 2006, includes the proportionate amounts of: (a) compensation cost for all stock-based payments granted prior to, but not yet vested as of, December 31, 2005 based on the grant-date fair value estimated in accordance with the original provisions of SFAS 123 and previously presented in the pro-forma footnote disclosures, and (b) compensation cost of all stock-based payments granted subsequent to January 1, 2006 based on the grant-date fair value estimated in accordance with the new provisions of SFAS 123R. Prior periods have not been re-stated to reflect the impact of SFAS 123R.

For the three and nine months ended September 30, 2006, we recorded \$804,000 and \$2.3 million respectively in stock-based compensation expense. At September 30, 2006, there was \$8.7 million of unrecognized compensation expense related to existing options outstanding as of September 30, 2006 which is expected to be recognized over a weighted average period of 3.4 years.

Prior to the adoption of SFAS 123R, our Board of Directors approved the acceleration of vesting of certain unvested and out-of-money stock options with exercise prices equal to or greater than \$5.00 per share previously awarded to employees, including our executive officers, under our equity compensation plans. The acceleration of vesting was effective for stock options outstanding as of December 21, 2005. Options to purchase approximately 3.0 million shares of common stock or 32% of our then outstanding unvested stock options were subject to this acceleration. The weighted average price of the options that were accelerated was \$7.02. The acceleration of the vesting of these stock options resulted in an approximate total savings of \$12.0 million of future compensation expense that would have impacted expenses through the third quarter of 2009. The options accelerated excluded options previously granted to members of the Board of Directors, employees who had terminations pending and foreign employees who opted out of the acceleration for tax reasons. For all officers and vice-presidents (non-officers) the acceleration was accompanied by restrictions imposed on any shares that may in the future be purchased through the exercise of accelerated stock options. Those restrictions prevent the sale of any such shares prior to the date such shares would have originally vested had the optionee been employed on such date (whether or not the optionee is actually an employee at that time). The purpose of the acceleration was to enable us to avoid recognizing compensation expense associated with these options in our Consolidated Statements of Operations upon the adoption of SFAS 123R on January 1, 2006.

Interest income and other, net. Interest income and other, net increased to \$1.8 million for the three months ended September 30, 2006 from \$909,000 for the three months ended September 30, 2005. Interest income and other, net increased to \$4.7 million for the nine months ended September 30, 2006 from \$2.5 million for the same period in 2005. These increases were primarily due to an increase in interest income due to higher interest rates earned on our marketable securities. The increase for the three months ended September 30, 2006 over the same period in 2005 is also due to a one-time payment of \$295,000 that we received in the third quarter of 2006 in settlement of a contractual dispute.

Provision for income taxes. The income tax provision increased to \$72,000 for the three months ended September 30, 2006 from a \$59,000 tax benefit for the three months ended September 30, 2005. The income tax provision increased to \$333,000 for the nine months ended September 30, 2006 from \$126,000 for the same period in 2005. This increase was primarily due to foreign withholding taxes related to international customer payments.

Each quarter, we evaluate the realizability of our deferred tax assets. At September 30, 2006, we had recorded a full valuation allowance against our deferred tax assets based on the realization criteria outlined in the applicable accounting literature. Amongst other important factors, we have considered and will continue to consider our history of earnings and our ability to generate pre-tax income in the future. Giving appropriate consideration to all the relevant factors and assuming we perform as we expect in the future, we believe the release of a portion of our valuation allowance will be appropriate at some point in the future. This would result in an income tax benefit within the statement of operations in the

period of adjustment.

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LIQUIDITY AND CAPITAL RESOURCES

Since our incorporation in December 1997, we have financed our operations primarily through our initial public offering, follow-on public offering, cash flows from operations and, to a lesser extent, from the private placement of our preferred and common stock, bank borrowings and capital equipment lease financing. In November 2003, we completed our follow-on public offering from which we received net proceeds of approximately \$77.7 million. There are many variables that impact our financial plan including the levels of revenue, costs and expenses, and new capital investments. Actual cash usage could differ from these projections.

Operating Activities

Net cash provided by (used in) operating activities was \$453,000 and \$(3.5) million for the nine months ended September 30, 2006 and 2005, respectively. Net cash provided by operating activities for the nine months ended September 30, 2006 was primarily due to cash collections during the period, which contributed to a reduction in accounts receivable of \$10.4 million. The reduction in accounts receivable was offset by a net loss of \$8.2 million, adjusted for amounts which did not require the use of cash of \$4.0 million. These non-cash items primarily include depreciation, amortization and stock-based compensation expense. Net cash used in operating activities for the nine months ended September 30, 2005 was primarily the result of net income of \$3.3 million offset by an increase in accounts receivable, net of \$3.3 million and a decrease in deferred revenue of \$5.2 million.

Investing Activities

Net cash provided by (used in) investing activities was \$(7.2) million and \$5.1 million for the nine months ended September 30, 2006 and 2005, respectively. Net cash used in investing activities for the nine months ended September 30, 2006, was due to the purchases of property and equipment of \$(478,000) and by the net purchases in marketable securities of \$(6.8) million. Net cash provided by investing activities for the nine months ended September 30, 2005, was due primarily to the sale and maturity of \$77.7 million of short term investments, offset by purchases of \$71.8 million in short term investments and the purchase of property and equipment of \$1.0 million.

Financing Activities

Net cash generated by financing activities was \$1.9 million for the nine months ended September 30, 2006 and \$1.1 million for the nine months ended September 30, 2005. Net cash provided by financing activities was attributable to net proceeds from the purchase of common stock under the employee stock purchase plan and the exercise of employee stock options. In the second quarter of 2005, our board of directors authorized the repurchase of up to 2,000,000 outstanding shares of our common stock. To date, we have repurchased 192,598 shares of outstanding common stock at a cost of \$922,294 or an average cost of \$4.76 per share, excluding commissions. No purchases have been made since the second quarter of 2005.

Working Capital and Capital Expenditure Requirements

At September 30, 2006, we had stockholders' equity of \$130.5 million and working capital of \$116.6 million. Included as a reduction to working capital is deferred revenue of \$10.3 million, which will not require dollar-for-dollar of cash to settle, but will be recognized as revenue in the future. We believe that our existing cash balances will be sufficient to meet our working capital requirements and stock repurchase program, as well as our planned capital expenditures for at least the next 12 months.

A sustained period of losses, such as the loss we incurred in the first three quarters of 2006, would likely result in an increased net usage of cash to fund our operating activities. Also, if we require additional capital resources to grow our business internally or to acquire complementary technologies and businesses at any time in the future, we may seek to sell additional equity or debt securities. The sale of additional equity or debt securities could result in more dilution to our stockholders. Financing arrangements may not be available to us, or may not be available in amounts or on terms acceptable to us.

ITEM 3: QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We have operations in the United States and other countries and market and sell our products in North America, South America, Asia and Europe. As a result, our financial results could be affected by factors such as changes in foreign currency exchange rates or weak economic conditions in foreign markets. As most sales are currently made in U.S. dollars, a strengthening of the dollar could make our products less competitive in foreign markets.

As of September 30, 2006, we held \$18.5 million in cash and cash equivalents consisting of highly liquid investments having original maturity dates of no more than 90 days. Declines of interest rates over time would reduce our interest income from our highly liquid marketable

securities. Based upon our balance of cash and cash equivalents, a decrease in interest rates of

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100 basis points would cause a corresponding decrease in our annual interest income of approximately \$185,000. Due to the nature of our highly liquid cash equivalents, a change in interest rates would likely not materially change the fair market value of our cash and cash equivalents.

As of September 30, 2006, we held \$104.0 million in marketable securities, which consisted primarily of corporate bonds, government debt securities maturing in less than eighteen months and market auction securities resetting in less than forty-five days. The weighted average interest rate of our portfolio was approximately 5.16% at September 30, 2006. A decline in interest rates over time would reduce our interest income from our marketable securities.

2,000	Maricopa County, AZ, Industrial Development Authority, (Catholic Healthcare West), (BHAC), 5.25%, 7/1/32	1,861,880	1,000	Maricopa County, AZ, Industrial Development Authority, (Mayo Clinic Hospital), (AMBAC),	
5.25%, 11/15/37	839,520	2,500	Maryland Health and Higher Educational Facilities Authority, (Lifebridge Health), (AGC),		
4.75%, 7/1/47 ⁽¹⁾	2,025,675		Insured-Housing 2.5%	\$ 1,100	Broward County, FL, Housing Finance Authority, Multi-Family Housing, (Venice Homes Apartments), (FSA), (AMT), 5.70%, 1/1/32 ⁽⁶⁾
				\$ 923,054	\$ 923,054
Insured-Lease Revenue/Certificates of Participation	9.7%	\$ 1,155	Newberry, SC, (Newberry County School District), (AGC), 5.00%,		
12/1/30	\$ 1,013,616	3,000	San Diego County, CA, Water Authority, (FSA), 5.00%, 5/1/38 ⁽¹⁾	2,609,985	\$ 3,623,601
Insured-Other Revenue	1.1%	\$ 425	Kentucky Economic Development Finance Authority, (Louisville Arena Project), (AGC), 6.00%,		
12/1/33	\$ 410,083		Insured-Special Tax Revenue 8.4%	\$ 170	Baton Rouge, LA, Public Improvement, (FSA),
4.25%, 8/1/32	\$ 133,338	3,040	Miami-Dade County, FL, Special Obligation, (MBIA),		
0.00%, 10/1/35	473,358	5,000	Miami-Dade County, FL, Special Obligation, (MBIA),		
0.00%, 10/1/38	628,800	5,610	Miami-Dade County, FL, Special Obligation, (MBIA),		
0.00%, 10/1/40	614,575	14,850	Puerto Rico Sales Tax Financing, (AMBAC),		
0.00%, 8/1/54	515,147	2,535	Puerto Rico Sales Tax Financing, (MBIA),		
0.00%, 8/1/44	201,178	5,030	Puerto Rico Sales Tax Financing, (MBIA),		
0.00%, 8/1/45	370,610	3,165	Puerto Rico Sales Tax Financing, (MBIA),		
0.00%, 8/1/46	215,948		Insured-Student Loan 2.5%	\$ 1,000	Massachusetts Educational Financing Authority, (AGC), (AMT), 6.35%, 1/1/30
				\$ 955,810	\$ 955,810
			Insured-Transportation 16.2%	\$ 670	Chicago, IL, (O Hare International Airport), (FSA), 4.50%, 1/1/38 ⁽⁸⁾
				\$ 527,940	240
			Dallas-Fort Worth, TX, International Airport, (MBIA), (AMT),		
6.10%, 11/1/24	218,863				

See notes to financial statements

Eaton Vance National Municipal Income Trust as of November 30, 2008

PORTFOLIO OF INVESTMENTS CONT'D

Principal Amount (000 \$ omitted)	Security	Value
Insured-Transportation (continued)		
95	Dallas-Fort Worth, TX, International Airport, (MBIA), (AMT), 6.25%, 11/1/28	85,800
2,100	Maryland Transportation Authority, (FSA), 5.00%, 7/1/41 ⁽¹⁾	1,950,585
3,770	Miami-Dade County, FL, Aviation Revenue, (Miami International Airport), (AGC), (CIFG), (AMT), 5.00%, 10/1/38 ⁽⁴⁾	2,762,656
560	New Jersey Transportation Trust Fund Authority, (AGC), 5.50%, 12/15/38	533,159
		\$ 6,079,003
Insured-Water and Sewer 24.2%		
\$ 3,750	Austin, TX, Water and Wastewater System, (FSA), 5.00%, 11/15/33 ⁽¹⁾	\$ 3,511,557
1,000	Emerald Coast, FL, Utility Authority Revenue, (FGIC), 4.75%, 1/1/31	802,620
3,250	Fernley, NV, Water and Sewer, (AGC), 5.00%, 2/1/38 ⁽¹⁾	2,928,136
640	Miami Beach, FL, Storm Water, (FGIC), 5.375%, 9/1/30	570,336
280	Pearland, TX, Waterworks and Sewer Systems, (FSA), 4.50%, 9/1/34	226,937
1,150	Tampa Bay, FL, Water Utility System, (FGIC), 4.75%, 10/1/27	1,032,079
		\$ 9,071,665
Lease Revenue/Certificates of Participation 1.7%		

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\$	650	Mohave County, AZ, Industrial Development Authority, (Mohave Prison LLC), 8.00%, 5/1/25	\$	627,101
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\$ 627,101

Nursing Home 2.2%

\$	265	Orange County, FL, Health Facilities Authority, (Westminster Community Care), 6.60%, 4/1/24	\$	221,233
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	735	Orange County, FL, Health Facilities Authority, (Westminster Community Care), 6.75%, 4/1/34		588,867
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\$ 810,100

Other Revenue 10.5%

\$	16,500	Buckeye Tobacco Settlement Financing Authority, OH, 0.00%, 6/1/47	\$	364,485
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	1,000	Michigan Tobacco Settlement Finance Authority, 6.00%, 6/1/48		634,220
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	1,000	Salt Verde, AZ, Financial Corporation, Senior Gas Revenue, 5.00%, 12/1/37		637,700
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	1,230	Tobacco Settlement Financing Corp., VA, 5.00%, 6/1/47		660,104
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	1,500	Tobacco Settlement Management Authority, SC, Escrowed to Maturity, 6.375%, 5/15/30		1,623,060
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\$ 3,919,569

Special Tax Revenue 17.7%

\$	85	Covington Park, FL, Community Development District, (Capital Improvements), 5.00%, 5/1/21	\$	78,290
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	500	Covington Park, FL, Community Development District, (Capital Improvements), 5.00%, 5/1/31		416,450
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	230	Dupree Lakes, FL, Community Development District, 5.00%, 11/1/10		214,907
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	205	Dupree Lakes, FL, Community Development District, 5.00%, 5/1/12		181,132
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	355	Dupree Lakes, FL, Community Development District, 5.375%, 5/1/37		217,043
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	310			240,014
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	Heritage Harbor South, FL, Community Development District, (Capital Improvements), 6.20%, 5/1/35	
230	Heritage Springs, FL, Community Development District, 5.25%, 5/1/26	171,513
340	New River, FL, Community Development District, (Capital Improvements), 5.00%, 5/1/13	212,568
140	New River, FL, Community Development District, (Capital Improvements), 5.35%, 5/1/38	75,261
340	North Springs, FL, Improvement District, (Heron Bay), 5.20%, 5/1/27	213,387
595	North Springs, FL, Improvement District, (Heron Bay), 7.00%, 5/1/19	572,658
985	River Hall, FL, Community Development District, (Capital Improvements), 5.45%, 5/1/36	587,011
475	Southern Hills Plantation, FL, Community Development District, 5.80%, 5/1/35	321,699
600	Sterling Hill, FL, Community Development District, 6.20%, 5/1/35	446,916
840	Tisons Landing, FL, Community Development District, 5.625%, 5/1/37	401,100
740	University Square, FL, Community Development District, 6.75%, 5/1/20	691,138
685	Waterlefe, FL, Community Development District, 6.95%, 5/1/31	596,176
175	West Palm Beach, FL, Community Redevelopment Agency, (Northwood Pleasant Community), 5.00%, 3/1/29	124,590
1,270	West Palm Beach, FL, Community Redevelopment Agency, (Northwood Pleasant Community), 5.00%, 3/1/35	856,869
		\$ 6,618,722

See notes to financial statements

Eaton Vance National Municipal Income Trust as of November 30, 2008

PORTFOLIO OF INVESTMENTS CONT'D

Principal Amount (000 \$ omitted)	Security	Value
Transportation	5.5%	
\$ 1,000	Los Angeles Department of Airports, CA, (Los Angeles International Airport), (AMT), 5.375%, 5/15/33	\$ 788,070
1,515	North Texas Tollway Authority Revenue, 5.75%, 1/1/38	1,264,661
		\$ 2,052,731
Total Tax-Exempt Investments (identified cost \$100,159,732)	215.3%	\$ 80,672,052
Short-Term Investments	3.2%	
Principal Amount (000 \$ omitted)	Description	Value
\$ 1,200	Massachusetts Health and Educational Facilities Authority, (Capital Assets Program), (MBIA), (SPA: State Street Bank and Trust Co.), Variable Rate, 12.00%, 1/1/35 ⁽⁵⁾	\$ 1,200,000
Total Short-Term Investments (identified cost \$1,200,000)	3.2%	\$ 1,200,000
Total Investments (identified cost \$101,359,732)	218.5%	\$ 81,872,052

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Auction Preferred Shares Plus Cumulative Unpaid Dividends	(53.8)%	\$ (20,152,642)
Other Assets, Less Liabilities	(64.7)%	\$ (24,247,254)
Net Assets Applicable to Common Shares	100.0%	\$ 37,472,156

AGC - Assured Guaranty Corp.

AMBAC - AMBAC Financial Group, Inc.

AMT - Interest earned from these securities may be considered a tax preference item for purposes of the Federal Alternative Minimum Tax.

BHAC - Berkshire Hathaway Assurance Corp.

CIFG - CIFG Assurance North America, Inc.

FGIC - Financial Guaranty Insurance Company

FNMA - Federal National Mortgage Association

FSA - Financial Security Assurance, Inc.

SPA - Standby Bond Purchase Agreement

MBIA - Municipal Bond Insurance Association

At November 30, 2008, the concentration of the Trust's investments in the various states, determined as a percentage of total investments, is as follows:

Florida	23.0%
Texas	10.3%
Others, representing less than 10% individually	66.7%

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, 2008, 46.8% 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 1.7% to 17.5% of total investments.

(1) Security represents the underlying municipal bond of a tender option bond trust (see Note 1H).

(2)

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Security has been issued as a leveraged inverse floater bond. The stated interest rate represents the rate in effect at November 30, 2008.

- (3) 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, 2008, the aggregate value of these securities is \$1,608,675 or 4.3% of the Trust's net assets applicable to common shares.
- (4) Security (or a portion thereof) has been segregated to cover margin requirements on open financial futures contracts.
- (5) Variable rate demand obligation. The stated interest rate represents the rate in effect at November 30, 2008.
- (6) Security (or a portion thereof) has been pledged as collateral for open swap contracts.

See notes to financial statements

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Eaton Vance New Jersey Municipal Income Trust as of November 30, 2008

PORTFOLIO OF INVESTMENTS

Tax-Exempt Investments 200.0%

Principal Amount
(000 s omitted)**Security****Value**

Education 8.3%

\$	250	New Jersey Educational Facilities Authority, (Georgian Court University), 5.00%, 7/1/27	\$	210,930
	250	New Jersey Educational Facilities Authority, (Georgian Court University), 5.00%, 7/1/33		198,970
	220	New Jersey Educational Facilities Authority, (Georgian Court University), 5.25%, 7/1/37		176,900
	3,500	New Jersey Educational Facilities Authority, (Princeton University), 4.50%, 7/1/38 ⁽¹⁾		3,014,116
			\$	3,600,916

Electric Utilities 5.1%

\$	1,500	Puerto Rico Electric Power Authority, 5.00%, 7/1/37	\$	1,099,380
	1,500	Salem County Pollution Control Financing, (Public Service Enterprise Group, Inc.), (AMT), 5.75%, 4/1/31		1,110,855
			\$	2,210,235

General Obligations 5.5%

\$	1,295	Gloucester County Improvement Authority, (Landfill Project), 4.50%, 3/1/30	\$	1,119,152
	1,595	Puerto Rico Public Buildings Authority, (Commonwealth Guaranteed), 5.25%, 7/1/29		1,276,622
			\$	2,395,774

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Health Care-Miscellaneous 0.5%

\$	300	Puerto Rico Infrastructure Financing Authority, (Mepsi Campus Project), 6.50%, 10/1/37	\$	221,175
			\$	221,175

Hospital 37.1%

\$	100	Camden County Improvement Authority, (Cooper Health System), 5.00%, 2/15/25	\$	74,659
	90	Camden County Improvement Authority, (Cooper Health System), 5.00%, 2/15/35		59,877
	100	Camden County Improvement Authority, (Cooper Health System), 5.25%, 2/15/27		75,527
	2,750	Camden County Improvement Authority, (Cooper Health System), 5.75%, 2/15/34		2,196,507
	2,060	New Jersey Health Care Facilities Financing Authority, (AHS Hospital Corp.), 5.00%, 7/1/27		1,700,221
	235	New Jersey Health Care Facilities Financing Authority, (Atlantic City Medical Center), 5.75%, 7/1/25		218,714
	3,515	New Jersey Health Care Facilities Financing Authority, (Atlanticare Regional Medical Center), 5.00%, 7/1/37		2,631,926
	2,140	New Jersey Health Care Facilities Financing Authority, (Capital Health System), 5.25%, 7/1/27		1,667,424
	1,765	New Jersey Health Care Facilities Financing Authority, (Capital Health System), 5.375%, 7/1/33		1,322,056
	2,000	New Jersey Health Care Facilities Financing Authority, (Hackensack University Medical Center), 6.00%, 1/1/34		1,844,520
	1,750	New Jersey Health Care Facilities Financing Authority, (Robert Wood Johnson University Hospital), 5.75%, 7/1/31		1,587,880
	710	New Jersey Health Care Facilities Financing Authority, (South Jersey Hospital), 5.00%, 7/1/26		582,186
	2,930	New Jersey Health Care Facilities Financing Authority, (South Jersey Hospital), 5.00%, 7/1/46		2,153,902
			\$	16,115,399

Housing 9.0%

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\$	715	New Jersey Housing and Mortgage Finance Agency, (Single Family Housing), (AMT), 4.70%, 10/1/37	\$	494,408
	4,490	New Jersey Housing and Mortgage Finance Agency, (Single Family Housing), (AMT), 5.00%, 10/1/37		3,396,461
			\$	3,890,869

Industrial Development Revenue 14.9%

\$	1,000	Gloucester County Improvements Authority, (Waste Management, Inc.), (AMT), 7.00%, 12/1/29	\$	1,003,010
	1,500	Middlesex County Pollution Control Authority, (Amerada Hess), 6.05%, 9/15/34		1,178,445
	3,220	New Jersey Economic Development Authority, (Anheuser-Busch Cos., Inc.), (AMT), 4.95%, 3/1/47		2,060,832
	750	New Jersey Economic Development Authority, (Continental Airlines), (AMT), 6.25%, 9/15/29		384,803
	750	New Jersey Economic Development Authority, (Continental Airlines), (AMT), 9.00%, 6/1/33		552,217
	2,080	Virgin Islands Public Financing Authority, (HOVENSA LLC), (AMT), 4.70%, 7/1/22		1,313,957
			\$	6,493,264

Insured-Education 7.1%

\$	3,365	New Jersey Educational Facilities Authority, (College of New Jersey), (FSA), 5.00%, 7/1/35 ⁽¹⁾	\$	3,100,444
			\$	3,100,444

Insured-Electric Utilities 4.8%

\$	1,250	Puerto Rico Electric Power Authority, (FGIC), (MBIA), 5.25%, 7/1/35	\$	977,612
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See notes to financial statements

Eaton Vance New Jersey Municipal Income Trust as of November 30, 2008

PORTFOLIO OF INVESTMENTS CONT'D

Principal Amount (000 \$ omitted)	Security	Value
Insured-Electric Utilities (continued)		
1,250	Vineland, (Electric Utility), (MBIA), (AMT), 5.25%, 5/15/26	\$ 1,102,500
		\$ 2,080,112
Insured-Gas Utilities 9.7%		
\$ 5,000	New Jersey Economic Development Authority, (New Jersey Natural Gas Co.), (FGIC), (MBIA), (AMT), 4.90%, 10/1/40	\$ 4,227,850
		\$ 4,227,850
Insured-General Obligations 7.0%		
\$ 1,500	Egg Harbor Township School District, (FSA), 3.50%, 4/1/28	\$ 1,076,865
1,240	Lakewood Township, (AGC), 5.75%, 11/1/31 ⁽²⁾	1,280,647
325	Nutley School District, (MBIA), 4.75%, 7/15/30	298,603
410	Nutley School District, (MBIA), 4.75%, 7/15/32	371,739
		\$ 3,027,854
Insured-Hospital 5.3%		
\$ 750	New Jersey Health Care Facilities Financing Authority, (Hackensack University Medical Center), (AGC), 5.25%, 1/1/36 ⁽¹⁾	\$ 695,899

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1,305	New Jersey Health Care Facilities Financing Authority, (Meridian Health Center), Series II, (AGC), 5.00%, 7/1/38	1,175,048
500	New Jersey Health Care Facilities Financing Authority, (Meridian Health Center), Series V, (AGC), 5.00%, 7/1/38 ⁽¹⁾	450,220
		\$ 2,321,167

Insured-Housing 6.5%

\$	3,390	New Jersey Housing and Mortgage Finance Agency, (Multi-Family Housing), (FSA), (AMT), 5.05%, 5/1/34	\$ 2,626,199
	205	New Jersey Housing and Mortgage Finance Agency, (Multi-Family Housing), (FSA), 5.75%, 5/1/25 ⁽²⁾	204,990
			\$ 2,831,189

Insured-Lease Revenue/Certificates of Participation 2.0%

\$	945	Newark Housing Authority, (Newark Marine Terminal), (MBIA), 5.00%, 1/1/32	\$ 848,308
			\$ 848,308

Insured-Special Tax Revenue 24.3%

\$	12,030	Garden Preservation Trust and Open Space and Farmland, (FSA), 0.00%, 11/1/24	\$ 4,892,601
	6,000	Garden Preservation Trust and Open Space and Farmland, (FSA), 0.00%, 11/1/25	2,279,760
	4,315	New Jersey Economic Development Authority, (Motor Vehicle Surcharges), (XLCA), 0.00%, 7/1/26	1,377,305
	2,020	New Jersey Economic Development Authority, (Motor Vehicle Surcharges), (XLCA), 0.00%, 7/1/27	593,254
	16,115	Puerto Rico Sales Tax Financing, (AMBAC), 0.00%, 8/1/54	559,029
	2,745	Puerto Rico Sales Tax Financing, (MBIA), 0.00%, 8/1/44	217,843
	5,445	Puerto Rico Sales Tax Financing, (MBIA), 0.00%, 8/1/45	401,187

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3,425	Puerto Rico Sales Tax Financing, (MBIA), 0.00%, 8/1/46	233,688
		\$ 10,554,667
Insured-Student Loan 4.3%		
\$ 2,000	New Jersey Higher Education Assistance Authority, (AGC), 6.125%, 6/1/30	\$ 1,851,760
		\$ 1,851,760
Insured-Transportation 6.7%		
\$ 5,570	New Jersey Transportation Trust Fund Authority, (Transportation System), (BHAC), (FGIC), 0.00%, 12/15/31	\$ 1,419,682
1,500	New Jersey Turnpike Authority, (BHAC), (FSA), 5.25%, 1/1/29	1,483,410
		\$ 2,903,092
Insured-Water and Sewer 5.6%		
\$ 3,195	New Jersey Economic Development Authority, (United Water New Jersey, Inc.), (AMBAC), (AMT), 4.875%, 11/1/25	\$ 2,427,146
		\$ 2,427,146
Lease Revenue/Certificates of Participation 7.8%		
\$ 895	New Jersey Economic Development Authority, (School Facilities Construction), 5.00%, 9/1/33	\$ 829,101
3,000	New Jersey Health Care Facilities Financing Authority, (Contract Hospital Asset Transportation Program), 5.25%, 10/1/38	2,544,690
		\$ 3,373,791

See notes to financial statements

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Eaton Vance New Jersey Municipal Income Trust as of November 30, 2008

PORTFOLIO OF INVESTMENTS CONT'D

Principal Amount (000 \$ omitted)	Security	Value
Nursing Home	2.0%	
\$ 1,000	New Jersey Economic Development Authority, (Masonic Charity Foundation), 5.50%, 6/1/31	\$ 890,700
		\$ 890,700
Other Revenue	4.7%	
\$ 7,200	Children s Trust Fund, PR, Tobacco Settlement, 0.00%, 5/15/50	\$ 139,032
13,280	Children s Trust Fund, PR, Tobacco Settlement, 0.00%, 5/15/55	137,581
4,270	Tobacco Settlement Financing Corp., 0.00%, 6/1/41	170,842
2,925	Tobacco Settlement Financing Corp., 5.00%, 6/1/41	1,598,542
		\$ 2,045,997
Senior Living/Life Care	6.8%	
\$ 465	New Jersey Economic Development Authority, (Cranes Mill, Inc.), 5.875%, 7/1/28	\$ 372,870
770	New Jersey Economic Development Authority, (Cranes Mill, Inc.), 6.00%, 7/1/38	591,075
1,700	New Jersey Economic Development Authority, (Fellowship Village), 5.50%, 1/1/25	1,278,247
1,175	New Jersey Economic Development Authority, (Seabrook Village), 5.25%, 11/15/36	730,368
		\$ 2,972,560

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Special Tax Revenue 1.6%

\$	750	New Jersey Economic Development Authority, (Cigarette Tax), 5.50%, 6/15/31	\$	517,313
	100	New Jersey Economic Development Authority, (Newark Downtown District Management Corp.), 5.125%, 6/15/27		75,798
	175	New Jersey Economic Development Authority, (Newark Downtown District Management Corp.), 5.125%, 6/15/37		121,210
			\$	714,321

Transportation 10.9%

\$	2,000	New Jersey Transportation Trust Fund Authority, (Transportation System), 6.00%, 12/15/38	\$	1,967,120
	1,995	Port Authority of New York and New Jersey, (AMT), 5.75%, 3/15/35 ⁽¹⁾		1,696,887
	5	Port Authority of New York and New Jersey, (AMT), 5.75%, 3/15/35		4,253
	1,175	South Jersey Port Authority, (Marine Terminal), 5.10%, 1/1/33		1,052,095
			\$	4,720,355

Water and Sewer 2.5%

\$	1,000	New Jersey Environmental Infrastructure Trust, 5.00%, 9/1/16	\$	1,093,270
			\$	1,093,270

Total Tax-Exempt Investments 200.0%
(identified cost \$108,048,815)

\$ **86,912,215**

Auction Preferred Shares Plus Cumulative Unpaid Dividends (78.6)%

\$ **(34,152,936)**

Other Assets, Less Liabilities (21.4)%

\$ **(9,299,921)**

Net Assets Applicable to
Common Shares 100.0%

\$ 43,459,358

AGC - Assured Guaranty Corp.

AMBAC - AMBAC Financial Group, Inc.

AMT - Interest earned from these securities may be considered a tax preference item for purposes of the Federal Alternative Minimum Tax.

BHAC - Berkshire Hathaway Assurance Corp.

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 New Jersey 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, 2008, 42.9% 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 2.3% to 18.0% of total investments.

- (1) Security represents the underlying municipal bond of a tender option bond trust (see Note 1H).
- (2) Security (or a portion thereof) has been pledged as collateral for open swap contracts.

See notes to financial statements

Eaton Vance New York Municipal Income Trust as of November 30, 2008

PORTFOLIO OF INVESTMENTS

Tax-Exempt Investments 198.5%

Principal Amount
(000 s omitted)**Security****Value**

Cogeneration 1.7%

\$	1,150	Suffolk County Industrial Development Agency, (Nissequogue Cogeneration Partners Facility), (AMT), 5.50%, 1/1/23	\$	840,616
			\$	840,616

Education 6.3%

\$	1,000	New York Dormitory Authority, (Columbia University), 5.00%, 7/1/38 ⁽¹⁾	\$	953,950
	2,250	New York Dormitory Authority, (Rochester Institute of Technology), 6.00%, 7/1/33		2,212,942
			\$	3,166,892

Electric Utilities 6.1%

\$	1,420	Long Island Power Authority, Electric System Revenue, 6.00%, 5/1/33	\$	1,423,195
	2,100	Suffolk County Industrial Development Agency, (Keyspan-Port Jefferson), (AMT), 5.25%, 6/1/27		1,632,120
			\$	3,055,315

Escrowed/Prerefunded 0.4%

\$	200	New York City Industrial Development Agency, (Ohel Children s Home), Escrowed to Maturity,	\$	209,400
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6.25%, 8/15/22

\$ 209,400

General Obligations 14.1%

\$	6,000	New York City, 5.25%, 9/15/33 ⁽²⁾	\$	5,521,200
	1,000	New York City, 6.25%, 10/15/28		1,045,650
	680	Puerto Rico Public Buildings Authority, (Commonwealth Guaranteed), 5.25%, 7/1/29		544,265
			\$	7,111,115

Health Care-Miscellaneous 8.0%

\$	1,115	New York City Industrial Development Agency, (A Very Special Place, Inc.), 5.75%, 1/1/29	\$	776,609
	1,200	New York City Industrial Development Agency, (Ohel Children s Home), 6.25%, 8/15/22		852,336
	200	Puerto Rico Infrastructure Financing Authority, (Mepsi Campus Project), 6.50%, 10/1/37		147,450
	50	Suffolk County Industrial Development Agency, (Alliance of LI), Series A, Class H, 7.50%, 9/1/15		47,375
	100	Suffolk County Industrial Development Agency, (Alliance of LI), Series A, Class I, 7.50%, 9/1/15		94,750
	2,600	Westchester County Industrial Development Agency, (Children s Village), 5.375%, 3/15/19		2,113,644
			\$	4,032,164

Hospital 31.3%

\$	190	Chautauqua County Industrial Development Agency, (Women s Christian Association), 6.35%, 11/15/17	\$	164,411
	485	Chautauqua County Industrial Development Agency, (Women s Christian Association), 6.40%, 11/15/29		365,496
	1,250	Fulton County Industrial Development Agency, (Nathan Littauer Hospital), 6.00%, 11/1/18		1,020,287
	2,500	Monroe County Industrial Development Agency, (Highland Hospital), 5.00%, 8/1/25		1,863,225
	400	Nassau County Industrial Development Agency, (North Shore Health System), 6.25%, 11/1/21		400,132

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1,500	New York Dormitory Authority, (Lenox Hill Hospital), 5.50%, 7/1/30	1,061,040
4,000	New York Dormitory Authority, (Memorial Sloan Kettering Cancer Center), 5.00%, 7/1/36 ⁽²⁾	3,617,960
2,000	New York Dormitory Authority, (Methodist Hospital), 5.25%, 7/1/33	1,401,640
845	New York Dormitory Authority, (North Shore Hospital), 5.00%, 11/1/34	608,408
1,250	New York Dormitory Authority, (NYU Hospital Center), 5.625%, 7/1/37	896,912
415	New York Dormitory Authority, (Orange Regional Medical Center), 6.125%, 12/1/29	320,376
835	New York Dormitory Authority, (Orange Regional Medical Center), 6.25%, 12/1/37	621,449
1,250	Oneida County Industrial Development Agency, (St. Elizabeth's Medical Center), 5.75%, 12/1/19	987,612
650	Saratoga County Industrial Development Agency, (Saratoga Hospital), 5.25%, 12/1/32	481,683
2,105	Suffolk County Industrial Development Agency, (Huntington Hospital), 6.00%, 11/1/22	1,950,346
		\$ 15,760,977

Housing 23.2%

\$	1,500	New York City Housing Development Corp., (Multi-Family Housing), (AMT), 5.05%, 11/1/39	\$ 1,127,310
	2,620	New York City Housing Development Corp., (Multi-Family Housing), (AMT), 5.20%, 11/1/40	2,010,274
	3,555	New York City Housing Development Corp., (Multi-Family Housing), (FNMA), (AMT), 4.60%, 1/15/26	2,734,506
	3,125	New York Housing Finance Agency, (FNMA), (AMT), 5.40%, 11/15/42	2,463,031
	1,500	New York Mortgage Agency, (AMT), 4.875%, 10/1/30	1,140,345

See notes to financial statements

Eaton Vance New York Municipal Income Trust as of November 30, 2008

PORTFOLIO OF INVESTMENTS CONT'D

Principal Amount (000 \$ omitted)	Security	Value
Housing (continued)		
2,000	New York Mortgage Agency, (AMT), 4.90%, 10/1/37	1,441,560
1,000	New York Mortgage Agency, (AMT), 5.125%, 10/1/37	766,860
		\$ 11,683,886
Industrial Development Revenue 16.7%		
\$ 1,000	Essex County Industrial Development Agency, (International Paper Company), (AMT), 6.625%, 9/1/32	\$ 724,530
625	Liberty Development Corp., (Goldman Sachs Group, Inc.), 5.25%, 10/1/35	454,112
2,525	Liberty Development Corp., (Goldman Sachs Group, Inc.), 5.25%, 10/1/35 ⁽²⁾	1,834,736
1,500	New York Industrial Development Agency, (American Airlines, Inc. JFK International Airport), (AMT), 8.00%, 8/1/12	1,364,655
1,000	Onondaga County Industrial Development Agency, (Anheuser-Busch Cos., Inc.), 4.875%, 7/1/41	813,080
2,500	Onondaga County Industrial Development Agency, (Anheuser-Busch Cos., Inc.), (AMT), 6.25%, 12/1/34	2,123,425
775	Onondaga County Industrial Development Agency, (Senior Air Cargo), (AMT), 6.125%, 1/1/32	598,354
495	Port Authority of New York and New Jersey, (Continental Airlines), (AMT), 9.125%, 12/1/15	495,703
		\$ 8,408,595

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Insured-Education 7.3%

\$	1,500	New York Dormitory Authority, (State University), (BHAC), 5.00%, 7/1/38	\$	1,386,825
	1,250	New York Dormitory Authority, (Yeshiva University), (AMBAC), 5.50%, 7/1/35		1,054,675
	5,460	Oneida County Industrial Development Agency, (Hamilton College), (MBIA), 0.00%, 7/1/33		1,239,584
			\$	3,681,084

Insured-Electric Utilities 7.5%

\$	1,365	Long Island Power Authority, Electric System Revenue, (BHAC), 5.75%, 4/1/33	\$	1,396,941
	3,000	Puerto Rico Electric Power Authority, (FGIC), (MBIA), 5.25%, 7/1/34		2,360,940
			\$	3,757,881

Insured-General Obligations 3.7%

\$	1,750	Puerto Rico, (FSA), Variable Rate, 12.711%, 7/1/27 ⁽³⁾⁽⁴⁾	\$	1,876,788
			\$	1,876,788

Insured-Lease Revenue/Certificates of Participation 4.7%

\$	3,300	Hudson Yards Infrastructure Corp., (MBIA), 4.50%, 2/15/47	\$	2,348,247
			\$	2,348,247

Insured-Special Tax Revenue 8.0%

\$	1,000	New York Convention Center Development Corp., Hotel Occupancy Tax, (AMBAC), 4.75%, 11/15/45	\$	779,250
	1,000			818,450

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		New York Convention Center Development Corp., Hotel Occupancy Tax, (AMBAC), 5.00%, 11/15/44	
4,500		Puerto Rico Infrastructure Financing Authority, (AMBAC), 0.00%, 7/1/34	677,340
19,745		Puerto Rico Sales Tax Financing, (AMBAC), 0.00%, 8/1/54	684,954
3,380		Puerto Rico Sales Tax Financing, (MBIA), 0.00%, 8/1/44	268,237
6,705		Puerto Rico Sales Tax Financing, (MBIA), 0.00%, 8/1/45	494,024
4,225		Puerto Rico Sales Tax Financing, (MBIA), 0.00%, 8/1/46	288,272
			\$ 4,010,527

Insured-Transportation 13.8%

\$	6,235	Niagara Frontier Airport Authority, (Buffalo Niagara International Airport), (MBIA), (AMT), 5.625%, 4/1/29	\$ 5,127,914
	2,030	Puerto Rico Highway and Transportation Authority, (AGC), 5.25%, 7/1/34	1,812,607
			\$ 6,940,521

Insured-Water and Sewer 1.4%

\$	1,000	Nassau County Industrial Development Agency, (Water Services Corp.), (AMBAC), (AMT), 5.00%, 12/1/35	\$ 701,350
			\$ 701,350

Lease Revenue/Certificates of Participation 5.7%

\$	2,500	New York City Transitional Finance Authority, (Building Aid), 4.50%, 1/15/38	\$ 1,928,725
	1,000	New York City Transitional Finance Authority, (Building Aid), 5.50%, 7/15/31	956,320
			\$ 2,885,045

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Other Revenue 1.9%

\$	1,285	Albany Industrial Development Agency Civic Facility, (Charitable Leadership), 5.75%, 7/1/26	\$	960,075
			\$	960,075

See notes to financial statements

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Eaton Vance New York Municipal Income Trust as of November 30, 2008

PORTFOLIO OF INVESTMENTS CONT'D

Principal Amount (000 \$ omitted)	Security	Value
Senior Living/Life Care	2.5%	
\$ 1,450	Mount Vernon Industrial Development Agency, (Wartburg Senior Housing, Inc.), 6.20%, 6/1/29	\$ 1,094,170
250	Suffolk County Industrial Development Agency, (Jefferson's Ferry Project), 5.00%, 11/1/28	178,105
		\$ 1,272,275
Special Tax Revenue	1.9%	
\$ 1,000	New York Dormitory Authority, Personal Income Tax Revenue, (University & College Improvements), 5.25%, 3/15/38	\$ 949,800
		\$ 949,800
Transportation	19.7%	
\$ 1,700	Metropolitan Transportation Authority, 4.50%, 11/15/37	\$ 1,291,694
3,200	Metropolitan Transportation Authority, 4.50%, 11/15/38	2,417,088
1,900	Port Authority of New York and New Jersey, 5.00%, 11/15/37 ⁽²⁾	1,752,845
1,190	Port Authority of New York and New Jersey, (AMT), 4.75%, 6/15/33	892,928
990	Port Authority of New York and New Jersey, (AMT), 5.75%, 3/15/35 ⁽²⁾	842,064
10	Port Authority of New York and New Jersey, (AMT), 5.75%, 3/15/35	8,506

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2,000	Triborough Bridge and Tunnel Authority, 5.00%, 11/15/37	1,802,560
1,000	Triborough Bridge and Tunnel Authority, 5.00%, 11/15/38	899,960
		\$ 9,907,645
Water and Sewer 12.6%		
\$	3,105 New York City Municipal Water Finance Authority, 5.75%, 6/15/40	\$ 3,123,692
	2,535 New York Environmental Facilities Corp., Clean Water, (Municipal Water Finance), 5.00%, 6/15/37 ⁽²⁾	2,356,941
	5 New York Environmental Facilities Corp., Clean Water, (Municipal Water Finance), 5.00%, 6/15/37	4,649
	1,000 Saratoga County Water Authority, 5.00%, 9/1/48	862,480
		\$ 6,347,762
Total Tax-Exempt Investments 198.5%		
	(identified cost \$122,107,447)	\$ 99,907,960
Auction Preferred Shares Plus Cumulative Unpaid Dividends (67.0%)		
		\$ (33,729,429)
Other Assets, Less Liabilities (31.5%)		
		\$ (15,853,503)
Net Assets 100.0%		
		\$ 50,325,028

AGC - Assured Guaranty Corp.

AMBAC - AMBAC Financial Group, Inc.

AMT - Interest earned from these securities may be considered a tax preference item for purposes of the Federal Alternative Minimum Tax.

BHAC - Berkshire Hathaway Assurance Corp.

FGIC - Financial Guaranty Insurance Company

FNMA - Federal National Mortgage Association

FSA - Financial Security Assurance, Inc.

MBIA - Municipal Bond Insurance Association

The Trust invests primarily in debt securities issued by New York 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, 2008, 23.3% 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 1.8% to 12.1% of total investments.

- (1) Security (or a portion thereof) has been segregated to cover margin requirements on open financial futures contracts.
- (2) Security represents the underlying municipal bond of a tender option bond trust (see Note 1H).
- (3) 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, 2008, the aggregate value of these securities is \$1,876,788 or 3.7% of the Trust's net assets applicable to common shares.
- (4) Security has been issued as a leveraged inverse floater bond. The stated interest rate represents the rate in effect at November 30, 2008.

See notes to financial statements

Eaton Vance Ohio Municipal Income Trust as of November 30, 2008

PORTFOLIO OF INVESTMENTS

Tax-Exempt Investments 182.1%

Principal Amount**(000 s omitted)****Security****Value**

Cogeneration 1.6%

\$	385	Ohio Water Development Authority, Solid Waste Disposal, (Bay Shore Power), (AMT), 5.875%, 9/1/20	\$	304,054
	200	Ohio Water Development Authority, Solid Waste Disposal, (Bay Shore Power), (AMT), 6.625%, 9/1/20		168,994
			\$	473,048

Electric Utilities 1.2%

\$	360	Clyde, Electric System Revenue, (AMT), 6.00%, 11/15/14	\$	349,049
			\$	349,049

Escrowed/Prerefunded 13.7%

\$	1,000	Delaware County, Prerefunded to 12/1/10, 6.00%, 12/1/25	\$	1,091,040
	1,530	Hamilton City School District, Prerefunded to 12/1/09, 5.625%, 12/1/24		1,614,165
	565	Highland County, (Joint Township Hospital District), Prerefunded to 12/1/09, 6.75%, 12/1/29		600,471
	670	Richland County Hospital Facilities, (Medcentral Health Systems), Prerefunded to 11/15/10, 6.375%, 11/15/22		732,283
			\$	4,037,959

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General Obligations 8.0%

\$	1,000	Barberton City School District, 4.50%, 12/1/33	\$	818,590
	1,090	Central Ohio Solid Waste Authority, 5.125%, 9/1/27 ⁽¹⁾		1,053,583
	500	Columbus, 5.00%, 7/1/23 ⁽²⁾		504,955
			\$	2,377,128

Health Care-Miscellaneous 0.2%

\$	100	Puerto Rico Infrastructure Financing Authority, (Mepsi Campus Project), 6.50%, 10/1/37	\$	73,725
			\$	73,725

Hospital 13.4%

\$	550	Cuyahoga County, (Cleveland Clinic Health System), 5.50%, 1/1/29	\$	502,254
	600	Erie County Hospital Facilities, (Firelands Regional Medical Center), 5.25%, 8/15/46		427,032
	1,500	Erie County Hospital Facilities, (Firelands Regional Medical Center), 5.625%, 8/15/32		1,213,470
	500	Miami County, (Upper Valley Medical Center), 5.25%, 5/15/26		377,345
	750	Ohio Higher Educational Facilities Authority, (University Hospital Health Systems, Inc.), 4.75%, 1/15/36		497,430
	1,000	Ohio Higher Educational Facilities Authority, (University Hospital Health Systems, Inc.), 4.75%, 1/15/46		632,030
	330	Richland County Hospital Facilities, (Medcentral Health Systems), 6.375%, 11/15/22		324,608
			\$	3,974,169

Housing 12.9%

\$	1,000	Ohio Housing Finance Agency, (Residential Mortgage Backed Securities), (AMT), 4.625%, 9/1/27	\$	758,240
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1,000	Ohio Housing Finance Agency, (Residential Mortgage Backed Securities), (AMT), 4.75%, 3/1/37	696,640
600	Ohio Housing Finance Agency, (Residential Mortgage Backed Securities), (AMT), 5.00%, 9/1/31	468,288
2,500	Ohio Housing Finance Agency, (Uptown Community Partners), (AMT), 5.25%, 4/20/48	1,893,225
		\$ 3,816,393

Industrial Development Revenue 13.5%

\$	1,385	Cleveland Airport, (Continental Airlines), (AMT), 5.375%, 9/15/27	\$	731,072
	1,300	Dayton Special Facilities Revenue, (Emery Air Freight), 5.625%, 2/1/18 ⁽³⁾		1,287,962
	2,250	Ohio Water Development Authority, (Anheuser-Busch Cos., Inc.), (AMT), 6.00%, 8/1/38		1,793,768
	225	Ohio Water Development Authority, Solid Waste Disposal, (Allied Waste North America, Inc.), (AMT), 5.15%, 7/15/15		175,986
			\$ 3,988,788	

Insured-Education 7.7%

\$	730	Miami University, (AMBAC), 3.25%, 9/1/26	\$	509,087
	1,500	University of Akron, Series A, (FSA), 5.00%, 1/1/38		1,326,495
	500	University of Akron, Series B, (FSA), 5.00%, 1/1/38		442,165
			\$ 2,277,747	

Insured-Electric Utilities 13.4%

\$	2,000	Cleveland Public Power System, (MBIA), 0.00%, 11/15/38	\$	286,280
	830	Ohio Municipal Electric Generation Agency, (MBIA), 0.00%, 2/15/25		299,339

See notes to financial statements

Eaton Vance Ohio Municipal Income Trust as of November 30, 2008

PORTFOLIO OF INVESTMENTS CONT'D

Principal Amount (000 \$ omitted)	Security	Value
Insured-Electric Utilities (continued)		
3,000	Ohio Municipal Electric Generation Agency, (MBIA), 0.00%, 2/15/26	1,005,870
2,225	Ohio Water Development Authority, (Dayton Power & Light), (FGIC), 4.80%, 1/1/34	1,797,288
330	Puerto Rico Electric Power Authority, (FGIC), 5.25%, 7/1/30	268,670
375	Puerto Rico Electric Power Authority, (FGIC), 5.25%, 7/1/34	295,118
		\$ 3,952,565
Insured-Escrowed/Prerefunded 6.3%		
\$ 245	Cuyahoga County Hospital, (Cleveland Clinic), (MBIA), Escrowed to Maturity, 5.125%, 1/1/29	\$ 240,916
1,000	Ohio Higher Educational Facilities, (University of Dayton), (AMBAC), Prerefunded to 12/1/10, 5.50%, 12/1/30	1,077,300
500	University of Cincinnati, (FGIC), Prerefunded to 6/1/11, 5.25%, 6/1/24	542,840
		\$ 1,861,056
Insured-General Obligations 24.0%		
\$ 350	Bowling Green City School District, (FSA), 5.00%, 12/1/34	\$ 319,186
200	Brookfield Local School District, (FSA), 5.00%, 1/15/30	186,872
2,455	Canal Winchester Local School District, (MBIA), 0.00%, 12/1/30	584,290

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1,500	Madeira City School District, (FSA), 3.50%, 12/1/27 ⁽⁸⁾	1,065,480
1,750	Milford Exempt Village School District, (AGC), 5.25%, 12/1/36	1,645,105
500	Olmsted Falls City School District, (XLCA), 5.00%, 12/1/35	434,745
1,000	Puerto Rico, (FSA), Variable Rate, 12.711%, 7/1/27 ⁽⁴⁾⁽⁵⁾	1,072,450
1,200	Puerto Rico, (MBIA), 5.50%, 7/1/20	1,104,180
750	St. Mary s School District, (FSA), 5.00%, 12/1/35	675,225
		\$ 7,087,533

Insured-Hospital 8.9%

\$	255	Cuyahoga County, (Cleveland Clinic), (MBIA), 5.125%, 1/1/29	\$	223,339
	980	Hamilton County, (Cincinnati Children s Hospital), (FGIC), (MBIA), 5.00%, 5/15/32		802,718
	1,500	Hamilton County, (Cincinnati Children s Hospital), (FGIC), (MBIA), 5.125%, 5/15/28		1,298,565
	485	Lorain County, (Catholic Healthcare Partners), (FSA), Variable Rate, 16.545%, 2/1/29 ⁽⁴⁾⁽⁵⁾⁽⁶⁾	\$	321,128
			\$	2,645,750

Insured-Lease Revenue/Certificates of Participation 1.4%

\$	500	Summit County, (Civic Theater Project), (AMBAC), 5.00%, 12/1/33	\$	416,505
			\$	416,505

Insured-Special Tax Revenue 4.2%

\$	405	Hamilton County, Sales Tax Revenue, (AMBAC), 5.25%, 12/1/32	\$	369,976
	9,905	Puerto Rico Sales Tax Financing, (AMBAC), 0.00%, 8/1/54		343,604
	1,690	Puerto Rico Sales Tax Financing, (MBIA), 0.00%, 8/1/44		134,118
	3,350	Puerto Rico Sales Tax Financing, (MBIA), 0.00%, 8/1/45		246,828

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2,100	Puerto Rico Sales Tax Financing, (MBIA), 0.00%, 8/1/46	143,283
		\$ 1,237,809
Insured-Transportation	8.2%	
\$	385 Cleveland Airport System, (FSA), 5.00%, 1/1/31	\$ 348,671
1,000	Ohio Turnpike Commission, (FGIC), (MBIA), 5.50%, 2/15/24	1,046,220
1,000	Ohio Turnpike Commission, (FGIC), (MBIA), 5.50%, 2/15/26	1,036,070
		\$ 2,430,961
Insured-Water and Sewer	2.6%	
\$	270 Marysville Wastewater Treatment System, (AGC), (XLCA), 4.75%, 12/1/46	\$ 202,770
750	Marysville Wastewater Treatment System, (AGC), (XLCA), 4.75%, 12/1/47	561,398
		\$ 764,168
Lease Revenue/Certificates of Participation	6.8%	
\$	1,000 Mahoning County, (Career and Technical Center), 6.25%, 12/1/36	\$ 961,720
1,155	Union County, (Pleasant Valley Joint Fire District), 6.125%, 12/1/19	1,038,588
		\$ 2,000,308

See notes to financial statements

Eaton Vance Ohio Municipal Income Trust as of November 30, 2008

PORTFOLIO OF INVESTMENTS CONT'D

Principal Amount (000 \$ omitted)	Security	Value
Other Revenue 13.2%		
\$ 7,345	Buckeye Tobacco Settlement Financing Authority, 0.00%, 6/1/47	\$ 162,251
710	Buckeye Tobacco Settlement Financing Authority, 5.875%, 6/1/47	439,618
2,530	Puerto Rico Infrastructure Financing Authority, 5.50%, 10/1/32	2,529,797
1,000	Riversouth Authority, (Lazarus Building Redevelopment), 5.75%, 12/1/27	773,600
		\$ 3,905,266
Pooled Loans 14.3%		
\$ 550	Ohio Economic Development Commission, (Ohio Enterprise Bond Fund), (AMT), 4.85%, 6/1/25	\$ 517,798
1,020	Ohio Economic Development Commission, (Ohio Enterprise Bond Fund), (AMT), 5.85%, 12/1/22	965,899
1,245	Rickenbacher Port Authority, Oasbo Expanded Asset Pool Loan, 5.375%, 1/1/32 ⁽⁷⁾	1,141,125
310	Summit County Port Authority, (Twinsburg Township), 5.125%, 5/15/25	223,371
750	Toledo-Lucas County Port Authority, 4.80%, 11/15/35	478,320
1,100	Toledo-Lucas County Port Authority, 5.40%, 5/15/19	886,688
		\$ 4,213,201
Special Tax Revenue 6.6%		
\$ 560		\$ 539,577

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	Cleveland-Cuyahoga County Port Authority, 7.00%, 12/1/18	
1,390	Cuyahoga County Economic Development, (Shaker Square), 6.75%, 12/1/30	1,406,221
		\$ 1,945,798
Total Tax-Exempt Investments	182.1%	
(identified cost \$61,949,288)		\$ 53,828,926
Auction Preferred Shares Plus Cumulative Unpaid Dividends	(77.6)%	(22,954,918)
Other Assets, Less Liabilities	(4.5)%	\$ (1,311,053)
Net Assets Applicable to Common Shares	100.0%	\$ 29,562,955

AGC - Assured Guaranty Corp.

AMBAC - AMBAC Financial Group, Inc.

AMT - Interest earned from these securities may be considered a tax preference item for purposes of the Federal Alternative Minimum Tax.

FGIC - Financial Guaranty Insurance Company

FSA - Financial Security Assurance, Inc.

MBIA - Municipal Bond Insurance Association

XLCA - XL Capital Assurance, Inc.

The Trust invests primarily in debt securities issued by Ohio municipalities. In addition, 11.5% of the Trust's total investments at November 30, 2008 were invested in municipal obligations issued by Puerto Rico. 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, 2008, 42.1% of total investments are backed by bond insurance of various financial institutions and financial guaranty assurance agencies. The aggregate percentage insured by an individual financial institution ranged from 2.2% to 15.7% of total investments.

- (1) When-issued security.
- (2) Security (or a portion thereof) has been segregated to cover margin requirements on open financial futures contracts.
- (3) Security (or a portion thereof) has been segregated to cover payable for when-issued securities.
- (4) 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, 2008, the aggregate value of these securities is \$1,393,578 or 4.7% of the Trust's net assets applicable to common shares.
- (5) Security has been issued as a leveraged inverse floater bond. The stated interest rate represents the rate in effect at November 30, 2008.
- (6) Security is subject to a shortfall agreement which may require the Trust to pay amounts to a counterparty in the event of a significant decline in the market value of the security underlying the inverse floater. In case of a shortfall, the maximum potential amount of payments the Trust could ultimately be required to make under the agreement is \$1,455,000. However, such shortfall payment would be reduced by the proceeds from the sale of the security underlying the inverse floater.
- (7) Security represents the underlying municipal bond of a tender option bond trust (see Note 1H).
- (8) Security (or a portion thereof) has been pledged as collateral for open swap contracts.

See notes to financial statements

Eaton Vance Pennsylvania Municipal Income Trust as of November 30, 2008

PORTFOLIO OF INVESTMENTS

Tax-Exempt Investments 195.4%

Principal Amount
(000 s omitted)**Security****Value**

Bond Bank 3.5%

\$	1,000	Delaware Valley Regional Finance Authority, 5.75%, 7/1/32	\$	969,830
			\$	969,830

Cogeneration 5.9%

\$	315	Carbon County Industrial Development Authority, (Panther Creek Partners), (AMT), 6.65%, 5/1/10	\$	319,590
	500	Pennsylvania Economic Development Financing Authority, (Northampton Generating), (AMT), 6.50%, 1/1/13		446,620
	500	Pennsylvania Economic Development Financing Authority, (Northampton Generating), (AMT), 6.60%, 1/1/19		407,275
	625	Pennsylvania Economic Development Financing Authority, (Resource Recovery-Colver), (AMT), 5.125%, 12/1/15		471,675
			\$	1,645,160

Electric Utilities 3.1%

\$	600	Pennsylvania Economic Development Financing Authority, (Reliant Energy, Inc.), (AMT), 6.75%, 12/1/36	\$	374,526
	600	York County Industrial Development Authority, (Public Service Enterprise Group, Inc.), 5.50%, 9/1/20		480,852
			\$	855,378

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Escrowed/Prerefunded 14.2%

\$	600	Allegheny County Industrial Development Authority, (Residential Resources, Inc.), Prerefunded to 9/1/11, 6.50%, 9/1/21	\$	667,716
	600	Bucks County Industrial Development Authority, (Pennswood), Prerefunded to 10/1/12, 6.00%, 10/1/27		677,766
	925	Montgomery County Higher Education and Health Authority, (Foulkeways at Gwynedd), Prerefunded to 11/15/09, 6.75%, 11/15/30		975,116
	1,000	Pennsylvania Higher Educational Facilities Authority, (Drexel University), Prerefunded to 5/1/09, 6.00%, 5/1/29		1,020,750
	600	Philadelphia Higher Education Facilities Authority, (Chestnut Hill College), Prerefunded to 10/1/09, 6.00%, 10/1/29		635,256
			\$	3,976,604

General Obligations 6.7%

\$	1,000	Daniel Boone Area School District, 5.00%, 8/15/32	\$	896,350
	1,000	Philadelphia School District, 6.00%, 9/1/38		975,520
			\$	1,871,870

Health Care-Miscellaneous 0.3%

\$	100	Puerto Rico Infrastructure Financing Authority, (Mepsi Campus Project), 6.50%, 10/1/37	\$	73,725
			\$	73,725

Hospital 12.0%

\$	1,250	Lehigh County General Purpose Authority, (Lehigh Valley Health Network), 5.25%, 7/1/32	\$	1,002,112
	1,500			1,050,645

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	Monroe County Hospital Authority, (Pocono Medical Center), 5.25%, 1/1/43	
850	Pennsylvania Higher Educational Facilities Authority, (UPMC Health System), 6.00%, 1/15/31	824,135
500	Washington County Hospital Authority, (Monongahela Hospital), 5.50%, 6/1/17	486,280
		\$ 3,363,172

Housing 15.8%

\$	515 Allegheny County Residential Finance Authority, (Single Family Mortgages), (AMT), 4.95%, 11/1/37	\$ 374,837
1,170	Allegheny County Residential Finance Authority, (Single Family Mortgages), (AMT), 5.00%, 5/1/35	889,914
990	Pennsylvania Housing Finance Agency, (AMT), 4.70%, 10/1/37	681,892
1,200	Pennsylvania Housing Finance Agency, (AMT), 4.875%, 4/1/26	966,720
1,000	Pennsylvania Housing Finance Agency, (AMT), 4.90%, 10/1/37	730,230
1,000	Pennsylvania Housing Finance Agency, (AMT), 5.15%, 10/1/37	769,940
		\$ 4,413,533

Industrial Development Revenue 8.1%

\$	500 New Morgan Industrial Development Authority, (Browning-Ferris Industries, Inc.), (AMT), 6.50%, 4/1/19	\$ 406,035
1,000	Pennsylvania Economic Development Financing Authority, (Procter & Gamble Paper Products Co.), (AMT), 5.375%, 3/1/31	891,630

See notes to financial statements

Eaton Vance Pennsylvania Municipal Income Trust as of November 30, 2008

PORTFOLIO OF INVESTMENTS CONT'D

Principal Amount (000 \$ omitted)	Security	Value
Industrial Development Revenue (continued)		
500	Pennsylvania Economic Development Financing Authority, Solid Waste Disposal, (Waste Management, Inc.), (AMT), 5.10%, 10/1/27	333,425
1,550	Puerto Rico Port Authority, (American Airlines, Inc.), (AMT), 6.25%, 6/1/26	623,875
		\$ 2,254,965
Insured-Education 28.9%		
\$ 500	Lycoming County Authority, (Pennsylvania College of Technology), (AGC), 5.50%, 10/1/37	\$ 455,070
1,900	Lycoming County Authority, (Pennsylvania College of Technology), (AMBAC), 5.25%, 5/1/32	1,737,455
1,155	Pennsylvania Higher Educational Facilities Authority, (Drexel University), (MBIA), 5.00%, 5/1/37	1,012,496
2,000	Pennsylvania Higher Educational Facilities Authority, (State System Higher Education), (FSA), 5.00%, 6/15/24 ⁽¹⁾	1,928,720
1,000	Pennsylvania Higher Educational Facilities Authority, (Temple University), (MBIA), 5.00%, 4/1/33	882,080
500	Pennsylvania Higher Educational Facilities Authority, (University of the Sciences in Philadelphia), (AGC), 5.00%, 11/1/37	446,770
500	State Public School Building Authority, (Delaware County Community College), (FSA), 5.00%, 10/1/27	471,420
375	State Public School Building Authority, (Delaware County Community College), (FSA), 5.00%, 10/1/29	346,200
875	State Public School Building Authority, (Delaware County Community College), (FSA), 5.00%, 10/1/32	790,344

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			\$ 8,070,555
Insured-Electric Utilities	1.9%		
\$	630	Lehigh County Industrial Development Authority, (PPL Electric Utilities Corp.), (FGIC), (MBIA), 4.75%, 2/15/27	\$ 535,954
			\$ 535,954
Insured-Escrowed/Prerefunded	28.6%		
\$	650	Berks County Municipal Authority, (Reading Hospital and Medical Center), (FSA), Prerefunded to 11/1/09, 6.00%, 11/1/29	\$ 688,552
	1,600	Pennsylvania Turnpike Commission, Oil Franchise Tax, (AMBAC), Escrowed to Maturity, 4.75%, 12/1/27	1,510,032
	1,801	Puerto Rico Electric Power Authority, (FSA) Prerefunded to 7/1/10, 5.25%, 7/1/29 ⁽²⁾	1,918,350
	2,500	Puerto Rico Electric Power Authority, (FSA) Prerefunded to 7/1/10, 5.25%, 7/1/29 ⁽²⁾	2,663,618
	2,000	Westmoreland Municipal Authority, (FGIC), Escrowed to Maturity, 0.00%, 8/15/19	1,205,300
			\$ 7,985,852
Insured-General Obligations	3.8%		
\$	1,000	Puerto Rico, (FSA), Variable Rate, 12.711%, 7/1/27 ⁽³⁾⁽⁴⁾	\$ 1,072,450
			\$ 1,072,450
Insured-Hospital	15.7%		
\$	500	Delaware County General Authority, (Catholic Health East), (AMBAC), 4.875%, 11/15/26	\$ 395,975
	1,440		1,196,690

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	Lehigh County General Purpose Authority, (Lehigh Valley Health Network), (FSA), 5.00%, 7/1/35 ⁽²⁾	
1,500	Lehigh County General Purpose Authority, (Lehigh Valley Health Network), (MBIA), 5.25%, 7/1/29	1,219,335
2,000	Montgomery County Higher Education and Health Authority, (Abington Memorial Hospital), (AMBAC), 5.00%, 6/1/28	1,580,540
		\$ 4,392,540

Insured-Lease Revenue/Certificates of Participation 3.8%

\$	1,195	Philadelphia Authority for Industrial Development, (One Benjamin Franklin), (FSA), 4.75%, 2/15/27	\$ 1,054,803
			\$ 1,054,803

Insured-Special Tax Revenue 6.5%

\$	1,000	Pittsburgh and Allegheny County Public Auditorium Authority, (AMBAC), 5.00%, 2/1/24	\$ 944,980
	9,870	Puerto Rico Sales Tax Financing, (AMBAC), 0.00%, 8/1/54	342,390
	1,690	Puerto Rico Sales Tax Financing, (MBIA), 0.00%, 8/1/44	134,119
	3,350	Puerto Rico Sales Tax Financing, (MBIA), 0.00%, 8/1/45	246,828
	2,100	Puerto Rico Sales Tax Financing, (MBIA), 0.00%, 8/1/46	143,283
			\$ 1,811,600

See notes to financial statements

Eaton Vance Pennsylvania Municipal Income Trust as of November 30, 2008

PORTFOLIO OF INVESTMENTS CONT'D

Principal Amount (000 \$ omitted)	Security	Value
Insured-Transportation 13.5%		
\$ 1,000	Pennsylvania Turnpike Commission, (AGC), 5.00%, 6/1/38	\$ 892,750
500	Philadelphia Airport Commission, (FSA), (AMT), 5.00%, 6/15/27	386,860
1,005	Philadelphia Parking Authority, (AMBAC), 5.25%, 2/15/29	933,967
1,800	Puerto Rico Highway and Transportation Authority, (AGC), (CIFG), 5.25%, 7/1/41 ⁽²⁾	1,573,101
		\$ 3,786,678
Insured-Water and Sewer 7.2%		
\$ 275	Allegheny County Sanitation Authority, (BHAC), (MBIA), 5.00%, 12/1/22	\$ 274,780
585	Chester County Industrial Development Authority, (Aqua Pennsylvania, Inc.), (FGIC), (MBIA), (AMT), 5.00%, 2/1/40	394,512
875	Delaware County Industrial Development Authority, (Aqua Pennsylvania, Inc.), (FGIC), (MBIA), (AMT), 5.00%, 11/1/36	604,958
500	Delaware County Industrial Development Authority, (Water Facilities), (FGIC), (AMT), 6.00%, 6/1/29	427,885
360	Philadelphia Water and Wastewater Revenue, (FGIC), 5.00%, 11/1/31	311,436
		\$ 2,013,571
Senior Living/Life Care 6.5%		
\$ 1,000	Cliff House Trust, (AMT), 6.625%, 6/1/27 ⁽⁵⁾	\$ 639,420
500		382,655

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		Crawford County Hospital Authority, (Wesbury United Methodist Community), 6.25%, 8/15/29	
500		Lancaster County Hospital Authority, (Willow Valley Retirement Communities), 5.875%, 6/1/31	430,420
200		Montgomery County Industrial Development Authority, (Foulkeways at Gwynedd), 5.00%, 12/1/24	153,768
300		Montgomery County Industrial Development Authority, (Foulkeways at Gwynedd), 5.00%, 12/1/30	212,904
			\$ 1,819,167
Transportation	5.0%		
\$	40	Erie Municipal Airport Authority, (AMT), 5.50%, 7/1/09	\$ 39,774
	485	Erie Municipal Airport Authority, (AMT), 5.875%, 7/1/16	427,780
	270	Pennsylvania Economic Development Financing Authority, (Amtrak), (AMT), 6.25%, 11/1/31	211,461
	750	Pennsylvania Turnpike Commission, 5.625%, 6/1/29	729,990
			\$ 1,409,005
Water and Sewer	4.4%		
\$	750	Harrisburg Water Authority, 5.25%, 7/15/31	\$ 706,425
	750	Montgomery County Industrial Development Authority, (Aqua Pennsylvania, Inc.), (AMT), 5.25%, 7/1/42	528,487
			\$ 1,234,912
Total Tax-Exempt Investments	195.4%		
(identified cost \$62,735,794)			\$ 54,611,324
Auction Preferred Shares Plus Cumulative Unpaid Dividends	(79.6)%		\$ (22,230,422)
Other Assets, Less Liabilities	(15.8)%		\$ (4,437,199)

Net Assets Applicable to Common Shares 100.0% \$ 27,943,703

AGC - Assured Guaranty Corp.

AMBAC - AMBAC Financial Group, Inc.

AMT - Interest earned from these securities may be considered a tax preference item for purposes of the Federal Alternative Minimum Tax.

BHAC - Berkshire Hathaway Assurance Corp.

CIFG - CIFG Assurance North America, Inc.

FGIC - Financial Guaranty Insurance Company

FSA - Financial Security Assurance, Inc.

MBIA - Municipal Bond Insurance Association

The Trust invests primarily in debt securities issued by Pennsylvania municipalities. In addition, 16.1% of the Trust's total investments at November 30, 2008 were invested in municipal obligations issued by Puerto Rico. 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, 2008, 56.3% of total investments are backed by bond insurance of various financial institutions and financial guaranty assurance agencies. The aggregate percentage insured by an individual financial institution ranged from 0.5% to 22.9% of total investments.

- (1) Security (or a portion thereof) has been segregated to cover margin requirements on open financial futures contracts.
- (2) Security represents the underlying municipal obligation of an inverse floating rate obligation held by the Trust.
- (3) Security has been issued as a leveraged inverse floater bond. The stated interest rate represents the rate in effect at November 30, 2008.
- (4) 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, 2008, the aggregate value of these securities is \$1,072,450 or 3.8% of the Trust's net assets applicable to common shares.
- (5) Security is in default with respect to scheduled principal payments.

See notes to financial statements

Eaton Vance Municipal Income Trusts as of November 30, 2008

FINANCIAL STATEMENTS

Statements of Assets and Liabilities

As of November 30, 2008	California Trust	Massachusetts Trust	Michigan Trust	National Trust
Assets				
Investments				
Identified cost	\$ 155,084,405	\$ 61,378,794	\$ 47,060,298	\$ 101,359,732
Unrealized depreciation	(22,894,335)	(10,094,453)	(5,594,260)	(19,487,680)
Investments, at value	\$ 132,190,070	\$ 51,284,341	\$ 41,466,038	\$ 81,872,052
Cash	\$ 6,465,485	\$ 616,787	\$	\$
Interest receivable	1,926,428	1,082,917	698,528	1,311,984
Receivable for investments sold	8,500			28,832
Deferred debt issuance costs	41,077	7,071		70,610
Total assets	\$ 140,631,560	\$ 52,991,116	\$ 42,164,566	\$ 83,283,478
Liabilities				
Payable for floating rate notes issued				
	\$ 15,570,000	\$ 3,880,000	\$ 1,125,000	\$ 21,295,000
Payable for variation margin on open financial futures contracts	51,047		3,797	25,313
Payable for open swap contracts	3,667,977	1,340,750	214,235	2,136,337
Due to custodian			228,922	1,894,094
Payable to affiliates:				
Investment adviser fee	78,507	27,320	23,860	44,143
Administration fee	21,564	8,331	6,817	12,612
Trustees fees	836	360	300	4,864
Interest expense and fees payable	94,898	33,221	18,908	148,917
Accrued expenses	102,974	69,874	63,252	97,400
Total liabilities	\$ 19,587,803	\$ 5,359,856	\$ 1,685,091	\$ 25,658,680

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Auction preferred shares at liquidation value plus cumulative unpaid dividends	\$ 49,978,954	\$ 20,055,300	\$ 17,502,294	\$ 20,152,642
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Net assets applicable to common shares	\$ 71,064,803	\$ 27,575,960	\$ 22,977,181	\$ 37,472,156
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Sources of Net Assets

Common shares, \$0.01 par value, unlimited number of shares authorized	\$ 71,855	\$ 27,155	\$ 21,163	\$ 42,574
Additional paid-in capital	104,250,556	39,615,795	31,113,305	62,317,743
Accumulated net realized loss	(6,695,337)	(938,397)	(2,458,199)	(3,321,916)
Accumulated undistributed net investment income	349,290	306,610	152,189	230,953
Net unrealized depreciation	(26,911,561)	(11,435,203)	(5,851,277)	(21,797,198)

Net assets applicable to common shares	\$ 71,064,803	\$ 27,575,960	\$ 22,977,181	\$ 37,472,156
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Auction Preferred Shares Issued and Outstanding
(Liquidation preference of \$25,000 per share)

1,999	802	700	806
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Common Shares Outstanding

7,185,509	2,715,457	2,116,294	4,257,408
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Net Asset Value Per Common Share

Net assets applicable to common shares , common shares issued and outstanding	\$ 9.89	\$ 10.16	\$ 10.86	\$ 8.80
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See notes to financial statements

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Eaton Vance Municipal Income Trusts as of November 30, 2008

FINANCIAL STATEMENTS CONT D

Statements of Assets and Liabilities

As of November 30, 2008	New Jersey Trust	New York Trust	Ohio Trust	Pennsylvania Trust
Assets				
Investments				
Identified cost	\$ 108,048,815	\$ 122,107,447	\$ 61,949,288	\$ 62,735,794
Unrealized depreciation	(21,136,600)	(22,199,487)	(8,120,362)	(8,124,470)
Investments, at value	\$ 86,912,215	\$ 99,907,960	\$ 53,828,926	\$ 54,611,324
Cash				
Cash	\$	\$ 678,025	\$ 529,885	\$
Interest receivable	1,489,894	1,662,620	1,038,581	1,031,406
Receivable for investments sold		30,000	130,000	90,166
Deferred debt issuance costs	5,731	44,920		
Total assets	\$ 88,407,840	\$ 102,323,525	\$ 55,527,392	\$ 55,732,896
Liabilities				
Payable for floating rate notes issued				
	\$ 8,047,000	\$ 15,150,000	\$ 830,000	\$ 4,485,780
Payable for when-issued securities				
			1,068,680	
Payable for variation margin on open financial futures contracts				
		53,578	10,969	40,078
Payable for open swap contracts				
	2,351,168	2,776,903	974,104	584,150
Due to custodian				
	180,478			295,927
Payable to affiliates:				
Investment adviser fee	49,003	57,640	31,520	31,017
Administration fee	14,001	16,469	9,006	8,638
Trustees fees	566	646	373	367
Interest expense and fees payable	77,922	117,278	10,987	44,159
Accrued expenses	75,408	96,554	73,880	68,655

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Total liabilities	\$ 10,795,546	\$ 18,269,068	\$ 3,009,519	\$ 5,558,771
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Auction preferred shares at liquidation value plus cumulative unpaid dividends	\$ 34,152,936	\$ 33,729,429	\$ 22,954,918	\$ 22,230,422
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Net assets applicable to common shares	\$ 43,459,358	\$ 50,325,028	\$ 29,562,955	\$ 27,943,703
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Sources of Net Assets

Common shares, \$0.01 par value, unlimited number of shares authorized	\$ 46,242	\$ 53,804	\$ 28,293	\$ 27,085
Additional paid-in capital	66,724,505	78,209,754	41,408,825	38,995,386
Accumulated net realized loss	(388,092)	(2,960,757)	(2,967,063)	(2,324,799)
Accumulated undistributed net investment income	564,471	365,184	262,411	228,855
Net unrealized depreciation	(23,487,768)	(25,342,957)	(9,169,511)	(8,982,824)

Net assets applicable to common shares	\$ 43,459,358	\$ 50,325,028	\$ 29,562,955	\$ 27,943,703
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Auction Preferred Shares Issued and Outstanding
(Liquidation preference of \$25,000 per share)

	1,366	1,349	918	889
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Common Shares Outstanding

	4,624,183	5,380,419	2,829,304	2,708,462
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Net Asset Value Per Common Share

Net assets applicable to common shares, common shares issued and outstanding	\$ 9.40	\$ 9.35	\$ 10.45	\$ 10.32
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See notes to financial statements

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Eaton Vance Municipal Income Trusts as of November 30, 2008

FINANCIAL STATEMENTS CONT D

Statements of Operations

For the Year Ended November 30, 2008	California Trust	Massachusetts Trust	Michigan Trust	National Trust
Investment Income				
Interest	\$ 8,939,731	\$ 3,409,332	\$ 2,616,827	\$ 5,625,615
Total investment income	\$ 8,939,731	\$ 3,409,332	\$ 2,616,827	\$ 5,625,615
Expenses				
Investment adviser fee	\$ 1,101,164	\$ 405,164	\$ 321,079	\$ 640,801
Administration fee	314,617	116,289	91,736	183,086
Trustees' fees and expenses	6,151	1,991	1,749	4,234
Custodian fee	92,278	48,321	35,629	70,909
Transfer and dividend disbursing agent fees	31,125	31,296	31,929	31,860
Legal and accounting services	60,925	46,621	36,682	232,548
Printing and postage	19,909	8,514	4,614	18,686
Interest expense and fees	363,174	93,543	45,934	465,586
Preferred shares service fee	141,993	52,799	44,219	75,744
Miscellaneous	61,258	41,976	39,982	47,317
Total expenses	\$ 2,192,594	\$ 846,514	\$ 653,553	\$ 1,770,771
Deduct				
Reduction of custodian fee	\$ 21,747	\$ 6,222	\$ 6,321	\$ 22,106
Total expense reductions	\$ 21,747	\$ 6,222	\$ 6,321	\$ 22,106
Net expenses	\$ 2,170,847	\$ 840,292	\$ 647,232	\$ 1,748,665

Net investment income	\$ 6,768,884	\$ 2,569,040	\$ 1,969,595	\$ 3,876,950
Realized and Unrealized Gain (Loss)				
Net realized gain (loss)				
Investment transactions	\$ (3,385,434)	\$ (13,072)	\$ (389,430)	\$ (110,188)
Financial futures contracts	(1,276,291)		(15,970)	(602,012)
Swap contracts	(1,462,697)	(599,528)	(90,540)	(851,924)
Net realized loss	\$ (6,124,422)	\$ (612,600)	\$ (495,940)	\$ (1,564,124)
Change in unrealized appreciation (depreciation)				
Investments	\$ (28,100,413)	\$ (11,209,792)	\$ (7,070,614)	\$ (21,866,933)
Financial futures contracts	(334,024)		(42,782)	(167,820)
Swap contracts	(2,932,153)	(1,009,361)	(163,444)	(1,707,761)
Net change in unrealized appreciation (depreciation)	\$ (31,366,590)	\$ (12,219,153)	\$ (7,276,840)	\$ (23,742,514)
Net realized and unrealized loss	\$ (37,491,012)	\$ (12,831,753)	\$ (7,772,780)	\$ (25,306,638)
Distributions to preferred shareholders				
From net investment income	\$ (1,988,268)	\$ (754,703)	\$ (636,924)	\$ (1,062,311)
Net decrease in net assets from operations	\$ (32,710,396)	\$ (11,017,416)	\$ (6,440,109)	\$ (22,491,999)

See notes to financial statements

Eaton Vance Municipal Income Trusts as of November 30, 2008

FINANCIAL STATEMENTS CONT D

Statements of Operations

For the Year Ended November 30, 2008	New Jersey Trust	New York Trust	Ohio Trust	Pennsylvania Trust
Investment Income				
Interest	\$ 5,953,734	\$ 7,097,853	\$ 3,605,528	\$ 3,561,317
Total investment income	\$ 5,953,734	\$ 7,097,853	\$ 3,605,528	\$ 3,561,317
Expenses				
Investment adviser fee	\$ 701,238	\$ 828,520	\$ 432,784	\$ 416,805
Administration fee	200,354	236,721	123,652	119,087
Trustees' fees and expenses	4,406	4,751	2,049	2,012
Custodian fee	72,473	94,000	50,574	44,336
Transfer and dividend disbursing agent fees	32,647	30,850	29,095	33,550
Legal and accounting services	49,128	58,737	45,453	42,528
Printing and postage	13,850	13,246	10,779	5,024
Interest expense and fees	279,195	403,051	98,659	136,093
Preferred shares service fee	94,350	104,525	60,915	56,641
Miscellaneous	46,222	39,827	40,423	42,035
Total expenses	\$ 1,493,863	\$ 1,814,228	\$ 894,383	\$ 898,111
Deduct				
Reduction of custodian fee	\$ 15,184	\$ 21,625	\$ 8,255	\$ 8,034
Total expense reductions	\$ 15,184	\$ 21,625	\$ 8,255	\$ 8,034
Net expenses	\$ 1,478,679	\$ 1,792,603	\$ 886,128	\$ 890,077

Net investment income	\$ 4,475,055	\$ 5,305,250	\$ 2,719,400	\$ 2,671,240
Realized and Unrealized Gain (Loss)				
Net realized gain (loss)				
Investment transactions	\$ 998,610	\$ 206,106	\$ (120,145)	\$ 618,570
Financial futures contracts		(1,296,932)	(205,412)	(973,505)
Swap contracts	(1,053,553)	(1,107,603)	(380,218)	(213,148)
Net realized loss	\$ (54,943)	\$ (2,198,429)	\$ (705,775)	\$ (568,083)
Change in unrealized appreciation (depreciation)				
Investments	\$ (23,970,130)	\$ (26,823,804)	\$ (10,895,731)	\$ (10,970,697)
Financial futures contracts		(400,627)	(78,830)	(291,483)
Swap contracts	(1,767,360)	(2,219,248)	(794,902)	(504,240)
Net change in unrealized appreciation (depreciation)	\$ (25,737,490)	\$ (29,443,679)	\$ (11,769,463)	\$ (11,766,420)
Net realized and unrealized loss	\$ (25,792,433)	\$ (31,642,108)	\$ (12,475,238)	\$ (12,334,503)
Distributions to preferred shareholders				
From net investment income	\$ (1,337,294)	\$ (1,443,622)	\$ (858,575)	\$ (809,974)
Net decrease in net assets from operations	\$ (22,654,672)	\$ (27,780,480)	\$ (10,614,413)	\$ (10,473,237)

See notes to financial statements

Eaton Vance Municipal Income Trusts as of November 30, 2008

FINANCIAL STATEMENTS CONT D

Statements of Changes in Net Assets

For the Year Ended November 30, 2008

Increase (Decrease) in Net Assets	California Trust	Massachusetts Trust	Michigan Trust	National Trust
From operations				
Net investment income	\$ 6,768,884	\$ 2,569,040	\$ 1,969,595	\$ 3,876,950
Net realized loss from investment transactions, financial futures contracts and swap contracts	(6,124,422)	(612,600)	(495,940)	(1,564,124)
Net change in unrealized appreciation (depreciation) from investments, financial futures contracts and swap contracts	(31,366,590)	(12,219,153)	(7,276,840)	(23,742,514)
Distributions to preferred shareholders				
From net investment income	(1,988,268)	(754,703)	(636,924)	(1,062,311)
Net decrease in net assets from operations	\$ (32,710,396)	\$ (11,017,416)	\$ (6,440,109)	\$ (22,491,999)
Distributions to common shareholders				
From net investment income	\$ (4,831,246)	\$ (1,761,505)	\$ (1,293,055)	\$ (2,792,860)
Total distributions to common shareholders	\$ (4,831,246)	\$ (1,761,505)	\$ (1,293,055)	\$ (2,792,860)
Capital share transactions				
Reinvestment of distributions to common shareholders	\$ 39,205	\$ 13,438	\$	\$
Net increase in net assets from capital share transactions	\$ 39,205	\$ 13,438	\$	\$
Net decrease in net assets	\$ (37,502,437)	\$ (12,765,483)	\$ (7,733,164)	\$ (25,284,859)

Net Assets Applicable to Common Shares

At beginning of year	\$ 108,567,240	\$ 40,341,443	\$ 30,710,345	\$ 62,757,015
At end of year	\$ 71,064,803	\$ 27,575,960	\$ 22,977,181	\$ 37,472,156

Accumulated undistributed
net investment income included in
net assets applicable to common shares

At end of year	\$ 349,290	\$ 306,610	\$ 152,189	\$ 230,953
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See notes to financial statements

Eaton Vance Municipal Income Trusts as of November 30, 2008

FINANCIAL STATEMENTS CONT D

Statements of Changes in Net Assets

For the Year Ended November 30, 2008

Increase (Decrease) in Net Assets	New Jersey Trust	New York Trust	Ohio Trust	Pennsylvania Trust
From operations				
Net investment income	\$ 4,475,055	\$ 5,305,250	\$ 2,719,400	\$ 2,671,240
Net realized loss from investment transactions, financial futures contracts and swap contracts	(54,943)	(2,198,429)	(705,775)	(568,083)
Net change in unrealized appreciation (depreciation) from investments, financial futures contracts and swap contracts	(25,737,490)	(29,443,679)	(11,769,463)	(11,766,420)
Distributions to preferred shareholders				
From net investment income	(1,337,294)	(1,443,622)	(858,575)	(809,974)
Net decrease in net assets from operations	\$ (22,654,672)	\$ (27,780,480)	\$ (10,614,413)	\$ (10,473,237)
Distributions to common shareholders				
From net investment income	\$ (2,911,723)	\$ (3,874,132)	\$ (1,775,906)	\$ (1,764,997)
Total distributions to common shareholders	\$ (2,911,723)	\$ (3,874,132)	\$ (1,775,906)	\$ (1,764,997)
Capital share transactions				
Reinvestment of distributions to common shareholders	\$ 24,930	\$ 48,143	\$	\$
Net increase in net assets from capital share transactions	\$ 24,930	\$ 48,143	\$	\$
Net decrease in net assets	\$ (25,541,465)	\$ (31,606,469)	\$ (12,390,319)	\$ (12,238,234)

Net Assets Applicable to Common Shares

At beginning of year	\$ 69,000,823	\$ 81,931,497	\$ 41,953,274	\$ 40,181,937
At end of year	\$ 43,459,358	\$ 50,325,028	\$ 29,562,955	\$ 27,943,703

Accumulated undistributed
net investment income included in
net assets applicable to common shares

At end of year	\$ 564,471	\$ 365,184	\$ 262,411	\$ 228,855
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See notes to financial statements

Eaton Vance Municipal Income Trusts as of November 30, 2008

FINANCIAL STATEMENTS CONT D

Statements of Changes in Net Assets

For the Year Ended November 30, 2007

Increase (Decrease) in Net Assets	California Trust	Massachusetts Trust	Michigan Trust	National Trust
From operations				
Net investment income	\$ 6,721,579	\$ 2,481,917	\$ 1,932,321	\$ 4,018,334
Net realized gain from investment transactions, financial futures contracts and swap contracts	1,212,305	1,482,005	612,556	806,170
Net change in unrealized appreciation (depreciation) from investments, financial futures contracts and swap contracts	(10,493,249)	(5,028,194)	(2,484,463)	(5,256,087)
Distributions to preferred shareholders				
From net investment income	(2,014,092)	(734,875)	(625,544)	(1,305,923)
Net decrease in net assets from operations	\$ (4,573,457)	\$ (1,799,147)	\$ (565,130)	\$ (1,737,506)
Distributions to common shareholders				
From net investment income	\$ (4,825,005)	\$ (1,734,298)	\$ (1,367,125)	\$ (2,757,391)
Total distributions to common shareholders	\$ (4,825,005)	\$ (1,734,298)	\$ (1,367,125)	\$ (2,757,391)
Net decrease in net assets	\$ (9,398,462)	\$ (3,533,445)	\$ (1,932,255)	\$ (4,494,897)
Net Assets Applicable to Common Shares				
At beginning of year	\$ 117,965,702	\$ 43,874,888	\$ 32,642,600	\$ 67,251,912
At end of year	\$ 108,567,240	\$ 40,341,443	\$ 30,710,345	\$ 62,757,015

Accumulated undistributed
net investment income included in
net assets applicable to common shares

At end of year	\$	470,128	\$	258,921	\$	119,435	\$	221,395
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See notes to financial statements

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Eaton Vance Municipal Income Trusts as of November 30, 2008

FINANCIAL STATEMENTS CONT D

Statements of Changes in Net Assets

For the Year Ended November 30, 2007

Increase (Decrease) in Net Assets	New Jersey Trust	New York Trust	Ohio Trust	Pennsylvania Trust
From operations				
Net investment income	\$ 4,281,160	\$ 5,325,083	\$ 2,652,615	\$ 2,581,747
Net realized gain (loss) from investment transactions, financial futures contracts and swap contracts	2,245,358	985,195	1,008,079	(79,473)
Net change in unrealized appreciation (depreciation) from investments, financial futures contracts and swap contracts	(8,114,677)	(7,930,136)	(3,397,293)	(1,711,887)
Distributions to preferred shareholders				
From net investment income	(1,262,219)	(1,544,549)	(839,516)	(813,684)
Net decrease in net assets from operations	\$ (2,850,378)	\$ (3,164,407)	\$ (576,115)	\$ (23,297)
Distributions to common shareholders				
From net investment income	\$ (2,994,385)	\$ (3,873,823)	\$ (1,856,075)	\$ (1,793,216)
Total distributions to common shareholders	\$ (2,994,385)	\$ (3,873,823)	\$ (1,856,075)	\$ (1,793,216)
Net decrease in net assets	\$ (5,844,763)	\$ (7,038,230)	\$ (2,432,190)	\$ (1,816,513)
Net Assets Applicable to Common Shares				
At beginning of year	\$ 74,845,586	\$ 88,969,727	\$ 44,385,464	\$ 41,998,450
At end of year	\$ 69,000,823	\$ 81,931,497	\$ 41,953,274	\$ 40,181,937

Accumulated undistributed
net investment income included in
net assets applicable to common shares

At end of year	\$ 369,307	\$ 391,474	\$ 191,149	\$ 154,809
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See notes to financial statements

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Eaton Vance Municipal Income Trusts as of November 30, 2008

FINANCIAL STATEMENTS CONT D

Statements of Cash Flows

For the Year Ended November 30, 2008

Cash Flows From Operating Activities	National Trust	New York Trust
Net decrease in net assets from operations	\$ (22,491,999)	\$ (27,780,480)
Distributions to preferred shareholders	1,062,311	1,443,622
Net decrease in net assets from operations excluding distributions to preferred shareholders	\$ (21,429,688)	\$ (26,336,858)
Adjustments to reconcile net decrease in net assets from operations to net cash provided by (used in) operating activities:		
Investments purchased	(104,784,642)	(61,321,560)
Investments sold	111,337,868	80,577,139
Net accretion/amortization of premium (discount)	(559,251)	(433,237)
Amortization of deferred debt issuance costs	3,584	4,212
Decrease (increase) in interest receivable	(291,191)	219,921
Increase in receivable for investments sold	(28,832)	(5,000)
Decrease in receivable for variation margin on open financial futures contracts	15,625	45,000
Decrease in prepaid expenses	3,471	3,811
Decrease in payable to affiliate for inverse floaters	(506,570)	
Decrease in payable for when-issued securities		(1,214,013)
Increase in payable for variation margin on open financial futures contracts	25,313	53,578
Increase in payable for open swap contracts	1,707,761	2,219,248
Decrease in payable to affiliate for investment adviser fee	(12,506)	(15,087)
Decrease in payable to affiliate for administration fee	(3,573)	(4,310)
Increase (decrease) in payable to affiliate for Trustees fees	3,594	(625)
Increase (decrease) in interest expense and fees payable	65,557	(105,360)
Increase in accrued expenses	11,894	1,869
Net change in unrealized (appreciation) depreciation from investments	21,866,933	26,823,804
Net realized (gain) loss from investments	110,188	(206,106)
Net cash provided by operating activities	\$ 7,535,535	\$ 20,306,426

Cash Flows From Financing Activities

Deferred debt issuance costs	\$	(74,194)	\$	(49,132)
Cash distributions paid to common shareholders, net of reinvestments		(2,792,860)		(3,825,989)
Distributions to preferred shareholders		(1,067,941)		(1,444,380)
Liquidation of auction preferred shares		(15,350,000)		(10,775,000)
Proceeds from secured borrowings		32,265,000		20,210,000
Repayment of secured borrowings		(23,060,000)		(24,210,000)
Increase in due to custodian		1,894,094		

Net cash used in financing activities \$ **(8,185,901)** \$ **(20,094,501)**

Net increase (decrease) in cash \$ **(650,366)** \$ **211,925**

Cash at beginning of year \$ **650,366** \$ **466,100**

Cash at end of year \$ \$ **678,025**

Supplemental disclosure of cash flow information:

Noncash financing activities not included herein consist of
reinvestment of dividends and distributions of: \$ 48,143

See notes to financial statements

Eaton Vance Municipal Income Trusts as of November 30, 2008

FINANCIAL STATEMENTS CONT D

Financial Highlights

Selected data for a common share outstanding during the periods stated

	California Trust				
	Year Ended November 30,				
	2008	2007	2006	2005	2004
Net asset value Beginning of year (Common shares)	\$ 15.120	\$ 16.430	\$ 15.420	\$ 15.070	\$ 15.320
Income (loss) from operations					
Net investment income ⁽¹⁾	\$ 0.943	\$ 0.936	\$ 0.962	\$ 1.013	\$ 1.079
Net realized and unrealized gain (loss)	(5.223)	(1.294)	1.028	0.383	(0.227)
Distributions to preferred shareholders					
From net investment income	(0.277)	(0.280)	(0.239)	(0.154)	(0.079)
Total income (loss) from operations	\$ (4.557)	\$ (0.638)	\$ 1.751	\$ 1.242	\$ 0.773
Less distributions to common shareholders					
From net investment income	\$ (0.673)	\$ (0.672)	\$ (0.741)	\$ (0.892)	\$ (1.023)
Total distributions to common shareholders	\$ (0.673)	\$ (0.672)	\$ (0.741)	\$ (0.892)	\$ (1.023)

Net asset value	End of year					
(Common shares)		\$ 9.890	\$ 15.120	\$ 16.430	\$ 15.420	\$ 15.070
Market value	End of year					
(Common shares)		\$ 9.150	\$ 13.160	\$ 15.050	\$ 13.650	\$ 15.160
Total Investment Return on Net Asset Value⁽²⁾		(30.70)%	(3.65)%	12.10%	8.72%	5.35%
Total Investment Return on Market Value⁽²⁾		(26.34)%	(8.44)%	15.99%	(4.34)%	8.60%

See notes to financial statements

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Eaton Vance Municipal Income Trusts as of November 30, 2008

FINANCIAL STATEMENTS CONT D

	California Trust				
	Year Ended November 30,				
	2008	2007	2006	2005	2004
Ratios/Supplemental Data					
Net assets applicable to common shares, end of year (000 \$ omitted)	\$ 71,065	\$ 108,567	\$ 117,966	\$ 110,760	\$ 108,193
Ratios (as a percentage of average daily net assets applicable to common shares): ⁽³⁾					
Expenses excluding interest and fees	1.87%	1.78% ⁽⁴⁾	1.79%	1.78%	1.78%
Interest and fee expense ⁽⁵⁾	0.37%	0.34%	0.49%	0.33%	0.20%
Total expenses before custodian fee reduction	2.24%	2.12% ⁽⁴⁾	2.28%	2.11%	1.98%
Expenses after custodian fee reduction excluding interest and fees	1.85%	1.76% ⁽⁴⁾	1.77%	1.76%	1.77%
Net investment income	6.91%	5.94%	6.12%	6.52%	7.10%
Portfolio Turnover	31%	40%	26%	31%	17%

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 daily net assets applicable to common shares and preferred shares): ⁽³⁾					
Expenses excluding interest and fees	1.18%	1.17% ⁽⁴⁾	1.18%	1.16%	1.15%
Interest and fee expense ⁽⁵⁾	0.24%	0.22%	0.32%	0.22%	0.13%
Total expenses before custodian fee reduction	1.42%	1.39% ⁽⁴⁾	1.50%	1.38%	1.28%
Expenses after custodian fee reduction excluding interest and fees	1.17%	1.16% ⁽⁴⁾	1.16%	1.15%	1.15%
Net investment income	4.39%	3.90%	4.03%	4.26%	4.61%

Senior Securities:

Total preferred shares outstanding	1,999	2,360	2,360	2,360	2,360
Asset coverage per preferred share ⁽⁶⁾	\$ 60,552	\$ 71,003	\$ 74,997	\$ 71,942	\$ 70,849
Involuntary liquidation preference per preferred share ⁽⁷⁾	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Approximate market value per preferred share ⁽⁷⁾	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000

- (1) Computed using average common shares outstanding.
- (2) Returns are historical and are calculated by determining the percentage change in net asset value or market value with all distributions reinvested.
- (3) Ratios do not reflect the effect of dividend payments to preferred shareholders.
- (4) The investment adviser was allocated a portion of the Trust's operating expenses (equal to less than 0.01% of average daily net assets for the year ended November 30, 2007). Absent this allocation, total return would be lower.
- (5) Interest and fee expense relates to the liability for floating rate notes issued in conjunction with inverse floater securities transactions (see Note 1H).
- (6) 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.
- (7) Plus accumulated and unpaid dividends.

See notes to financial statements

Eaton Vance Municipal Income Trusts as of November 30, 2008

FINANCIAL STATEMENTS CONT D

Financial Highlights

Selected data for a common share outstanding during the periods stated

	Massachusetts Trust				
	Year Ended November 30,				
	2008	2007	2006	2005	2004
Net asset value Beginning of year (Common shares)	\$ 14.860	\$ 16.170	\$ 15.270	\$ 15.090	\$ 15.380
Income (loss) from operations					
Net investment income ⁽¹⁾	\$ 0.947	\$ 0.914	\$ 0.931	\$ 0.973	\$ 1.054
Net realized and unrealized gain (loss)	(4.720)	(1.314)	0.926	0.234	(0.251)
Distributions to preferred shareholders					
From net investment income	(0.278)	(0.271)	(0.243)	(0.145)	(0.070)
Total income (loss) from operations	\$ (4.051)	\$ (0.671)	\$ 1.614	\$ 1.062	\$ 0.733
Less distributions to common shareholders					
From net investment income	\$ (0.649)	\$ (0.639)	\$ (0.714)	\$ (0.882)	\$ (1.023)
Total distributions to common shareholders	\$ (0.649)	\$ (0.639)	\$ (0.714)	\$ (0.882)	\$ (1.023)

Net asset value	End of year					
(Common shares)		\$ 10.160	\$ 14.860	\$ 16.170	\$ 15.270	\$ 15.090
Market value	End of year					
(Common shares)		\$ 8.930	\$ 13.050	\$ 14.920	\$ 14.800	\$ 16.810
Total Investment Return on						
Net Asset Value⁽²⁾		(28.02)%	(3.94)%	11.05%	7.02%	4.90%
Total Investment Return on						
Market Value⁽²⁾		(27.89)%	(8.57)%	5.72%	(6.89)%	16.71%

See notes to financial statements

Eaton Vance Municipal Income Trusts as of November 30, 2008

FINANCIAL STATEMENTS CONT D

Massachusetts Trust

Year Ended November 30,

	2008	2007	2006	2005	2004
Ratios/Supplemental Data					
Net assets applicable to common shares, end of year (000 \$ omitted)	\$ 27,576	\$ 40,341	\$ 43,875	\$ 41,395	\$ 40,662
Ratios (as a percentage of average daily net assets applicable to common shares): ⁽³⁾					
Expenses excluding interest and fees	2.06%	1.91% ⁽⁴⁾	1.88%	1.88%	1.87%
Interest and fee expense ⁽⁵⁾	0.26%	0.61%	0.77%	0.52%	0.30%
Total expenses before custodian fee reduction	2.32%	2.52% ⁽⁴⁾	2.65%	2.40%	2.17%
Expenses after custodian fee reduction excluding interest and fees	2.04%	1.89% ⁽⁴⁾	1.87%	1.87%	1.86%
Net investment income	7.03%	5.90%	6.01%	6.29%	6.97%
Portfolio Turnover	40%	42%	22%	13%	39%

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 daily net assets applicable to common shares and preferred shares):⁽³⁾

Expenses excluding interest and fees	1.31%	1.26% ⁽⁴⁾	1.24%	1.24%	1.22%
Interest and fee expense ⁽⁵⁾	0.16%	0.40%	0.51%	0.34%	0.19%
Total expenses before custodian fee reduction	1.47%	1.66% ⁽⁴⁾	1.75%	1.58%	1.41%
Expenses after custodian fee reduction excluding interest and fees	1.30%	1.25% ⁽⁴⁾	1.24%	1.24%	1.22%
Net investment income	4.47%	3.91%	3.98%	4.15%	4.55%

Senior Securities:

Total preferred shares outstanding	802	860	860	860	860
Asset coverage per preferred share ⁽⁶⁾	\$ 59,391	\$ 71,920	\$ 76,024	\$ 73,138	\$ 72,281
Involuntary liquidation preference per preferred share ⁽⁷⁾	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Approximate market value per preferred share ⁽⁷⁾	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000

- (1) Computed using average common shares outstanding.
- (2) Returns are historical and are calculated by determining the percentage change in net asset value or market value with all distributions reinvested.
- (3) Ratios do not reflect the effect of dividend payments to preferred shareholders.
- (4) The investment adviser was allocated a portion of the Trust's operating expenses (equal to less than 0.01% of average daily net assets for the year ended November 30, 2007). Absent this allocation, total return would be lower.
- (5) Interest and fee expense relates to the liability for floating rate notes issued in conjunction with inverse floater securities transactions (see Note 1H).
- (6) 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.
- (7) Plus accumulated and unpaid dividends.

See notes to financial statements

Eaton Vance Municipal Income Trusts as of November 30, 2008

FINANCIAL STATEMENTS CONT D

Financial Highlights

Selected data for a common share outstanding during the periods stated

	Michigan Trust				
	Year Ended November 30,				
	2008	2007	2006	2005	2004
Net asset value Beginning of year (Common shares)	\$ 14.510	\$ 15.420	\$ 14.820	\$ 14.860	\$ 15.240
Income (loss) from operations					
Net investment income ⁽¹⁾	\$ 0.931	\$ 0.913	\$ 0.950	\$ 0.995	\$ 1.072
Net realized and unrealized gain (loss)	(3.669)	(0.881)	0.608	0.010	(0.334)
Distributions to preferred shareholders					
From net investment income	(0.301)	(0.296)	(0.256)	(0.172)	(0.086)
Total income (loss) from operations	\$ (3.039)	\$ (0.264)	\$ 1.302	\$ 0.833	\$ 0.652
Less distributions to common shareholders					
From net investment income	\$ (0.611)	\$ (0.646)	\$ (0.702)	\$ (0.873)	\$ (1.032)
Total distributions to common shareholders	\$ (0.611)	\$ (0.646)	\$ (0.702)	\$ (0.873)	\$ (1.032)

Net asset value	End of year					
(Common shares)		\$ 10.860	\$ 14.510	\$ 15.420	\$ 14.820	\$ 14.860
Market value	End of year					
(Common shares)		\$ 7.920	\$ 12.430	\$ 14.110	\$ 13.500	\$ 16.600
Total Investment Return on						
Net Asset Value⁽²⁾		(21.02)%	(1.37)%	9.38%	5.62%	4.36%
Total Investment Return on						
Market Value⁽²⁾		(32.76)%	(7.66)%	9.88%	(13.87)%	13.63%

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Eaton Vance Municipal Income Trusts as of November 30, 2008

FINANCIAL STATEMENTS CONT D

	Michigan Trust				
	Year Ended November 30,				
	2008	2007	2006	2005	2004
Ratios/Supplemental Data					
Net assets applicable to common shares, end of year (000 \$ omitted)	\$ 22,977	\$ 30,710	\$ 32,643	\$ 31,357	\$ 31,363
Ratios (as a percentage of average daily net assets applicable to common shares): ⁽³⁾					
Expenses excluding interest and fees	2.15%	2.03% ⁽⁴⁾	1.97%	2.00%	1.96%
Interest and fee expense ⁽⁵⁾	0.16%	0.32%	0.46%	0.40%	0.42%
Total expenses before custodian fee reduction	2.31%	2.35% ⁽⁴⁾	2.43%	2.40%	2.38%
Expenses after custodian fee reduction excluding interest and fees	2.13%	2.01% ⁽⁴⁾	1.96%	1.99%	1.96%
Net investment income	6.96%	6.12%	6.35%	6.60%	7.16%
Portfolio Turnover	24%	22%	22%	14%	5%

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 daily net assets applicable to common shares and preferred shares): ⁽³⁾					
Expenses excluding interest and fees	1.33%	1.31% ⁽⁴⁾	1.27%	1.29%	1.26%
Interest and fee expense ⁽⁵⁾	0.10%	0.21%	0.29%	0.26%	0.27%
Total expenses before custodian fee reduction	1.43%	1.52% ⁽⁴⁾	1.56%	1.55%	1.53%
Expenses after custodian fee reduction excluding interest and fees	1.31%	1.29% ⁽⁴⁾	1.26%	1.28%	1.26%
Net investment income	4.30%	3.94%	4.09%	4.26%	4.60%

Senior Securities:

Total preferred shares outstanding	700	700	700	700	700
Asset coverage per preferred share ⁽⁶⁾	\$ 57,828	\$ 68,878	\$ 71,635	\$ 69,796	\$ 69,810
Involuntary liquidation preference per preferred share ⁽⁷⁾	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Approximate market value per preferred share ⁽⁷⁾	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000

- (1) Computed using average common shares outstanding.
- (2) Returns are historical and are calculated by determining the percentage change in net asset value or market value with all distributions reinvested.
- (3) Ratios do not reflect the effect of dividend payments to preferred shareholders.
- (4) The investment adviser was allocated a portion of the Trust's operating expenses (equal to less than 0.01% of average daily net assets for the year ended November 30, 2007). Absent this allocation, total return would be lower.
- (5) Interest and fee expense relates to the liability for floating rate notes issued in conjunction with inverse floater securities transactions (see Note 1H).
- (6) 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.
- (7) Plus accumulated and unpaid dividends.

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Eaton Vance Municipal Income Trusts as of November 30, 2008

FINANCIAL STATEMENTS CONT D

Financial Highlights

Selected data for a common share outstanding during the periods stated

	National Trust				
	Year Ended November 30,				
	2008	2007	2006	2005	2004
Net asset value Beginning of year (Common shares)	\$ 14.740	\$ 15.800	\$ 15.150	\$ 15.040	\$ 15.530
Income (loss) from operations					
Net investment income ⁽¹⁾	\$ 0.911	\$ 0.944	\$ 0.970	\$ 1.013	\$ 1.082
Net realized and unrealized gain (loss)	(5.945)	(1.049)	0.678	0.179	(0.450)
Distributions to preferred shareholders					
From net investment income	(0.250)	(0.307)	(0.270)	(0.177)	(0.087)
Total income (loss) from operations	\$ (5.284)	\$ (0.412)	\$ 1.378	\$ 1.015	\$ 0.545
Less distributions to common shareholders					
From net investment income	\$ (0.656)	\$ (0.648)	\$ (0.728)	\$ (0.905)	\$ (1.035)
Total distributions to common shareholders	\$ (0.656)	\$ (0.648)	\$ (0.728)	\$ (0.905)	\$ (1.035)

Net asset value	End of year					
(Common shares)		\$ 8.800	\$ 14.740	\$ 15.800	\$ 15.150	\$ 15.040
Market value	End of year					
(Common shares)		\$ 7.640	\$ 12.720	\$ 14.180	\$ 14.180	\$ 15.250
Total Investment Return on						
Net Asset Value⁽²⁾		(36.71)%	(2.26)%	9.84%	6.98%	3.80%
Total Investment Return on						
Market Value⁽²⁾		(36.32)%	(6.02)%	5.32%	(1.25)%	5.76%

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Eaton Vance Municipal Income Trusts as of November 30, 2008

FINANCIAL STATEMENTS CONT D

National Trust

Year Ended November 30,

	2008	2007	2006	2005	2004
Ratios/Supplemental Data					
Net assets applicable to common shares, end of year (000 s omitted)	\$ 37,472	\$ 62,757	\$ 67,252	\$ 64,501	\$ 63,911
Ratios (as a percentage of average daily net assets applicable to common shares): ⁽³⁾					
Expenses excluding interest and fees	2.34%	1.87% ⁽⁴⁾	1.87%	1.86%	1.84%
Interest and fee expense ⁽⁵⁾	0.83%	0.75%	0.54%	0.42%	0.50%
Total expenses before custodian fee reduction	3.17%	2.62% ⁽⁴⁾	2.41%	2.28%	2.34%
Expenses after custodian fee reduction excluding interest and fees	2.30%	1.86% ⁽⁴⁾	1.86%	1.85%	1.83%
Net investment income	6.95%	6.16%	6.33%	6.65%	7.09%
Portfolio Turnover	108%	26%	33%	15%	4%

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 daily net assets applicable to common shares and preferred shares):⁽³⁾

Expenses excluding interest and fees	1.53%	1.21% ⁽⁴⁾	1.21%	1.20%	1.18%
Interest and fee expense ⁽⁵⁾	0.54%	0.48%	0.35%	0.27%	0.32%
Total expenses before custodian fee reduction	2.07%	1.69% ⁽⁴⁾	1.56%	1.47%	1.50%
Expenses after custodian fee reduction excluding interest and fees	1.50%	1.20% ⁽⁴⁾	1.20%	1.19%	1.18%
Net investment income	4.52%	3.99%	4.10%	4.30%	4.58%

Senior Securities:

Total preferred shares outstanding	806	1,420	1,420	1,420	1,420
Asset coverage per preferred share ⁽⁶⁾	\$ 71,495	\$ 69,201	\$ 72,363	\$ 70,423	\$ 70,011
Involuntary liquidation preference per preferred share ⁽⁷⁾	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Approximate market value per preferred share ⁽⁷⁾	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000

- (1) Computed using average common shares outstanding.
- (2) Returns are historical and are calculated by determining the percentage change in net asset value or market value with all distributions reinvested.
- (3) Ratios do not reflect the effect of dividend payments to preferred shareholders.
- (4) The investment adviser was allocated a portion of the Trust's operating expenses (equal to less than 0.01% of average daily net assets for the year ended November 30, 2007). Absent this allocation, total return would be lower.
- (5) Interest and fee expense relates to the liability for floating rate notes issued in conjunction with inverse floater securities transactions (see Note 1H).
- (6) 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.
- (7) Plus accumulated and unpaid dividends.

See notes to financial statements

Eaton Vance Municipal Income Trusts as of November 30, 2008

FINANCIAL STATEMENTS CONT D

Financial Highlights

Selected data for a common share outstanding during the periods stated

	New Jersey Trust				
	Year Ended November 30,				
	2008	2007	2006	2005	2004
Net asset value Beginning of year (Common shares)	\$ 14.930	\$ 16.200	\$ 15.020	\$ 14.810	\$ 15.190
Income (loss) from operations					
Net investment income ⁽¹⁾	\$ 0.968	\$ 0.926	\$ 0.953	\$ 1.014	\$ 1.082
Net realized and unrealized gain (loss)	(5.579)	(1.275)	1.205	0.238	(0.313)
Distributions to preferred shareholders					
From net investment income	(0.289)	(0.273)	(0.253)	(0.169)	(0.081)
Total income (loss) from operations	\$ (4.900)	\$ (0.622)	\$ 1.905	\$ 1.083	\$ 0.688
Less distributions to common shareholders					
From net investment income	\$ (0.630)	\$ (0.648)	\$ (0.725)	\$ (0.873)	\$ (1.068)
Total distributions to common shareholders	\$ (0.630)	\$ (0.648)	\$ (0.725)	\$ (0.873)	\$ (1.068)

Net asset value	End of year					
(Common shares)		\$ 9.400	\$ 14.930	\$ 16.200	\$ 15.020	\$ 14.810
Market value	End of year					
(Common shares)		\$ 8.500	\$ 12.790	\$ 15.080	\$ 14.030	\$ 15.540
Total Investment Return on						
Net Asset Value⁽²⁾		(33.57)%	(3.59)%	13.28%	7.59%	4.76%
Total Investment Return on						
Market Value⁽²⁾		(29.88)%	(11.28)%	12.89%	(4.22)%	8.31%

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Eaton Vance Municipal Income Trusts as of November 30, 2008

FINANCIAL STATEMENTS CONT D

	New Jersey Trust				
	Year Ended November 30,				
	2008	2007	2006	2005	2004
Ratios/Supplemental Data					
Net assets applicable to common shares, end of year (000 \$ omitted)	\$ 43,459	\$ 69,001	\$ 74,846	\$ 69,375	\$ 68,298
Ratios (as a percentage of average daily net assets applicable to common shares): ⁽³⁾					
Expenses excluding interest and fees	1.96%	1.84% ⁽⁴⁾	1.85%	1.86%	1.85%
Interest and fee expense ⁽⁵⁾	0.45%	0.89%	0.93%	0.58%	0.50%
Total expenses before custodian fee reduction	2.41%	2.73% ⁽⁴⁾	2.78%	2.44%	2.35%
Expenses after custodian fee reduction excluding interest and fees	1.94%	1.81% ⁽⁴⁾	1.83%	1.84%	1.84%
Net investment income	7.22%	5.94%	6.20%	6.66%	7.28%
Portfolio Turnover	54%	42%	23%	46%	52%

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 daily net assets applicable to common shares and preferred shares): ⁽³⁾					
Expenses excluding interest and fees	1.23%	1.21% ⁽⁴⁾	1.20%	1.21%	1.19%
Interest and fee expense ⁽⁵⁾	0.28%	0.58%	0.61%	0.38%	0.32%
Total expenses before custodian fee reduction	1.51%	1.79% ⁽⁴⁾	1.81%	1.59%	1.51%
Expenses after custodian fee reduction excluding interest and fees	1.21%	1.19% ⁽⁴⁾	1.19%	1.19%	1.18%
Net investment income	4.51%	3.89%	4.04%	4.33%	4.68%

Senior Securities:

Total preferred shares outstanding	1,366	1,520	1,520	1,520	1,520
Asset coverage per preferred share ⁽⁶⁾	\$ 56,817	\$ 70,395	\$ 74,250	\$ 70,651	\$ 69,935
Involuntary liquidation preference per preferred share ⁽⁷⁾	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Approximate market value per preferred share ⁽⁷⁾	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000

- (1) Computed using average common shares outstanding.
- (2) Returns are historical and are calculated by determining the percentage change in net asset value or market value with all distributions reinvested.
- (3) Ratios do not reflect the effect of dividend payments to preferred shareholders.
- (4) The investment adviser was allocated a portion of the Trust's operating expenses (equal to less than 0.01% of average daily net assets for the year ended November 30, 2007). Absent this allocation, total return would be lower.
- (5) Interest and fee expense relates to the liability for floating rate notes issued in conjunction with inverse floater securities transactions (see Note 1H).
- (6) 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.
- (7) Plus accumulated and unpaid dividends.

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Eaton Vance Municipal Income Trusts as of November 30, 2008

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Financial Highlights

Selected data for a common share outstanding during the periods stated

	New York Trust				
	Year Ended November 30,				
	2008	2007	2006	2005	2004
Net asset value Beginning of year (Common shares)	\$ 15.240	\$ 16.550	\$ 15.660	\$ 15.490	\$ 15.810
Income (loss) from operations					
Net investment income ⁽¹⁾	\$ 0.987	\$ 0.991	\$ 0.987	\$ 1.070	\$ 1.126
Net realized and unrealized gain (loss)	(5.887)	(1.293)	0.932	0.243	(0.332)
Distributions to preferred shareholders					
From net investment income	(0.269)	(0.287)	(0.247)	(0.163)	(0.074)
Total income (loss) from operations	\$ (5.169)	\$ (0.589)	\$ 1.672	\$ 1.150	\$ 0.720
Less distributions to common shareholders					
From net investment income	\$ (0.721)	\$ (0.721)	\$ (0.782)	\$ (0.980)	\$ (1.040)
Total distributions to common shareholders	\$ (0.721)	\$ (0.721)	\$ (0.782)	\$ (0.980)	\$ (1.040)

Net asset value	End of year					
(Common shares)		\$ 9.350	\$ 15.240	\$ 16.550	\$ 15.660	\$ 15.490
Market value	End of year					
(Common shares)		\$ 7.900	\$ 14.100	\$ 15.700	\$ 14.990	\$ 15.370
Total Investment Return on						
Net Asset Value⁽²⁾		(35.07)%	(3.42)%	11.28%	7.61%	4.91%
Total Investment Return on						
Market Value⁽²⁾		(40.71)%	(5.81)%	10.28%	3.81%	6.46%

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Eaton Vance Municipal Income Trusts as of November 30, 2008

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	New York Trust				
	Year Ended November 30,				
	2008	2007	2006	2005	2004
Ratios/Supplemental Data					
Net assets applicable to common shares, end of year (000 \$ omitted)	\$ 50,325	\$ 81,931	\$ 88,970	\$ 84,194	\$ 83,044
Ratios (as a percentage of average daily net assets applicable to common shares): ⁽³⁾					
Expenses excluding interest and fees	1.92%	1.80% ⁽⁴⁾	1.82%	1.81%	1.78%
Interest and fee expense ⁽⁵⁾	0.55%	0.98%	1.03%	0.57%	0.32%
Total expenses before custodian fee reduction	2.47%	2.78% ⁽⁴⁾	2.85%	2.38%	2.10%
Expenses after custodian fee reduction excluding interest and fees	1.89%	1.78% ⁽⁴⁾	1.80%	1.80%	1.78%
Net investment income	7.21%	6.23%	6.22%	6.72%	7.23%
Portfolio Turnover	48%	29%	27%	40%	31%

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 daily net assets applicable to common shares and preferred shares): ⁽³⁾					
Expenses excluding interest and fees	1.23%	1.18% ⁽⁴⁾	1.19%	1.19%	1.16%
Interest and fee expense ⁽⁵⁾	0.35%	0.65%	0.68%	0.37%	0.21%
Total expenses before custodian fee reduction	1.58%	1.83% ⁽⁴⁾	1.87%	1.56%	1.37%
Expenses after custodian fee reduction excluding interest and fees	1.21%	1.17% ⁽⁴⁾	1.19%	1.19%	1.16%
Net investment income	4.63%	4.10%	4.09%	4.42%	4.71%

Senior Securities:

Total preferred shares outstanding	1,349	1,780	1,780	1,780	1,780
Asset coverage per preferred share ⁽⁶⁾	\$ 62,309	\$ 71,032	\$ 74,983	\$ 72,311	\$ 71,659
Involuntary liquidation preference per preferred share ⁽⁷⁾	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Approximate market value per preferred share ⁽⁷⁾	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000

- (1) Computed using average common shares outstanding.
- (2) Returns are historical and are calculated by determining the percentage change in net asset value or market value with all distributions reinvested.
- (3) Ratios do not reflect the effect of dividend payments to preferred shareholders.
- (4) The investment adviser was allocated a portion of the Trust's operating expenses (equal to less than 0.01% of average daily net assets for the year ended November 30, 2007). Absent this allocation, total return would be lower.
- (5) Interest and fee expense relates to the liability for floating rate notes issued in conjunction with inverse floater securities transactions (see Note 1H).
- (6) 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.
- (7) Plus accumulated and unpaid dividends.

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Eaton Vance Municipal Income Trusts as of November 30, 2008

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Selected data for a common share outstanding during the periods stated

	Ohio Trust				
	Year Ended November 30,				
	2008	2007	2006	2005	2004
Net asset value Beginning of year (Common shares)	\$ 14.830	\$ 15.690	\$ 14.910	\$ 15.040	\$ 15.070
Income (loss) from operations					
Net investment income ⁽¹⁾	\$ 0.961	\$ 0.938	\$ 0.958	\$ 1.003	\$ 1.081
Net realized and unrealized gain (loss)	(4.410)	(0.845)	0.800	(0.055)	(0.011)
Distributions to preferred shareholders					
From net investment income	(0.303)	(0.297)	(0.264)	(0.175)	(0.091)
Total income (loss) from operations	\$ (3.752)	\$ (0.204)	\$ 1.494	\$ 0.773	\$ 0.979
Less distributions to common shareholders					
From net investment income	\$ (0.628)	\$ (0.656)	\$ (0.714)	\$ (0.903)	\$ (1.009)
Total distributions to common shareholders	\$ (0.628)	\$ (0.656)	\$ (0.714)	\$ (0.903)	\$ (1.009)

Net asset value	End of year					
(Common shares)		\$ 10.450	\$ 14.830	\$ 15.690	\$ 14.910	\$ 15.040
Market value	End of year					
(Common shares)		\$ 8.550	\$ 12.850	\$ 14.610	\$ 14.170	\$ 16.750
Total Investment Return on						
Net Asset Value⁽²⁾		(25.69)%	(1.06)%	10.50%	5.10%	6.71%
Total Investment Return on						
Market Value⁽²⁾		(29.83)%	(7.93)%	8.27%	(10.31)%	13.96%

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Eaton Vance Municipal Income Trusts as of November 30, 2008

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	Ohio Trust				
	Year Ended November 30,				
	2008	2007	2006	2005	2004
Ratios/Supplemental Data					
Net assets applicable to common shares, end of year (000 \$ omitted)	\$ 29,563	\$ 41,953	\$ 44,385	\$ 42,193	\$ 42,444
Ratios (as a percentage of average daily net assets applicable to common shares): ⁽³⁾					
Expenses excluding interest and fees	2.08%	1.93% ⁽⁴⁾	1.92%	1.91%	1.91%
Interest and fee expense ⁽⁵⁾	0.26%	0.72%	0.74%	0.54%	0.29%
Total expenses before custodian fee reduction	2.34%	2.65% ⁽⁴⁾	2.66%	2.45%	2.20%
Expenses after custodian fee reduction excluding interest and fees	2.06%	1.91% ⁽⁴⁾	1.92%	1.90%	1.90%
Net investment income	7.12%	6.17%	6.31%	6.57%	7.23%
Portfolio Turnover	27%	24%	16%	13%	12%

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 daily net assets applicable to common shares and preferred shares): ⁽³⁾					
Expenses excluding interest and fees	1.29%	1.25% ⁽⁴⁾	1.25%	1.24%	1.23%
Interest and fee expense ⁽⁵⁾	0.16%	0.46%	0.48%	0.35%	0.19%
Total expenses before custodian fee reduction	1.45%	1.71% ⁽⁴⁾	1.73%	1.59%	1.42%
Expenses after custodian fee reduction excluding interest and fees	1.28%	1.23% ⁽⁴⁾	1.24%	1.23%	1.22%
Net investment income	4.41%	3.99%	4.08%	4.25%	4.64%

Senior Securities:

Total preferred shares outstanding	918	940	940	940	940
Asset coverage per preferred share ⁽⁶⁾	\$ 57,209	\$ 69,640	\$ 72,223	\$ 69,888	\$ 70,153
Involuntary liquidation preference per preferred share ⁽⁷⁾	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Approximate market value per preferred share ⁽⁷⁾	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000

- (1) Computed using average common shares outstanding.
- (2) Returns are historical and are calculated by determining the percentage change in net asset value or market value with all distributions reinvested.
- (3) Ratios do not reflect the effect of dividend payments to preferred shareholders.
- (4) The investment adviser was allocated a portion of the Trust's operating expenses (equal to less than 0.01% of average daily net assets for the year ended November 30, 2007). Absent this allocation, total return would be lower.
- (5) Interest and fee expense relates to the liability for floating rate notes issued in conjunction with inverse floater securities transactions (see Note 1H).
- (6) 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.
- (7) Plus accumulated and unpaid dividends.

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Eaton Vance Municipal Income Trusts as of November 30, 2008

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Selected data for a common share outstanding during the periods stated

	Pennsylvania Trust				
	Year Ended November 30,				
	2008	2007	2006	2005	2004
Net asset value Beginning of year (Common shares)	\$ 14.840	\$ 15.510	\$ 14.870	\$ 14.890	\$ 15.210
Income (loss) from operations					
Net investment income ⁽¹⁾	\$ 0.986	\$ 0.953	\$ 0.983	\$ 1.008	\$ 1.076
Net realized and unrealized gain (loss)	(4.555)	(0.661)	0.664	0.103	(0.301)
Distributions to preferred shareholders					
From net investment income	(0.299)	(0.300)	(0.274)	(0.181)	(0.092)
Total income (loss) from operations	\$ (3.868)	\$ (0.008)	\$ 1.373	\$ 0.930	\$ 0.683
Less distributions to common shareholders					
From net investment income	\$ (0.652)	\$ (0.662)	\$ (0.733)	\$ (0.950)	\$ (1.003)
Total distributions to common shareholders	\$ (0.652)	\$ (0.662)	\$ (0.733)	\$ (0.950)	\$ (1.003)

Net asset value	End of year					
(Common shares)		\$ 10.320	\$ 14.840	\$ 15.510	\$ 14.870	\$ 14.890
Market value	End of year					
(Common shares)		\$ 9.600	\$ 12.790	\$ 14.560	\$ 14.660	\$ 15.540
Total Investment Return on						
Net Asset Value⁽²⁾		(26.57)%	0.27%	9.68%	6.27%	4.77%
Total Investment Return on						
Market Value⁽²⁾		(20.75)%	(7.95)%	4.44%	0.39%	4.07%

See notes to financial statements

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Eaton Vance Municipal Income Trusts as of November 30, 2008

FINANCIAL STATEMENTS CONT D

Pennsylvania Trust

Year Ended November 30,

	2008	2007	2006	2005	2004
Ratios/Supplemental Data					
Net assets applicable to common shares, end of year (000 \$ omitted)	\$ 27,944	\$ 40,182	\$ 41,998	\$ 40,233	\$ 40,023
Ratios (as a percentage of average daily net assets applicable to common shares): ⁽³⁾					
Expenses excluding interest and fees	2.06%	1.95% ⁽⁴⁾	1.94%	1.97%	1.91%
Interest and fee expense ⁽⁵⁾	0.37%	0.70%	0.93%	0.44%	0.24%
Total expenses before custodian fee reduction	2.43%	2.65% ⁽⁴⁾	2.87%	2.41%	2.15%
Expenses after custodian fee reduction excluding interest and fees	2.04%	1.94% ⁽⁴⁾	1.93%	1.95%	1.91%
Net investment income	7.23%	6.28%	6.53%	6.69%	7.18%
Portfolio Turnover	25%	23%	18%	28%	8%

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 daily net assets applicable to common shares and preferred shares):⁽³⁾

Expenses excluding interest and fees	1.28%	1.27% ⁽⁴⁾	1.25%	1.27%	1.23%
Interest and fee expense ⁽⁵⁾	0.23%	0.45%	0.60%	0.28%	0.15%
Total expenses before custodian fee reduction	1.51%	1.72% ⁽⁴⁾	1.85%	1.55%	1.38%
Expenses after custodian fee reduction excluding interest and fees	1.27%	1.26% ⁽⁴⁾	1.24%	1.26%	1.22%
Net investment income	4.50%	4.06%	4.21%	4.30%	4.61%

Senior Securities:

Total preferred shares outstanding	889	900	900	900	900
Asset coverage per preferred share ⁽⁶⁾	\$ 56,439	\$ 69,658	\$ 71,672	\$ 69,708	\$ 69,471
Involuntary liquidation preference per preferred share ⁽⁷⁾	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Approximate market value per preferred share ⁽⁷⁾	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000

- (1) Computed using average common shares outstanding.
- (2) Returns are historical and are calculated by determining the percentage change in net asset value or market value with all distributions reinvested.
- (3) Ratios do not reflect the effect of dividend payments to preferred shareholders.
- (4) The investment adviser was allocated a portion of the Trust's operating expenses (equal to less than 0.01% of average daily net assets for the year ended November 30, 2007). Absent this allocation, total return would be lower.
- (5) Interest and fee expense relates to the liability for floating rate notes issued in conjunction with inverse floater securities transactions (see Note 1H).
- (6) 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.
- (7) Plus accumulated and unpaid dividends.

See notes to financial statements

Eaton Vance Municipal Income Trusts as of November 30, 2008

NOTES TO FINANCIAL STATEMENTS

1 Significant Accounting Policies

Eaton Vance California Municipal Income Trust (California Trust), Eaton Vance Massachusetts Municipal Income Trust (Massachusetts Trust), Eaton Vance Michigan Municipal Income Trust (Michigan Trust), Eaton Vance National Municipal Income Trust (National Trust) (formerly, Eaton Vance Florida Plus Municipal Income Trust), Eaton Vance New Jersey Municipal Income Trust (New Jersey Trust), Eaton Vance New York Municipal Income Trust (New York Trust), Eaton Vance Ohio Municipal Income Trust (Ohio Trust) and Eaton Vance Pennsylvania Municipal Income Trust (Pennsylvania Trust), (each individually referred to as the Trust, and collectively, the Trusts), are Massachusetts business trusts registered under the Investment Company Act of 1940, as amended (the 1940 Act), as non-diversified, closed-end management investment companies. Each Trust seeks to provide current income exempt from regular federal income tax and in state specific funds, taxes in its specified state, as applicable.

The following is a summary of significant accounting policies of the Trusts. The policies are in conformity with accounting principles generally accepted in the United States of America.

A Investment Valuation Municipal bonds and taxable obligations, if any, are generally valued on the basis of valuations furnished by a pricing vendor, as derived from such vendor's pricing models. Inputs to the models may include, but are not limited to, reported trades, executable bid and asked prices, broker/dealer 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 valuation for a security. Financial futures contracts and options on financial futures contracts listed on commodity exchanges are valued based on the closing price on the primary exchange on which such contracts trade. 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 the swap contract. Future cash flows are discounted to their present value using swap curves provided by electronic data services or by broker/dealers. Short-term obligations, maturing in sixty days or less, are valued at amortized cost, which approximates market value. Investments for which valuations or market quotations are not readily available, and investments for which the price of a security is not believed to represent its fair market value, are valued at fair value using methods determined in good faith by or at the direction of the Trustees.

B Investment Transactions and Related Income Investment transactions for financial statement purposes are accounted for on a trade date basis. Realized gains and losses on investments sold are determined on the basis of identified cost. Interest income is recorded on the basis of interest accrued, adjusted for amortization of premium or accretion of discount.

C Federal Taxes Each 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 substantially all of its taxable, if any, and tax-exempt net investment income, and all or substantially all of its net realized capital gains. Accordingly, no provision for federal income or excise tax is necessary. Each 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 tax when received by each 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 to shareholders.

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At November 30, 2008, the following Trusts, for federal income tax purposes, had capital loss carryforwards which will reduce each Trust's taxable income arising from future net realized gains on investment transactions, 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 Trusts of any liability for federal income or excise tax. The amounts and expiration dates of the capital loss carryforwards are as follows:

Trust	Amount	Expiration Date
California	\$ 995,999	November 30, 2012
	6,689,345	November 30, 2016
Massachusetts	39,627	November 30, 2009
	343,176	November 30, 2010
	692,532	November 30, 2016
Michigan	165,469	November 30, 2009
	475,985	November 30, 2010
	443,883	November 30, 2011
	697,198	November 30, 2012
	224,050	November 30, 2013
National	517,712	November 30, 2016
	160,909	November 30, 2009
	1,495,013	November 30, 2012
	114,338	November 30, 2013
New Jersey	1,728,781	November 30, 2016
	262,308	November 30, 2009
New York	177,350	November 30, 2011
	70,059	November 30, 2009
	2,354,581	November 30, 2016
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Eaton Vance Municipal Income Trusts as of November 30, 2008

NOTES TO FINANCIAL STATEMENTS CONT D

Trust	Amount	Expiration Date
Ohio	\$ 850,745	November 30, 2009
	764,355	November 30, 2012
	588,403	November 30, 2013
	736,482	November 30, 2016
Pennsylvania	844,973	November 30, 2009
	41,331	November 30, 2010
	502,868	November 30, 2012
	389,289	November 30, 2013
	800,874	November 30, 2016

During the year ended November 30, 2008, a capital loss carryforward of \$92,095 was utilized to offset net realized gains by the New Jersey Trust.

As of November 30, 2008, the Trusts had no uncertain tax positions that would require financial statement recognition, de-recognition, or disclosure. Each of the Trusts' federal tax returns filed in the 3-year period ended November 30, 2008 remains subject to examination by the Internal Revenue Service.

D Expense Reduction State Street Bank and Trust Company (SSBT) serves as custodian of the Trusts. Pursuant to the respective custodian agreements, SSBT receives a fee reduced by credits, which are determined based on the average daily cash balance each Trust maintains with SSBT. All credit balances, if any, used to reduce each Trust's custodian fees are reported as a reduction of expenses in the Statements of Operations.

E Legal Fees Legal fees and other related expenses incurred as part of negotiations of the terms and requirement of capital infusions, or that are expected to result in the restructuring of, or a plan of reorganization for, an investment are recorded as realized losses. Ongoing expenditures to protect or enhance an investment are treated as operating expenses.

F Use of Estimates The preparation of the 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.

G Indemnifications

Under each 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 each Trust, and shareholders are indemnified against personal liability for the obligations of each Trust. Additionally, in the normal course of business, each Trust enters into agreements with service providers that may contain indemnification clauses. Each Trust's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against each Trust that have not yet occurred.

H Floating Rate Notes Issued in Conjunction with Securities Held The Trusts may invest in inverse floating rate securities, also referred to as tender option bonds (TOBs), whereby a Trust may sell a fixed rate bond to a broker for cash. At the same time, the Trust buys a residual interest in the assets and cash flows of a Special-Purpose Vehicle (the SPV), (which is generally organized as a trust), set up by the broker, often referred to as an inverse floating rate obligation (Inverse Floater). The broker deposits a fixed rate bond into the SPV with the same CUSIP number as the fixed rate bond sold to the broker by the Trust, and which may have been, but is not required to be, the fixed rate bond purchased from the Trust (the Fixed Rate Bond). The SPV also issues floating rate notes (Floating Rate Notes) which are sold to third-parties. The Trusts may enter into shortfall and forbearance agreements with the broker by which a Trust agrees to reimburse the broker, in certain circumstances, for the difference between the liquidation value of the Fixed Rate Bond held by the SPV and the liquidation value of the Floating Rate Notes, as well as any shortfalls in interest cash flows. The Inverse Floater held by a Trust gives the Trust the right (1) to cause the holders of the Floating Rate Notes to tender their notes at par, and (2) to have the broker transfer the Fixed Rate Bond held by the SPV to the Trust, thereby collapsing the SPV. Pursuant to Financial Accounting Standards Board (FASB) Statement No. 140, Accounting for Transfers and Servicing of Financial Assets and Extinguishment of Liabilities (FAS 140), the Trusts account for the transaction described above as a secured borrowing by including the Fixed Rate Bond in their Portfolio of Investments and the Floating Rate Notes as a liability under the caption Payable for floating rate notes issued in their Statement of Assets and Liabilities. The Floating Rate Notes have interest rates that generally reset weekly and their holders have the option to tender their notes to the broker for redemption at par at each reset date. Interest expense related to the Trusts liability with respect to Floating Rate Notes is recorded as incurred. Structuring fees paid to the liquidity provider upon the creation of an SPV have been recorded as debt issuance costs and are being amortized as interest expense to the expected maturity date of the related trust. At November 30, 2008, the amounts of the Trusts Floating Rate Notes and related interest rates and collateral were as follows:

Trust	Floating Rate Notes Outstanding	Interest Rate or Range of Interest Rates (%)	Collateral for Floating Rate Notes Outstanding
California	\$ 15,570,000	0.98 6.19	\$ 18,844,540
Massachusetts	3,880,000	0.88 2.15	4,462,489
Michigan	1,125,000	1.07 6.00	1,464,315
National	21,295,000	1.00 1.90	21,524,236

Eaton Vance Municipal Income Trusts as of November 30, 2008

NOTES TO FINANCIAL STATEMENTS CONT D

Trust	Floating Rate Notes Outstanding	Interest Rate or Range of Interest Rates (%)	Collateral for Floating Rate Notes Outstanding
New Jersey	\$ 8,047,000	1.04 1.90	\$ 8,957,566
New York	15,150,000	0.88 1.90	15,925,746
Ohio	830,000	0.93 1.07	1,141,125
Pennsylvania	4,485,780	1.00 4.00	7,351,759

The Trusts' exposure under shortfall and forbearance agreements that were entered into as of November 30, 2008 was approximately \$823,000, \$35,000, \$1,190,000, \$79,000 and \$721,000 for California Trust, Massachusetts Trust, National Trust, New Jersey Trust and New York Trust, respectively, and none for Michigan Trust, Ohio Trust and Pennsylvania Trust.

The Trusts' investment policies and restrictions expressly permit investments in Inverse Floaters. Inverse floating rate securities typically offer the potential for yields exceeding the yields available on fixed rate bonds with comparable credit quality and maturity. These securities tend to underperform the market for fixed rate bonds in a rising long-term interest rate environment, but tend to outperform the market for fixed rate bonds when long-term interest rates decline. The value and income of inverse floating rate securities are generally more volatile than that of a fixed rate bond. The Trusts' investment policies do not allow the Trusts to borrow money for purposes of making investments. Management believes that the Trusts' restrictions on borrowing money and issuing senior securities (other than as specifically permitted) do not apply to Floating Rate Notes issued by the SPV and included as a liability on the Trusts' Statements of Assets and Liabilities. As secured indebtedness issued by an SPV, Floating Rate Notes are distinct from the borrowings and senior securities to which the Trusts' restrictions apply. Inverse Floaters held by the Trusts are securities exempt from registration under Rule 144A of the Securities Act of 1933.

I Financial Futures Contracts The Trusts may enter into financial futures contracts. The Trusts' investment in financial futures contracts is designed for hedging against changes in interest rates or as a substitute for the purchase of securities. Upon entering into a financial futures contract, a Trust is required to deposit with the broker, either in cash or securities, an amount equal to a certain percentage of the purchase price (initial margin). Subsequent payments, known as variation margin, are made or received by the Trust each business day, depending on the daily fluctuations in the value of the underlying security, and are recorded as unrealized gains or losses by the Trust. Gains (losses) are realized upon the expiration or closing of the financial futures contracts. Should market conditions change unexpectedly, the Trust may not achieve the anticipated benefits of the financial futures contracts and may realize a loss. In entering such contracts, the Trust bears the risk if the counterparties do not perform under the contracts' terms.

J Interest Rate Swaps

The Trusts 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, a Trust makes periodic payments at a fixed interest rate and, in exchange, 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 or losses. The value of the swap is determined by changes in the relationship between two rates of interest. A Trust is exposed to credit loss in the event of non-performance by the swap

counterparty. Risk may also arise from movements in interest rates.

K When-Issued Securities and Delayed Delivery Transactions The Trusts may purchase or sell securities on a delayed delivery or when-issued basis. Payment and delivery may take place after the customary settlement period for that security. At the time the transaction is negotiated, the price of the security that will be delivered is fixed. The Trusts maintain security positions for these commitments such that sufficient liquid assets will be available to make payments upon settlement. Securities purchased on a delayed delivery or when-issued basis are marked-to-market daily and begin earning interest on settlement date. Losses may arise due to changes in the market value of the underlying securities or if the counterparty does not perform under the contract.

L Statement of Cash Flows

The cash amount shown in the Statement of Cash Flows of a Trust is the amount included in a Trust's Statement of Assets and Liabilities and represents cash on hand at its custodian and does not include any short-term investments.

2 Auction Preferred Shares

Each Trust issued Auction Preferred Shares (APS) on March 1, 1999 in a public offering. The underwriting discounts and other offering costs incurred in connection with the offering were recorded as a reduction of the paid-in capital of the common shares of each respective Trust. Dividends on the APS, which accrue daily, are cumulative at rates which are reset every seven days by an auction, unless a special dividend period has been set. If the APS auctions do not successfully clear, the dividend payment rate over the next period for the APS holders is set at a specified maximum applicable rate until such time as the APS auctions are successful. The maximum applicable rate on the APS is 110% (150% for taxable distributions) of the greater of the 1) AA Financial Composite

Eaton Vance Municipal Income Trusts as of November 30, 2008

NOTES TO FINANCIAL STATEMENTS CONT D

Commercial Paper Rate or 2) Taxable Equivalent of the Short-Term Municipal Obligation Rate on the date of the auction.

During the year ended November 30, 2008, certain Trusts made a partial redemption of their APS at a liquidation price of \$25,000 per share. Replacement financing may have been provided through the creation of TOB trusts, whereby a Trust transferred highly rated bonds held in its portfolio to an SPV (see Note 1H) and used the proceeds from the sale of the Floating Rate Notes to replace the APS. Such Floating Rate Notes have a liquidity backstop financing facility provided by a major financial institution. The number of APS redeemed and redemption amount (excluding the final dividend payment) during the year ended November 30, 2008 and the number of APS issued and outstanding as of November 30, 2008 were as follows:

Trust	APS Redeemed During the Period	Redemption Amount	APS Issued and Outstanding
California	361	\$ 9,025,000	1,999
Massachusetts	58	1,450,000	802
Michigan			700
National	614	15,350,000	806
New Jersey	154	3,850,000	1,366
New York	431	10,775,000	1,349
Ohio	22	550,000	918
Pennsylvania	11	275,000	889

The APS are redeemable at the option of each Trust at a redemption price equal to \$25,000 per share, plus accumulated and unpaid dividends, on any dividend 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 a Trust is in default for an extended period on its asset maintenance requirements with respect to the APS. If the dividends on the APS 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. Each Trust is required to maintain certain asset coverage with respect to the APS as defined in the Trusts' By-Laws and the 1940 Act. Each Trust pays an annual fee equivalent to 0.25% of the liquidation value of the APS to broker-dealers as a service fee.

3 Distributions to Shareholders

Each Trust intends to make monthly distributions of net investment income to common shareholders, after payment of any dividends on any outstanding APS. In addition, at least annually, each Trust intends to distribute all or substantially all of its net realized capital gains, if any. Distributions to common shareholders are recorded on the ex-dividend date. Distributions to preferred shareholders are recorded daily and are payable at the end of each dividend period. The dividend rates for APS at November 30, 2008, and the amount of dividends paid (including

capital gains, if any) to APS shareholders, average APS dividend rates, and dividend rate ranges for the year then ended were as follows:

Trust	APS Dividend Rates at November 30, 2008	Dividends Paid to APS Shareholders	Average APS Dividend Rates	Dividend Rate Ranges (%)
California	1.57%	\$ 1,988,268	3.98%	1.57 10.21
Massachusetts	1.61	754,703	3.76	1.61 11.35
Michigan	1.60	636,924	3.64	1.58 12.26
National	1.60	1,062,311	3.56	1.58 12.26
New Jersey	1.57	1,337,294	3.59	1.57 10.21
New York	1.60	1,443,622	4.28	1.57 11.73
Ohio	1.56	858,575	3.66	1.56 12.57
Pennsylvania	1.61	809,974	3.60	1.61 11.35

Beginning February 13, 2008 and consistent with the patterns in the broader market for auction-rate securities, the Trusts APS auctions were unsuccessful in clearing due to an imbalance of sell orders over bids to buy the APS. As a result, the dividend rates of the APS were reset to the maximum applicable rates. The table above reflects such maximum dividend rates for each Trust as of November 30, 2008.

The Trusts distinguish between distributions 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.

The tax character of distributions declared for the years ended November 30, 2008 and November 30, 2007 was as follows:

Year Ended November 30, 2008

	California Trust	Massachusetts Trust	Michigan Trust	National Trust
Distributions declared from:				
Tax-exempt income	\$ 6,819,447	\$ 2,516,208	\$ 1,929,979	\$ 3,855,168
Ordinary income	\$ 67	\$	\$	\$ 3

Eaton Vance Municipal Income Trusts as of November 30, 2008

NOTES TO FINANCIAL STATEMENTS CONT D

Year Ended November 30, 2008

	New Jersey Trust	New York Trust	Ohio Trust	Pennsylvania Trust
Distributions declared from:				
Tax-exempt income	\$ 4,248,329	\$ 5,317,570	\$ 2,634,481	\$ 2,574,969
Ordinary income	\$ 688	\$ 184	\$	\$ 2

Year Ended November 30, 2007

	California Trust	Massachusetts Trust	Michigan Trust	National Trust
Distributions declared from:				
Tax-exempt income	\$ 6,839,097	\$ 2,460,878	\$ 1,979,161	\$ 4,063,314
Ordinary income	\$	\$ 8,295	\$ 13,508	\$

Year Ended November 30, 2007

	New Jersey Trust	New York Trust	Ohio Trust	Pennsylvania Trust
Distributions declared from:				
Tax-exempt income	\$ 4,256,604	\$ 5,417,963	\$ 2,683,661	\$ 2,606,900
Ordinary income	\$	\$ 409	\$ 11,930	\$

During the year ended November 30, 2008, the following amounts were reclassified due to differences between book and tax accounting, primarily for accretion of market discount and expired capital loss carryforwards.

	California Trust	Massachusetts Trust	Michigan Trust	National Trust
Increase (decrease):				
Paid-in capital	\$ (2,239,451)	\$ (594,169)	\$ (337,655)	\$ (936,796)
Accumulated net realized loss	\$ 2,309,659	\$ 599,312	\$ 344,517	\$ 949,017
	\$ (70,208)	\$ (5,143)	\$ (6,862)	\$ (12,221)

Accumulated undistributed net investment
income

	New Jersey Trust	New York Trust	Ohio Trust	Pennsylvania Trust
Increase (decrease):				
Paid-in capital	\$ (1,898,620)	\$ (1,621,946)	\$ (625,516)	\$ (807,118)
Accumulated net realized loss	\$ 1,929,494	\$ 1,635,732	\$ 639,173	\$ 829,341
Accumulated undistributed net investment income	\$ (30,874)	\$ (13,786)	\$ (13,657)	\$ (22,223)

These reclassifications had no effect on the net assets or net value per share of the Trusts.

As of November 30, 2008, the components of distributable earnings (accumulated losses) and unrealized appreciation (depreciation) on a tax basis were as follows:

	California Trust	Massachusetts Trust	Michigan Trust	National Trust
Undistributed income	\$ 353,244	\$ 311,910	\$ 154,483	\$ 233,595
Capital loss carryforward	\$ (7,685,344)	\$ (1,075,335)	\$ (2,524,297)	\$ (3,499,041)
Net unrealized depreciation	\$ (25,921,554)	\$ (11,298,265)	\$ (5,785,179)	\$ (21,620,073)
Other temporary differences	\$ (3,954)	\$ (5,300)	\$ (2,294)	\$ (2,642)

	New Jersey Trust	New York Trust	Ohio Trust	Pennsylvania Trust
Undistributed income	\$ 567,407	\$ 369,613	\$ 267,329	\$ 234,277
Capital loss carryforward	\$ (439,658)	\$ (2,424,640)	\$ (2,939,985)	\$ (2,579,335)
Net unrealized depreciation	\$ (23,436,202)	\$ (25,879,074)	\$ (9,196,589)	\$ (8,728,288)
Other temporary differences	\$ (2,936)	\$ (4,429)	\$ (4,918)	\$ (5,422)

The differences between components of distributable earnings (accumulated losses) on a tax basis and the amounts reflected in the Statements of Assets and Liabilities are primarily due to wash sales, futures contracts, the timing of recognizing distributions to shareholders, accretion of market discount and inverse floaters.

4 Investment Adviser Fee and Other Transactions with Affiliates

The investment adviser fee is earned by Eaton Vance Management (EVM) as compensation for investment advisory services rendered to each Trust. The fee is computed at an annual rate of 0.70% of each Trust's average weekly gross assets and is payable monthly. Average weekly gross assets include the principal amount of any indebtedness for money borrowed, including debt securities issued by a Trust, and the amount of any outstanding APS issued by the Trust. Pursuant to a fee reduction agreement with EVM, average weekly gross assets are calculated by adding to net assets the liquidation value of a Trust's APS then outstanding and the amount payable by the Trust to floating rate note holders, such adjustment being limited to the value of the APS outstanding prior to any APS redemptions by the Trust.

The administration fee is earned by EVM for administering the business affairs of each Trust and is computed at an annual rate of 0.20% of each Trust's average weekly gross assets. For the year ended November 30, 2008, the

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Eaton Vance Municipal Income Trusts as of November 30, 2008

NOTES TO FINANCIAL STATEMENTS CONT D

investment adviser fee and administration fee were as follows:

Trust	Investment Adviser Fee	Administration Fee
California	\$ 1,101,164	\$ 314,617
Massachusetts	405,164	116,289
Michigan	321,079	91,736
National	640,801	183,086
New Jersey	701,238	200,354
New York	828,520	236,721
Ohio	432,784	123,652
Pennsylvania	416,805	119,087

Except for Trustees of the Trusts who are not members of EVM's organization, officers and Trustees receive remuneration for their services to the Trusts out of the investment adviser fee. Trustees of the Trusts who are not affiliated with the investment adviser may elect to defer receipt of all or a percentage of their annual fees in accordance with the terms of the Trustees Deferred Compensation Plan. For the year ended November 30, 2008, no significant amounts have been deferred. Certain officers and Trustees of the Trusts are officers of EVM.

Pursuant to FAS 140, certain Inverse Floaters sold by the National Trust to an affiliated fund were deemed to be held by the National Trust. Interest income of \$28,056 paid by the SPVs to the affiliated fund for the year ended November 30, 2008 was deemed paid by the National Trust and is included in interest expense. The fixed rate bond was withdrawn from each respective SPV and subsequently sold during the year ended November 30, 2008.

5 Purchases and Sales of Investments

Purchases and sales of investments, other than short-term obligations, for the year ended November 30, 2008 were as follows:

Trust	Purchases	Sales
California	\$ 49,883,117	\$ 62,205,873
Massachusetts	23,373,987	24,740,083
Michigan	10,887,500	11,408,314
National	104,784,642	111,337,868
New Jersey	57,660,002	67,425,135
New York	61,321,560	80,577,139
Ohio	16,990,152	23,384,997
Pennsylvania	15,559,230	19,497,225

6 Common Shares of Beneficial Interest

Common shares issued pursuant to the Trusts dividend reinvestment plan for the years ended November 30, 2008 and November 30, 2007 were as follows:

Trust	Year Ended November 30,	
	2008	2007
California	4,021	
Massachusetts	1,394	
Michigan		
National		
New Jersey	2,698	
New York	5,073	
Ohio		
Pennsylvania		
7 Federal Income Tax Basis of Investments		

The cost and unrealized appreciation (depreciation) of investments of each Trust at November 30, 2008, as determined on a federal income tax basis, were as follows:

California Trust

Aggregate cost	\$ 138,873,647
Gross unrealized appreciation	\$ 1,648,954
Gross unrealized depreciation	(23,902,531)
Net unrealized depreciation	\$ (22,253,577)

Massachusetts Trust

Aggregate cost	\$ 57,361,856
Gross unrealized appreciation	\$ 468,276
Gross unrealized depreciation	(10,425,791)
Net unrealized depreciation	\$ (9,957,515)

Michigan Trust

Aggregate cost	\$ 45,911,982
Gross unrealized appreciation	\$ 1,160,057
Gross unrealized depreciation	(6,731,001)
Net unrealized depreciation	\$ (5,570,944)

National Trust

Aggregate cost	\$ 80,060,788
Gross unrealized appreciation	\$ 2,275,429
Gross unrealized depreciation	(21,759,165)
Net unrealized depreciation	\$ (19,483,736)

Eaton Vance Municipal Income Trusts as of November 30, 2008

NOTES TO FINANCIAL STATEMENTS CONT D

New Jersey Trust

Aggregate cost	\$ 99,950,249
Gross unrealized appreciation	\$ 129,185
Gross unrealized depreciation	(21,214,219)
Net unrealized depreciation	\$ (21,085,034)

New York Trust

Aggregate cost	\$ 107,860,131
Gross unrealized appreciation	\$ 608,073
Gross unrealized depreciation	(23,710,244)
Net unrealized depreciation	\$ (23,102,171)

Ohio Trust

Aggregate cost	\$ 61,221,411
Gross unrealized appreciation	\$ 482,329
Gross unrealized depreciation	(8,704,814)
Net unrealized depreciation	\$ (8,222,485)

Pennsylvania Trust

Aggregate cost	\$ 58,269,682
Gross unrealized appreciation	\$ 784,049
Gross unrealized depreciation	(8,928,187)
Net unrealized depreciation	\$ (8,144,138)

8 Overdraft Advances

Pursuant to the respective custodian agreements, SSBT may, in its discretion, advance funds to the Trusts to make properly authorized payments. When such payments result in an overdraft, the Trusts are obliged to repay SSBT at the current rate of interest charged by SSBT for secured loans (currently, a rate above the Federal Funds rate). This obligation is payable on demand to SSBT. SSBT has a lien on a Trust's assets to the extent of any overdraft. At November 30, 2008, the Michigan Trust, National Trust, New Jersey Trust and Pennsylvania Trust had payments due to SSBT pursuant to the foregoing arrangement of \$228,922, \$1,894,094, \$180,478 and \$295,927, respectively.

9 Financial Instruments

The Trusts may trade in financial instruments with off-balance sheet risk in the normal course of their investing activities. These financial instruments may include financial 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 a 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, 2008 is as follows:

Futures Contracts

Trust	Expiration Date	Contracts	Position	Aggregate Cost	Value	Net Unrealized Depreciation
California	3/09	121 U.S. Treasury Bond	Short	\$ (15,076,360)	\$ (15,425,609)	\$ (349,249)
Michigan	3/09	9 U.S. Treasury Bond	Short	\$ (1,104,577)	\$ (1,147,359)	\$ (42,782)

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National	3/09	60 U.S. Treasury Bond	Short	\$ (7,475,881)	\$ (7,649,062)	\$ (173,181)
New York	3/09	127 U.S. Treasury Bond	Short	\$ (15,823,949)	\$ (16,190,516)	\$ (366,567)
Ohio	3/09	26 U.S. Treasury Bond	Short	\$ (3,239,549)	\$ (3,314,594)	\$ (75,045)
Pennsylvania	3/09	95 U.S. Treasury Bond	Short	\$ (11,836,812)	\$ (12,111,016)	\$ (274,204)

Interest Rate Swaps

California Trust

Counterparty	Notional Amount	Annual Fixed Rate Paid By Trust	Floating Rate Paid To Trust	Effective Date/ Termination Date	Net Unrealized Depreciation
JPMorgan Chase Co.	\$2,125,000	4.743%	3-month USD-LIBOR-BBA	September 14, 2009/ September 14, 2039	\$ (680,646)
Merrill Lynch Capital Services, Inc.	6,825,000	4.682	3-month USD-LIBOR-BBA	April 1, 2009/ April 1, 2039	(2,174,821)
Morgan Stanley Capital Services, Inc.	2,575,000	4.691	3-month USD-LIBOR-BBA	June 11, 2009/ June 11, 2039	(812,510)
					\$ (3,667,977)

Massachusetts Trust

Counterparty	Notional Amount	Annual Fixed Rate Paid By Trust	Floating Rate Paid To Trust	Effective Date/ Termination Date	Net Unrealized Depreciation
JPMorgan Chase Co.	\$787,500	4.743%	3-month USD-LIBOR-BBA	September 14, 2009/ September 14, 2039	\$ (252,239)
Merrill Lynch Capital Services, Inc.	2,500,000	4.682	3-month USD-LIBOR-BBA	April 1, 2009/ April 1, 2039	(796,638)
Morgan Stanley Capital Services, Inc.	925,000	4.691	3-month USD-LIBOR-BBA	June 11, 2009/ June 11, 2039	(291,873)
					\$ (1,340,750)

Eaton Vance Municipal Income Trusts as of November 30, 2008

NOTES TO FINANCIAL STATEMENTS CONT D

Michigan Trust

Counterparty	Notional Amount	Annual Fixed Rate Paid By Trust	Floating Rate Paid To Trust	Effective Date/ Termination Date	Net Unrealized Depreciation
Merrill Lynch Capital Services, Inc.	\$400,000	4.682%	3-month USD-LIBOR-BBA	April 1, 2009/ April 1, 2039	\$ (127,462)
Morgan Stanley Capital Services, Inc.	275,000	4.691	3-month USD-LIBOR-BBA	June 11, 2009/ June 11, 2039	(86,773)
					\$ (214,235)

National Trust

Counterparty	Notional Amount	Annual Fixed Rate Paid By Trust	Floating Rate Paid To Trust	Effective Date/ Termination Date	Net Unrealized Depreciation
JPMorgan Chase Co.	\$1,237,500	4.743%	3-month USD-LIBOR-BBA	September 14, 2009/ September 14, 2039	\$ (396,376)
Merrill Lynch Capital Services, Inc.	3,975,000	4.682	3-month USD-LIBOR-BBA	April 1, 2009/ April 1, 2039	(1,266,654)
Morgan Stanley Capital Services, Inc.	1,500,000	4.691	3-month USD-LIBOR-BBA	June 11, 2009/ June 11, 2039	(473,307)

\$ (2,136,337)

New Jersey Trust

Counterparty	Notional Amount	Annual Fixed Rate Paid By Trust	Floating Rate Paid To Trust	Effective Date/ Termination Date	Net Unrealized Depreciation
JPMorgan Chase Co.	\$1,362,500	4.743%	3-month USD-LIBOR-BBA	September 14, 2009/ September 14, 2039	\$ (436,414)
Merrill Lynch Capital Services, Inc.	4,375,000	4.682	3-month USD-LIBOR-BBA	April 1, 2009/ April 1, 2039	(1,394,116)
Morgan Stanley Capital Services, Inc.	1,650,000	4.691	3-month USD-LIBOR-BBA	June 11, 2009/ June 11, 2039	(520,638)
					\$ (2,351,168)

New York Trust

Counterparty	Notional Amount	Annual Fixed Rate Paid By Trust	Floating Rate Paid To Trust	Effective Date/ Termination Date	Net Unrealized Depreciation
JPMorgan Chase Co.	\$1,600,000	4.743%	3-month USD-LIBOR-BBA	September 14, 2009/ September 14, 2039	\$ (512,487)
Merrill Lynch Capital Services, Inc.	5,200,000	4.682	3-month USD-LIBOR-BBA	April 1, 2009/ April 1, 2039	(1,657,006)
Morgan Stanley Capital	1,925,000	4.691	3-month USD-LIBOR-BBA	June 11, 2009/ June 11, 2039	(607,410)

Services, Inc.

\$ (2,776,903)

Ohio Trust

Counterparty	Notional Amount	Annual Fixed Rate Paid By Trust	Floating Rate Paid To Trust	Effective Date/ Termination Date	Net Unrealized Depreciation
JPMorgan Chase Co.	\$812,500	4.743%	3-month USD-LIBOR-BBA	September 14, 2009/ September 14, 2039	\$ (260,247)
Merrill Lynch Capital Services, Inc.	1,250,000	4.682	3-month USD-LIBOR-BBA	April 1, 2009/ April 1, 2039	(398,319)
Morgan Stanley Capital Services, Inc.	1,000,000	4.691	3-month USD-LIBOR-BBA	June 11, 2009/ June 11, 2039	(315,538)
					\$ (974,104)

Pennsylvania Trust

Counterparty	Notional Amount	Annual Fixed Rate Paid By Trust	Floating Rate Paid To Trust	Effective Date/ Termination Date	Net Unrealized Depreciation
JPMorgan Chase Co.	\$912,500	4.743%	3-month USD-LIBOR-BBA	September 14, 2009/ September 14, 2039	\$ (292,277)
Morgan Stanley Capital Services, Inc.	925,000	4.691	3-month USD-LIBOR-BBA	June 11, 2009/ June 11, 2039	(291,873)

\$ (584,150)

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

At November 30, 2008, the Trusts had sufficient cash and/or securities to cover commitments under these contracts.

10 Fair Value Measurements

The Trusts adopted FASB 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)

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

Eaton Vance Municipal Income Trusts as of November 30, 2008

NOTES TO FINANCIAL STATEMENTS CONT D

At November 30, 2008, the inputs used in valuing the Trusts' investments, which are carried at value, were as follows:

California Trust

	Valuation Inputs	Investments in Securities	Other Financial Instruments*
Level 1	Quoted Prices	\$	\$ (349,249)
Level 2	Other Significant Observable Inputs	132,190,070	(3,667,977)
Level 3	Significant Unobservable Inputs		
Total		\$ 132,190,070	\$ (4,017,226)

Massachusetts Trust

	Valuation Inputs	Investments in Securities	Other Financial Instruments*
Level 1	Quoted Prices	\$	\$
Level 2	Other Significant Observable Inputs	51,284,341	(1,340,750)
Level 3	Significant Unobservable Inputs		
Total		\$ 51,284,341	\$ (1,340,750)

Michigan Trust

Investments in	Other Financial
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	Valuation Inputs	Securities	Instruments*
Level 1	Quoted Prices	\$	\$ (42,782)
Level 2	Other Significant Observable Inputs	41,466,038	(214,235)
Level 3	Significant Unobservable Inputs		
Total		\$ 41,466,038	\$ (257,017)

National Trust

	Valuation Inputs	Investments in Securities	Other Financial Instruments*
Level 1	Quoted Prices	\$	\$ (173,181)
Level 2	Other Significant Observable Inputs	81,872,052	(2,136,337)
Level 3	Significant Unobservable Inputs		
Total		\$ 81,872,052	\$ (2,309,518)

New Jersey Trust

	Valuation Inputs	Investments in Securities	Other Financial Instruments*
Level 1	Quoted Prices	\$	\$
Level 2	Other Significant Observable Inputs	86,912,215	(2,351,168)
Level 3	Significant Unobservable Inputs		
Total		\$ 86,912,215	\$ (2,351,168)

New York Trust

	Valuation Inputs	Investments in Securities	Other Financial Instruments*
Level 1	Quoted Prices	\$	\$ (366,567)
Level 2	Other Significant Observable Inputs	99,907,960	(2,776,903)
Level 3	Significant Unobservable Inputs		
Total		\$ 99,907,960	\$ (3,143,470)

Ohio Trust

	Valuation Inputs	Investments in Securities	Other Financial Instruments*
Level 1	Quoted Prices	\$	\$ (75,045)
Level 2	Other Significant Observable Inputs	53,828,926	(974,104)
Level 3	Significant Unobservable Inputs		
Total		\$ 53,828,926	\$ (1,049,149)

Pennsylvania Trust

	Valuation Inputs	Investments in Securities	Other Financial Instruments*
Level 1	Quoted Prices	\$	\$ (274,204)
Level 2	Other Significant Observable Inputs	54,611,324	(584,150)
Level 3	Significant Unobservable		

Inputs

Total	\$ 54,611,324	\$ (858,354)
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* Other financial instruments include futures and interest rate swap contracts not reflected in the Portfolio of Investments, 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.

11 Recently Issued Accounting Pronouncement

In March 2008, the FASB issued Statement of Financial Accounting Standards No. 161 (FAS 161), Disclosures about Derivative Instruments and Hedging Activities . FAS 161 requires enhanced disclosures about an entity's derivative and hedging activities, including qualitative disclosures about the objectives and strategies for using derivatives, quantitative disclosures about fair value amounts of and gains and losses on derivative instruments, and disclosures about credit-risk related contingent features in derivative instruments. FAS 161 is effective for fiscal years and interim periods beginning after November 15, 2008. Management is currently evaluating the impact the adoption of FAS 161 will have on the Trusts' financial statement disclosures.

Eaton Vance Municipal Income Trusts as of November 30, 2008

NOTES TO FINANCIAL STATEMENTS CONT D

12 Name Change

Effective June 19, 2008, the name of the Eaton Vance National Municipal Income Trust was changed from Eaton Vance Florida Plus Municipal Income Trust.

13 Proposed Plan of Reorganization

In November 2008, the Trustees of National Trust approved an Agreement and Plan of Reorganization (the Agreement) whereby Eaton Vance Municipal Income Trust (Municipal Income Trust) would acquire substantially all the assets and assume substantially all the liabilities of National Trust in exchange for an equal aggregate value of common shares and APS of Municipal Income Trust. The proposed reorganization is subject to approval by the shareholders of National Trust and Municipal Income Trust.

14 Subsequent Event

The New Jersey Trust, Ohio Trust and Pennsylvania Trust redeemed 29, 9 and 42 outstanding APS, respectively, at various dividend payment dates from December 22, 2008 through December 24, 2008 at a liquidation price of \$25,000 per share plus accumulated but unpaid dividends.

Eaton Vance Municipal Income Trusts as of November 30, 2008

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Trustees and Shareholders of Eaton Vance California Municipal Income Trust, Eaton Vance Massachusetts Municipal Income Trust, Eaton Vance Michigan Municipal Income Trust, Eaton Vance National Municipal Income Trust (formerly known as Eaton Vance Florida Municipal Income Trust), Eaton Vance New Jersey Municipal Income Trust, Eaton Vance New York Municipal Income Trust, Eaton Vance Ohio Municipal Income Trust, and Eaton Vance Pennsylvania Municipal Income Trust:

We have audited the accompanying statements of assets and liabilities, including the portfolios of investments, of Eaton Vance California Municipal Income Trust, Eaton Vance Massachusetts Municipal Income Trust, Eaton Vance Michigan Municipal Income Trust, Eaton Vance National Municipal Income Trust (formerly known as Eaton Vance Florida Municipal Income Trust), Eaton Vance New Jersey Municipal Income Trust, Eaton Vance New York Municipal Income Trust, Eaton Vance Ohio Municipal Income Trust, and Eaton Vance Pennsylvania Municipal Income Trust (individually, the Trust, collectively, the Trusts), as of November 30, 2008, and the related statements 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, the financial highlights for each of the five years in the period then ended, and the statements of cash flows of Eaton Vance National Municipal Income Trust and Eaton Vance New York Municipal Income Trust for the year then ended. These financial statements and financial highlights are the responsibility of each Trust's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the 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. The Trusts are not required to have, nor were we engaged to perform, an audit of their internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trusts internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of November 30, 2008, by correspondence with the custodian and brokers; where replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide 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 California Municipal Income Trust, Eaton Vance Massachusetts Municipal Income Trust, Eaton Vance Michigan Municipal Income Trust, Eaton Vance National Municipal Income Trust, Eaton Vance New Jersey Municipal Income Trust, Eaton Vance New York Municipal Income Trust, Eaton Vance Ohio Municipal Income Trust, and Eaton Vance Pennsylvania Municipal Income Trust as of November 30, 2008, the results of their operations for the year then ended, the changes in their net assets for each of the two years in the period then ended, the financial highlights for each of the five years in the period then ended, and the cash flows of Eaton Vance National Municipal Income Trust and Eaton Vance New York Municipal Income Trust for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

DELOITTE & TOUCHE LLP
Boston, Massachusetts
January 20, 2009

Eaton Vance Municipal Income Trusts as of November 30, 2008

FEDERAL TAX INFORMATION (Unaudited)

The Form 1099-DIV you receive in January 2009 will show the tax status of all distributions paid to your account in calendar 2008. Shareholders are advised to consult their own tax adviser with respect to the tax consequences of their investment in a Trust. As required by the Internal Revenue Code regulations, shareholders must be notified within 60 days of a Trust's fiscal year-end regarding exempt-interest dividends.

Exempt-Interest Dividends The Trusts designate the following percentages of dividends from net investment income as an exempt-interest dividend.

Eaton Vance California Municipal Income Trust	100.00%
Eaton Vance Massachusetts Municipal Income Trust	100.00%
Eaton Vance Michigan Municipal Income Trust	100.00%
Eaton Vance National Municipal Income Trust	100.00%
Eaton Vance New Jersey Municipal Income Trust	99.98%
Eaton Vance New York Municipal Income Trust	100.00%
Eaton Vance Ohio Municipal Income Trust	100.00%
Eaton Vance Pennsylvania Municipal Income Trust	100.00%

Eaton Vance Municipal Income Trusts as of November 30, 2008

NOTICE TO SHAREHOLDERS

Effective November 17, 2008, Thomas M. Metzold, CFA, assumed portfolio management responsibilities for Eaton Vance National Municipal Income Trust. Mr. Metzold, a Vice President of Eaton Vance Management, joined Eaton Vance in 1987 and has been a portfolio manager of various Eaton Vance municipal bond funds since 1991.

On February 11, 2008, the Trusts revised their minimum ratings policies to clarify that when an obligation is rated in different rating categories by Moody's, S&P or Fitch the highest rating applies.

Effective January 1, 2008, Eaton Vance Florida Plus Municipal Income Trust changed its name from Eaton Vance Florida Municipal Income Trust and announced a policy to increase its exposure to municipal obligations of issuers outside the State of Florida, transforming the Trust in an orderly manner over time into a diversified, national municipal bond fund. In connection with the foregoing change, its investment policy that at least 65% of its total assets normally will be invested in municipal obligations issued by the State of Florida or its political subdivisions, agencies, authorities and instrumentalities was eliminated. Effective June 19, 2008, Eaton Vance National Municipal Income Trust changed its name from Eaton Vance Florida Plus Municipal Income Trust. The Trust's investment objective and policies remain unchanged.

Effective January 1, 2008, Eaton Vance Michigan Municipal Income Trust's investment objective was revised to reflect the repeal of the Michigan single business tax and the effectiveness of the new Michigan business tax. The new objective is to provide current income exempt from regular federal income tax and Michigan state and city income taxes and the net income tax portion of the Michigan business tax.

Effective October 1, 2007, Adam A. Weigold, CFA, assumed portfolio management responsibilities for Eaton Vance Pennsylvania Municipal Income Trust. Mr. Weigold also serves as portfolio manager for other Eaton Vance funds. He was appointed a portfolio manager in 2007 and has been a Vice President of Eaton Vance Management since 2003 and a municipal credit analyst at Eaton Vance for more than five years.

Eaton Vance Municipal Income Trusts

DIVIDEND REINVESTMENT PLAN

Each 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 same Trust unless they elect otherwise through their investment dealer. On the distribution payment date, if the net asset value per Share is equal to or less than the market price per Share plus estimated brokerage commissions, then new Shares will be issued. The number of Shares shall be determined by the greater of the net asset value per Share or 95% of the market price. Otherwise, Shares generally will be purchased on the open market by the Plan Agent. Distributions subject to income tax (if any) are taxable whether or not shares are reinvested.

If your shares are in the name of a brokerage firm, bank, or other nominee, you can ask the firm or nominee to participate in the Plan on your behalf. If the nominee does not offer the Plan, you will need to request that your shares be re-registered in your name with each Trust's transfer agent, American Stock Transfer & Trust Company, or you will not be able to participate.

The Plan Agent's service fee for handling distributions will be paid by each Trust. Each participant will be charged their pro rata share of brokerage commissions on all open-market purchases.

Plan participants may withdraw from the Plan at any time by writing to the Plan Agent at the address noted on the following page. If you withdraw, you will receive shares in your name for all Shares credited to your account under the Plan. If a participant elects by written notice to the Plan Agent to have the Plan Agent sell part or all of his or her Shares and remit the proceeds, the Plan Agent is authorized to deduct a \$5.00 fee plus brokerage commissions from the proceeds.

If you wish to participate in the Plan and your shares are held in your own name, you may complete the form on the following page and deliver it to the Plan Agent.

Any inquiries regarding the Plan can be directed to the Plan Agent, American Stock Transfer & Trust Company, at 1-866-439-6787.

Eaton Vance Municipal Income Trusts

APPLICATION FOR PARTICIPATION IN DIVIDEND REINVESTMENT PLAN

This form is for shareholders who hold their common shares in their own names. If your common shares are held in the name of a brokerage firm, bank, or other nominee, you should contact your nominee to see if it will participate in the Plan on your behalf. If you wish to participate in the Plan, but your brokerage firm, bank, or nominee is unable to participate on your behalf, you should request that your common shares be re-registered in your own name which will enable your participation in the Plan.

The following authorization and appointment is given with the understanding that I may terminate it at any time by terminating my participation in the Plan as provided in the terms and conditions of the Plan.

Please print exact name on account:

Shareholder signature	Date
Shareholder signature	Date

Please sign exactly as your common shares are registered. All persons whose names appear on the 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 Trusts
c/o American Stock Transfer & Trust Company
P.O. Box 922
Wall Street Station
New York, NY 10269-0560

Number of Employees

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

Number of Shareholders

As of November 30, 2008, our records indicate that there are 72, 83, 47, 56, 93, 70, 65 and 101 registered shareholders for California Municipal Income Trust, Massachusetts Municipal Income Trust, Michigan Municipal Income Trust, National Municipal Income Trust, New Jersey Municipal Income Trust, New York Municipal Income Trust, Ohio Municipal Income Trust and Pennsylvania Municipal Income Trust, respectively, and approximately 3,121, 1,315, 1,308, 2,268, 2,325, 2,581, 1,643 and 1,554 shareholders owning the Trust shares in street name, such as through brokers, banks, and financial intermediaries for California Municipal Income Trust, Massachusetts Municipal Income Trust, Michigan Municipal Income Trust, National Municipal Income Trust, New Jersey Municipal Income Trust, New York Municipal Income Trust, Ohio Municipal Income Trust and Pennsylvania Municipal Income Trust, respectively.

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

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

NYSE Alternext US symbols

California Municipal Income Trust	CEV
Massachusetts Municipal Income Trust	MMV
Michigan Municipal Income Trust	EMI
National Municipal Income Trust	FEV
New Jersey Municipal Income Trust	EVJ
New York Municipal Income Trust	EVY
Ohio Municipal Income Trust	EVO
Pennsylvania Municipal Income Trust	EVP

Eaton Vance Municipal Income Trusts

BOARD OF TRUSTEES ANNUAL APPROVAL OF THE INVESTMENT ADVISORY AGREEMENTS

Overview of the Contract Review Process

The Investment Company Act of 1940, as amended (the 1940 Act), provides, in substance, that each investment advisory agreement between a fund and its investment adviser will continue in effect from year to year only if its continuance is approved at least annually by the fund's board of trustees, including by a vote of a majority of the trustees who are not interested persons of the fund (Independent Trustees), cast in person at a meeting called for the purpose of considering such approval.

At a meeting of the Boards of Trustees (each a Board) of the Eaton Vance group of mutual funds (the Eaton Vance Funds) held on April 21, 2008, the Board, including a majority of the Independent Trustees, voted to approve continuation of existing advisory and sub-advisory agreements for the Eaton Vance Funds for an additional one-year period. In voting its approval, the Board relied upon the affirmative recommendation of the Contract Review Committee of the Board (formerly the Special Committee), which is a committee comprised exclusively of Independent Trustees. Prior to making its recommendation, the Contract Review Committee reviewed information furnished for a series of meetings of the Contract Review Committee held in February, March and April 2008. Such information included, among other things, the following:

Information about Fees, Performance and Expenses

- An independent report comparing the advisory and related fees paid by each fund with fees paid by comparable funds;
- An independent report comparing each fund's total expense ratio and its components to comparable funds;
- An independent report comparing the investment performance of each fund to the investment performance of comparable funds over various time periods;
- Data regarding investment performance in comparison to relevant peer groups of funds and appropriate indices;
- Comparative information concerning fees charged by each adviser for managing other mutual funds and institutional accounts using investment strategies and techniques similar to those used in managing the fund;
- Profitability analyses for each adviser with respect to each fund;

Information about Portfolio Management

- Descriptions of the investment management services provided to each fund, including the investment strategies and processes employed, and any changes in portfolio management processes and personnel;
- Information concerning the allocation of brokerage and the benefits received by each adviser as a result of brokerage allocation, including information concerning the acquisition of research through soft dollar benefits received in connection with the funds' brokerage, and the implementation of a soft dollar reimbursement program established with respect to the funds;
- Data relating to portfolio turnover rates of each fund;
- The procedures and processes used to determine the fair value of fund assets and actions taken to monitor and test the effectiveness of such procedures and processes;

Information about each Adviser

- Reports detailing the financial results and condition of each adviser;

Descriptions of the qualifications, education and experience of the individual investment professionals whose responsibilities include portfolio management and investment research for the funds, and information relating to their compensation and responsibilities with respect to managing other mutual funds and investment accounts;
Copies of the Codes of Ethics of each adviser and its affiliates, together with information relating to compliance with and the administration of such codes;

Copies of or descriptions of each adviser's proxy voting policies and procedures;

Information concerning the resources devoted to compliance efforts undertaken by each adviser and its affiliates on behalf of the funds (including descriptions of various compliance programs) and their record of compliance with investment policies and restrictions, including policies with respect to market-timing, late trading and selective portfolio disclosure, and with policies on personal securities transactions;

Descriptions of the business continuity and disaster recovery plans of each adviser and its affiliates;

Other Relevant Information

Information concerning the nature, cost and character of the administrative and other non-investment management services provided by Eaton Vance Management and its affiliates;

Information concerning management of the relationship with the custodian, subcustodians and fund accountants by each adviser or the funds' administrator; and

The terms of each advisory agreement.

In addition to the information identified above, the Contract Review Committee considered information provided from time to time by each adviser throughout the year at meetings of the Board and its committees. Over the course of the twelve-month period ended

Eaton Vance Municipal Income Trusts

BOARD OF TRUSTEES ANNUAL APPROVAL OF THE INVESTMENT ADVISORY AGREEMENTS CONT D

April 30, 2008, the Board met eleven times and the Contract Review Committee, the Audit Committee and the Governance Committee, each of which is a Committee comprised solely of Independent Trustees, met twelve, seven and five times, respectively. At such meetings, the Trustees received, among other things, presentations by the portfolio managers and other investment professionals of each adviser relating to the investment performance of each fund and the investment strategies used in pursuing the fund's investment objective. The Portfolio Management Committee and the Compliance Reports and Regulatory Matters Committee are newly established and did not meet during the twelve-month period ended April 30, 2008.

For funds that invest through one or more underlying portfolios, the Board considered similar information about the portfolio(s) when considering the approval of advisory agreements. In addition, in cases where the fund's investment adviser has engaged a sub-adviser, the Board considered similar information about the sub-adviser when considering the approval of any sub-advisory agreement.

The Contract Review Committee was assisted throughout the contract review process by Goodwin Procter LLP, legal counsel for the Independent Trustees. The members of the Contract Review Committee relied upon the advice of such counsel and their own business judgment in determining the material factors to be considered in evaluating each advisory and sub-advisory agreement and the weight to be given to each such factor. The conclusions reached with respect to each advisory and sub-advisory agreement were based on a comprehensive evaluation of all the information provided and not any single factor. Moreover, each member of the Contract Review Committee may have placed varying emphasis on particular factors in reaching conclusions with respect to each advisory and sub-advisory agreement.

Results of the Process

Based on its consideration of the foregoing, and such other information as it deemed relevant, including the factors and conclusions described below, the Contract Review Committee concluded that the continuance of the investment advisory agreements of the following funds:

- Eaton Vance California Municipal Income Trust
- Eaton Vance Massachusetts Municipal Income Trust
- Eaton Vance Michigan Municipal Income Trust
- Eaton Vance National Municipal Income Trust (formerly, Eaton Vance Florida Plus Municipal Income Trust)
- Eaton Vance New Jersey Municipal Income Trust
- Eaton Vance New York Municipal Income Trust
- Eaton Vance Ohio Municipal Income Trust
- Eaton Vance Pennsylvania Municipal Income Trust

(the Funds), each with Eaton Vance Management (the Adviser), including their fee structures, is in the interests of shareholders and, therefore, the Contract Review Committee recommended to the Board approval of each agreement. The Board accepted the recommendation of the Contract Review Committee as well as the factors considered and conclusions reached by the Contract Review Committee with respect to each agreement. Accordingly, the Board, including a majority of the Independent Trustees, voted to approve continuation of the investment advisory agreement for each Fund.

Nature, Extent and Quality of Services

In considering whether to approve the investment advisory agreements of the Funds, the Board evaluated the nature, extent and quality of services provided to the Funds by the Adviser.

The Board considered the Adviser's management capabilities and investment process with respect to the types of investments held by each Fund, including the education, experience and number of its investment professionals and other personnel who provide portfolio management, investment research, and similar services to the Funds, and recent changes in the identity of such personnel with respect to certain Funds. In particular, the Board evaluated, where relevant, the abilities and experience of such investment personnel in analyzing factors such as credit risk, tax efficiency, and special considerations relevant to investing in municipal bonds. The Board considered the Adviser's large municipal bond team, which includes portfolio managers and credit specialists who provide services to the Funds. The Board also took into account the resources dedicated to portfolio management and other services, including the compensation paid to recruit and retain investment personnel, and the time and attention devoted to each Fund by senior management.

The Board also reviewed the compliance programs of the Adviser and relevant affiliates thereof. Among other matters, the Board considered compliance and reporting matters relating to personal trading by investment personnel, selective disclosure of portfolio holdings, late trading, frequent trading, portfolio valuation, business continuity and the allocation of investment opportunities. The Board also evaluated the responses of the Adviser and its affiliates to requests from regulatory authorities such as the Securities and Exchange Commission.

Eaton Vance Municipal Income Trusts

BOARD OF TRUSTEES ANNUAL APPROVAL OF THE INVESTMENT ADVISORY AGREEMENTS CONT D

The Board also considered shareholder and other administrative services provided or managed by Eaton Vance Management and its affiliates, including transfer agency and accounting services. The Board evaluated the benefits to shareholders of investing in a fund that is a part of a large family of funds, including the ability, in many cases, to exchange an investment among different funds without incurring additional sales charges.

After consideration of the foregoing factors, among others, the Board concluded that the nature, extent and quality of services provided by the Adviser, taken as a whole, are appropriate and consistent with the terms of the respective investment advisory agreements.

Fund Performance

The Board compared each Fund's investment performance to a relevant universe of similarly managed funds identified by an independent data provider and appropriate benchmark indices. The Board reviewed comparative performance data for the one-, three-, and five-year periods ended September 30, 2007 for each Fund in operation over such periods. The Board concluded that the performance of each Fund was satisfactory.

Management Fees and Expenses

The Board reviewed contractual investment advisory fee rates, including any administrative fee rates, payable by each Fund (referred to collectively as "management fees"). The Board considered the financial resources committed by the Adviser in structuring each Fund at the time of its initial public offering. As part of its review, the Board considered each Fund's management fees and total expense ratio for the year ended September 30, 2007, as compared to a group of similarly managed funds selected by an independent data provider. The Board considered the fact that the Adviser had waived fees and/or paid expenses for each Fund.

After reviewing the foregoing information, and in light of the nature, extent and quality of the services provided by the Adviser, the Board concluded with respect to each Fund that the management fees charged to the Fund for advisory and related services and the total expense ratio of the Fund are reasonable.

Profitability

The Board reviewed the level of profits realized by the Adviser in providing investment advisory and administrative services to each Fund and to all Eaton Vance Funds as a group. The Board considered the level of profits realized with and without regard to revenue sharing or other payments by the Adviser and its affiliates to third parties in respect of distribution services. The Board also considered other direct or indirect benefits received by the Adviser in connection with its relationship with the Funds.

The Board concluded that, in light of the foregoing factors and the nature, extent and quality of the services rendered, the profits realized by the Adviser and its affiliates are reasonable.

Economies of Scale

In reviewing management fees and profitability, the Board also considered the extent to which the Adviser and its affiliates, on the one hand, and each Fund, on the other hand, can expect to realize benefits from economies of scale as

the assets of the Fund increase. The Board acknowledged the difficulty in accurately measuring the benefits resulting from the economies of scale with respect to the management of any specific fund or group of funds. The Board also considered the fact that the Funds are not continuously offered and concluded that, in light of the level of the Adviser's profits with respect to each Fund, the implementation of breakpoints in the advisory fee schedule is not appropriate at this time. Based upon the foregoing, the Board concluded that the benefits from economies of scale are currently being shared equitably by the Adviser and its affiliates and each Fund.

Eaton Vance Municipal Income Trusts

MANAGEMENT AND ORGANIZATION

Fund Management. The Trustees and officers of Eaton Vance California Municipal Income Trust (CEV), Eaton Vance Massachusetts Municipal Income Trust (MMV), Eaton Vance Michigan Municipal Income Trust (EMI), Eaton Vance National Municipal Income Trust (FEV), Eaton Vance New Jersey Municipal Income Trust (EVJ), Eaton Vance New York Municipal Income Trust (EVY), Eaton Vance Ohio Municipal Income Trust (EVO) and Eaton Vance Pennsylvania Municipal Income Trust (EVP), (collectively, the Trusts) are responsible for the overall management and supervision of the Trusts' affairs. The Trustees and officers of the Trusts 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 Trusts' principal underwriter and a wholly-owned subsidiary of EVC. Each officer affiliated with Eaton Vance may hold a position with other Eaton Vance affiliates that is comparable to his or her position with EVM listed below.

Name and Date of Birth	Position(s) with the Trusts	Term of Office and Length of Service		Principal Occupation(s) During Past Five Years	Number of Portfolios in Fund Complex Overseen By Trustee ⁽¹⁾	Other Directorships Held
		Office and	Length of Service			
Interested Trustee						
Thomas E. Faust Jr. 5/31/58	Class II Trustee	Until 2010. 3 years. Trustee since 2007.		Chairman, Chief Executive Officer and President of EVC, Director and President of EV, Chief Executive Officer and President of EVM and BMR, and Director of EVD. Trustee and/or Officer of 173 registered investment companies and 4 private companies managed by EVM or BMR. Mr. Faust is an interested person because	173	Director of EVC

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of his positions with EVM, BMR, EVD, EVC and EV, which are affiliates of the Trusts.

Noninterested Trustees

Benjamin C. Esty ^(A) 1/2/63	Class I Trustee	Until 2009. 3 years. Trustee since 2006.	Roy and Elizabeth Simmons Professor of Business Administration, Harvard University Graduate School of Business Administration.	173	None
Allen R. Freedman 4/3/40	Class II Trustee	Until 2010. 3 years. Trustee since 2007.	Former Chairman (2002-2004) and a Director (1983-2004) of Systems & Computer Technology Corp. (provider of software to higher education). Formerly, a Director of Loring Ward International (fund distributor) (2005-2007). Formerly, Chairman and a Director of Indus International, Inc. (provider of enterprise management software to the power generating industry) (2005-2007).	173	Director of Assurant, Inc. (insurance provider) and Stonemor Partners L.P. (owner and operator of cemeteries)
William H. Park 9/19/47	Class III Trustee	Until 2011. 3 years. Trustee since 2003.	Vice Chairman, Commercial Industrial Finance Corp. (specialty finance company) (since 2006). Formerly, President and Chief Executive Officer, Prizm Capital Management, LLC (investment management firm) (2002-2005).	173	None
Ronald A. Pearlman 7/10/40	Class I Trustee	Until 2009. 3 years. Trustee since 2003.	Professor of Law, Georgetown University Law Center.	173	None
Helen Frame Peters 3/22/48	Class III Trustee	Until 2011. 3 years. Trustee since 2008.	Professor of Finance, Carroll School of Management, Boston College (since 2003).	173	Director of Federal Home Loan Bank of Boston (a bank for banks) and BJ's Wholesale Clubs (wholesale

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Adjunct Professor of Finance, Peking University, Beijing, China (since 2005). Formerly, Dean, Carroll School of Management, Boston College (2000-2003).

club retailer); Trustee of SPDR Index Shares Funds and SPDR Series Trust (exchange traded funds)

Heidi L. Steiger
7/8/53

Class III
Trustee

Until 2011.
3 years.
Trustee
since 2007.

Managing Partner, Topridge Associates LLC (global wealth management firm) (since 2008); Senior Advisor (since 2008), President (2005-2008), Lowenhaupt Global Advisors, LLC (global wealth management firm). Formerly, President and Contributing Editor, Worth Magazine (2004-2005). Formerly, Executive Vice President and Global Head of Private Asset Management (and various other positions), Neuberger Berman (investment firm) (1986-2004).

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Director of Nuclear Electric Insurance Ltd. (nuclear insurance provider) and Aviva USA (insurance provider)

Eaton Vance Municipal Income Trusts

MANAGEMENT AND ORGANIZATION CONT D

Name and Date of Birth	Position(s) with the Trusts	Term of Office and Length of Service	Principal Occupation(s) During Past Five Years	Number of Portfolios in Fund Complex Overseen By Trustee⁽¹⁾	Other Directorships Held
Noninterested Trustees (continued)					
Lynn A. Stout 9/14/57	Class I Trustee	Until 2009. 3 years. Trustee since 1998.	Paul Hastings Professor of Corporate and Securities Law (since 2006) and Professor of Law (2001-2006), University of California at Los Angeles School of Law.	173	None
Ralph F. Verni ^(A) 1/26/43	Chairman of the Board and Class II Trustee	Until 2010. 3 years. Trustee since 2006; Chairman of the Board since 2007.	Consultant and private investor.	173	None

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
Cynthia J. Clemson 3/2/63	President of CEV, EMI, FEV, EVY, EVO and EVP;	President since 2005 and Vice President since 2004	Vice President of EVM and BMR. Officer of 90 registered investment companies managed by EVM or BMR.

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	Vice President of MMV and EVJ		
Robert B. MacIntosh 1/22/57	President of MMV and EVJ; Vice President of CEV, EMI, FEV, EVY, EVO and EVP	President since 2005 and Vice President since 1998	Vice President of EVM and BMR. Officer of 90 registered investment companies managed by EVM or BMR.
William H. Ahern, Jr. 7/28/59	Vice President of EMI and EVO	Vice President of EMI since 2000 and of EVO since 2005	Vice President of EVM and BMR. Officer of 75 registered investment companies managed by EVM or BMR.
Craig R. Brandon 12/21/66	Vice President of EVY	Since 2005	Vice President of EVM and BMR. Officer of 44 registered investment companies managed by EVM or BMR.
Thomas M. Metzold 8/3/58	Vice President of FEV	Vice President of FEV since 2008 and of EVP since 2005	Vice President of EVM and BMR. Officer of 44 registered investment companies managed by EVM or BMR.
Adam A. Weigold 3/22/75	Vice President of EVP	Since 2007	Vice President of EVM and BMR. Officer of 71 registered investment companies managed by EVM or BMR.
Barbara E. Campbell 6/19/57	Treasurer	Since 2005	Vice President of EVM and BMR. Officer of 173 registered investment companies managed by EVM or BMR.
Maureen A. Gemma 5/24/60	Secretary and Chief legal Officer	Secretary since 2007 and Chief Legal Officer since 2008	Vice President of EVM and BMR. Officer of 173 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 173 registered investment companies managed by EVM or BMR.

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

(A) APS Trustee.

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Investment Adviser and Administrator of Eaton Vance Municipal Income Trusts

Eaton Vance Management

The Eaton Vance Building
255 State Street
Boston, MA 02109

Custodian

State Street Bank and Trust Company

200 Clarendon Street
Boston, MA 02116

Transfer Agent

American Stock Transfer & Trust Company

59 Maiden Lane
Plaza Level
New York, NY 10038

Independent Registered Public Accounting Firm

Deloitte & Touche LLP

200 Berkeley Street
Boston, MA 02116-5022

Eaton Vance Municipal Income Trusts

The Eaton Vance Building

255 State Street
Boston, MA 02109

Item 2. Code of Ethics

The registrant has adopted a code of ethics applicable to its Principal 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, an independent trustee, as its audit committee financial expert. Mr. Park is a certified public accountant who is the Vice Chairman of Commercial Industrial Finance Corp (specialty finance company). Previously, he served as President and Chief Executive Officer of Prizm Capital Management, LLC (investment management firm) and as Executive Vice President and Chief Financial Officer of United Asset Management Corporation (UAM) (a holding company owning institutional investment management firms).

Item 4. Principal Accountant Fees and Services

The following table presents the aggregate fees billed to the registrant for the fiscal years ended November 30, 2007 and November 30, 2008 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 those periods.

Fiscal Years Ended	11/30/2007	11/30/2008
Audit Fees	\$24,090	\$ 23,695
Audit-Related Fees ⁽¹⁾	\$ 3,785	\$ 3,915
Tax Fees ⁽²⁾	\$ 6,883	\$ 7,130
All Other Fees ⁽³⁾	\$ 0	\$ 27
Total	\$34,758	\$ 34,767

- (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 rendered by the principal accountant relating to tax compliance, tax advice, and tax planning and specifically include fees for tax return preparation and other related tax compliance/planning matters.
- (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 to the registrant by the registrant's principal accountant for the registrant's fiscal years ended November 30, 2006 and November 30, 2007; and (ii) the aggregate non-audit fees (i.e., fees for audit related, tax, and other services) billed to the Eaton Vance organization by the registrant's principal accountant for the same time periods, respectively.

Fiscal Years Ended	11/30/2007	11/30/2008
Registrant	\$ 10,668	\$ 11,045
Eaton Vance⁽¹⁾	\$286,446	\$345,473

(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

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. William H. Park (Chair), Lynn A. Stout, Heidi L. Steiger and Ralph E. Verni 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's Special Committee 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. An independent proxy voting service (Agent), currently Institutional Shareholder Services, Inc., has been retained to assist in the voting of proxies through the provision of vote analysis, implementation and recordkeeping and disclosure services. The investment adviser will generally vote proxies through the Agent. The Agent is required to vote all proxies and/or refer them back to the investment adviser pursuant to the Policies. It is generally the policy of the investment adviser to vote in accordance with the recommendation of the Agent. The Agent shall refer to the investment adviser proxies relating to mergers and restructurings, and the disposition of assets, termination, liquidation and mergers contained in mutual fund proxies. The investment adviser will normally vote against anti-takeover measures and other proposals designed to limit the ability of shareholders to act on possible transactions, except in the case of closed-end management investment companies. The investment adviser generally supports management on social and environmental proposals. 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 or the economic effect on shareholders interests or the value of the portfolio holding is indeterminable or insignificant.

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 personal of the investment adviser identified in the Policies. If such personnel expects to instruct the Agent to vote such proxies in a manner inconsistent with the guidelines of the Policies or the recommendation of the Agent, the personnel will consult with members of senior management of the investment adviser to determine if a material conflict of interests exists. If it is determined that a material conflict does exist, the investment adviser will seek instruction on how to vote from the Special Committee.

Information on how the Fund voted proxies relating to portfolio securities during the most recent 12 month period ended June 30 is available (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. Portfolio Managers of Closed-End Management Investment Companies

*California, Florida Plus, Massachusetts, Michigan, New York, New Jersey, Ohio and Pennsylvania
Municipal Income Trusts*

Portfolio Management

Cynthia J. Clemson, portfolio manager of Eaton Vance California Municipal Income Trust, Robert B. MacIntosh, portfolio manager of Eaton Vance Massachusetts Municipal Income Trust and Eaton Vance New Jersey Municipal Income Trust, William H. Ahern, Jr., portfolio manager of Eaton Vance Michigan Municipal Income Trust and Eaton Vance Insured Ohio Municipal Income Trust, Craig R. Brandon, portfolio manager of Eaton Vance New York Municipal Income Trust, Thomas M. Metzold, portfolio manager of Eaton Vance Florida Plus Municipal Income Trust and Adam A. Weigold, portfolio manager of Eaton Vance Pennsylvania Municipal Income Trust are responsible for the overall and day-to-day management of each Fund's investments.

Ms. Clemson and Mr. MacIntosh have been Eaton Vance portfolio managers since 1991 and are each co-Directors of Municipal Investments and Vice Presidents of EVM and Boston Management and Research, an Eaton Vance subsidiary (BMR). Mr. Ahern has been an Eaton Vance portfolio manager since 1993 and is a Vice President of EVM and BMR. Mr. Brandon has been an Eaton Vance analyst since 1998 and a portfolio manager since 2004, and is a Vice President of EVM and BMR. Mr. Metzold has been an Eaton Vance portfolio manager since 1991 and is a Vice President of EVM and BMR. Mr. Weigold has been a credit analyst with Eaton Vance since 1991 and a portfolio manager since 2007. He is a Vice President of EVM and BMR. This information is provided as of the date of filing of this report.

The following tables show, as of each Fund's most recent fiscal year end, the number of accounts each portfolio manager managed in each of the listed categories and the total assets in the accounts managed within each category. The table also shows the number of accounts with respect to which the advisory fee is based on the performance of the account, if any, and the total assets in those accounts.

	Number of All Accounts	Total Assets of All Accounts*	Number of Accounts Paying a Performance Fee	Total Assets of Accounts Paying a Performance Fee*
California Municipal Income Trust				
Cynthia J. Clemson				
Registered Investment Companies	8	\$ 2,262.6	0	\$ 0
Other Pooled Investment Vehicles	0	\$ 0	0	\$ 0
Other Accounts	0	\$ 0	0	\$ 0
Massachusetts Municipal Income Trust				
New Jersey Municipal Income Trust				
Robert B. MacIntosh				
Registered Investment Companies	10	\$ 1,953.0	0	\$ 0
Other Pooled Investment Vehicles	0	\$ 0	0	\$ 0
Other Accounts	328	\$ 277.5	0	\$ 0

	Number of All Accounts	Total Assets of All Accounts*	Number of Accounts Paying a Performance Fee	Total Assets of Accounts Paying a Performance Fee*
Michigan Municipal Income Trust				
Ohio Municipal Income Trust				
William H. Ahern				
Registered Investment Companies	14	\$ 1,619.8	0	\$ 0
Other Pooled Investment Vehicles	0	\$ 0	0	\$ 0
Other Accounts	0	\$ 0	0	\$ 0
New York Municipal Income Trust				
Craig R. Brandon				
Registered Investment Companies	12	\$ 1178.4	0	\$ 0
Other Pooled Investment Vehicles	0	\$ 0	0	\$ 0
Other Accounts	0	\$ 0	0	\$ 0
Florida Plus Municipal Income Trust				
Thomas M. Metzold				
Registered Investment Companies	7	\$ 5,911.4	0	\$ 0
Other Pooled Investment Vehicles	0	\$ 0	0	\$ 0
Other Accounts	0	\$ 0	0	\$ 0
Pennsylvania Municipal Income Trust				
Adam A. Weigold				
Registered Investment Companies	12	\$ 856.2	0	\$ 0
Other Pooled Investment Vehicles	0	\$ 0	0	\$ 0
Other Accounts	0	\$ 0	0	\$ 0

* In millions of dollars.

The following table shows the dollar range of Fund shares beneficially owned by each portfolio manager as of each Fund's most recent fiscal year end.

	Dollar Range of Equity Securities Owned in the Fund
California Municipal Income Trust	None
Cynthia J. Clemson	
Massachusetts Municipal Income Trust	\$ 10,001 - \$50,000
New Jersey Municipal Income Trust	None
Robert B. MacIntosh	
Michigan Municipal Income Trust	None

	Dollar Range of Equity Securities Owned in the Fund
Ohio Municipal Income Trust William H. Ahern, Jr.	None
New York Municipal Income Trust Craig R. Brandon	None
Florida Plus Municipal Income Trust Thomas M. Metzold	None
Pennsylvania Municipal Income Trust Adam A. Weigold	None

Potential for Conflicts of Interest. It is possible that conflicts of interest may arise in connection with a portfolio manager's management of the Fund's investments on the one hand and investments of other accounts for which a portfolio manager is responsible on the other. For example, a portfolio manager may have conflicts of interest in allocating management time, resources and investment opportunities among the Fund and other accounts he or she advises. In addition, due to differences in the investment strategies or restrictions between the Fund and the other accounts, a portfolio manager may take action with respect to another account that differs from the action taken with respect to the Fund. In some cases, another account managed by a portfolio manager may compensate the investment adviser or sub-adviser based on the performance of the securities held by that account. The existence of such a performance based fee may create additional conflicts of interest for a portfolio manager in the allocation of management time, resources and investment opportunities. Whenever conflicts of interest arise, a portfolio manager will endeavor to exercise his or her discretion in a manner that he or she believes is equitable to all interested persons. EVM has adopted several policies and procedures designed to address these potential conflicts including: a code of ethics; and policies which govern the investment adviser's trading practices, including among other things the aggregation and allocation of trades among clients, brokerage allocation, cross trades and best execution.

Compensation Structure for EVM

Compensation of EVM's portfolio managers and other investment professionals has three primary components: (1) a base salary, (2) an annual cash bonus, and (3) annual stock-based compensation consisting of options to purchase shares of EVC's nonvoting common stock and/or restricted shares of EVC's nonvoting common stock. EVM's investment professionals also receive certain retirement, insurance and other benefits that are broadly available to EVM's employees. Compensation of EVM's investment professionals is reviewed primarily on an annual basis. Cash bonuses, stock-based compensation awards, and adjustments in base salary are typically paid or put into effect at or shortly after the October 31st fiscal year end of EVC.

Method to Determine Compensation. EVM compensates its portfolio managers based primarily on the scale and complexity of their portfolio responsibilities and the total return performance of managed funds and accounts versus appropriate peer groups or benchmarks. Performance is normally based on periods ending on the September 30th preceding fiscal year end. Fund performance is normally evaluated primarily versus peer groups of funds as determined by Lipper Inc. and/or Morningstar, Inc. When a fund's peer group as determined by Lipper or Morningstar is deemed by EVM's management not to provide a fair comparison, performance may instead be evaluated primarily against a custom peer

group. In evaluating the performance of a fund and its manager, primary emphasis is normally placed on three-year performance, with secondary consideration of performance over longer and shorter periods. For funds that are tax-managed or otherwise have an objective of after-tax returns, performance is measured net of taxes. For other funds, performance is evaluated on a pre-tax basis. In addition to rankings within peer groups of funds on the basis of absolute performance, consideration may also be given to risk-adjusted performance. For funds with an investment objective other than total return (such as current income), consideration will also be given to the fund's success in achieving its objective. For managers responsible for multiple funds and accounts, investment performance is evaluated on an aggregate basis, based on averages or weighted averages among managed funds and accounts. Funds and accounts that have performance-based advisory fees are not accorded disproportionate weightings in measuring aggregate portfolio manager performance.

The compensation of portfolio managers with other job responsibilities (such as heading an investment group or providing analytical support to other portfolios) will include consideration of the scope of such responsibilities and the managers' performance in meeting them.

EVM seeks to compensate portfolio managers commensurate with their responsibilities and performance, and competitive with other firms within the investment management industry. EVM participates in investment-industry compensation surveys and utilizes survey data as a factor in determining salary, bonus and stock-based compensation levels for portfolio managers and other investment professionals. Salaries, bonuses and stock-based compensation are also influenced by the operating performance of EVM and its parent company. The overall annual cash bonus pool is based on a substantially fixed percentage of pre-bonus operating income. While the salaries of EVM's portfolio managers are comparatively fixed, cash bonuses and stock-based compensation may fluctuate significantly from year to year, based on changes in manager performance and other factors as described herein. For a high performing portfolio manager, cash bonuses and stock-based compensation may represent a substantial portion of total compensation.

Item 9. Purchases of Equity Securities by Closed-End Management Investment Company and Affiliated Purchasers.

No such purchases this period.

Item 10. Submission of Matters to a Vote of Security Holders.

No Material Changes.

Item 11. 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 second fiscal quarter of the period covered by this report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

Item 12. 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 Michigan Municipal Income Trust

By: /s/ Cynthia J. Clemson

Cynthia J. Clemson
President

Date: January 20, 2009

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ Barbara E. Campbell

Barbara E. Campbell
Treasurer

Date: January 20, 2009

By: /s/ Cynthia J. Clemson

Cynthia J. Clemson
President

Date: January 20, 2009