

DREYFUS MUNICIPAL INCOME INC
Form N-Q
August 26, 2008

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

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED MANAGEMENT
INVESTMENT COMPANY
Investment Company Act file number 811-5652

Dreyfus Municipal Income, Inc.
(Exact name of Registrant as specified in charter)

c/o The Dreyfus Corporation
200 Park Avenue
New York, New York 10166
(Address of principal executive offices) (Zip code)

Michael A. Rosenberg, Esq.
200 Park Avenue
New York, New York 10166
(Name and address of agent for service)
Registrant's telephone number, including area code: (212) 922-6000

Date of fiscal year end: 09/30
Date of reporting period: 06/30/2008

FORM N-Q

Item 1. Schedule of Investments.

STATEMENT OF INVESTMENTS

**Dreyfus Municipal Income, Inc.
June 30, 2008 (Unaudited)**

Long-Term Municipal Investments--148.6%	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
Alabama--2.7% The Board of Trustees of the University of Alabama, HR (University of Alabama at Birmingham) (Insured; MBIA, Inc.)	5.88	9/1/10	4,620,000 a	4,970,242

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Alaska--3.7%

Alaska Housing Finance Corporation, General Mortgage Revenue (Insured; MBIA, Inc.)	6.05	6/1/39	6,845,000	6,882,921
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Arizona--5.4%

Arizona Housing Finance Authority, SFMR (Mortgage Backed Securities Program) (Collateralized: FHLMC, FNMA and GNMA)	5.40	6/1/28	4,000,000	3,970,880
City of Phoenix, County of Maricopa and the County of Pima Industrial Development Authorities, SFMR (Collateralized: FHLMC, FNMA and GNMA)	5.80	12/1/39	4,280,000	4,205,014
Pima County Industrial Development Authority, Education Revenue (American Charter Schools Foundation Project)	5.63	7/1/38	2,000,000	1,799,280

California--14.2%

ABAG Financial Authority for Nonprofit Corporations, Insured Revenue, COP (Odd Fellows Home of California)	6.00	8/15/24	5,000,000	5,032,050
California Department of Veteran Affairs, Home Purchase Revenue	5.20	12/1/28	2,950,000	2,950,856
California Health Facilities Financing Authority, Revenue (Sutter Health)	6.25	8/15/35	2,500,000	2,626,000
California Housing Finance Agency, Home Mortgage Revenue	4.80	8/1/36	2,500,000	2,225,550
California Statewide Communities Development Authority, COP (Catholic Healthcare West)	6.50	7/1/10	3,545,000 a	3,843,489
California Statewide Communities Development Authority, COP (Catholic Healthcare West) Chabot-Las Positas Community	6.50	7/1/10	1,455,000 a	1,574,543

College District, GO (Insured; AMBAC)	0.00	8/1/32	6,000,000 b	1,591,260
Golden State Tobacco Securitization Corporation, Tobacco Settlement Asset-Backed Bonds Golden State Tobacco	7.80	6/1/13	3,000,000 a	3,533,850

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Securitization Corporation, Tobacco Settlement Asset-Backed Bonds	5.75	6/1/47	3,500,000	2,978,605
Colorado--9.3%				
Colorado Springs, HR	6.38	12/15/10	2,835,000 a	3,091,454
Colorado Springs, HR	6.38	12/15/30	2,890,000	2,985,370
University of Northern Colorado Board of Trustees, Auxiliary Facilities System Revenue (Insured; FSA)	5.00	6/1/35	11,000,000 c,d	11,102,025
District of Columbia--1.4%				
District of Columbia, Revenue (Catholic University America Project) (Insured; AMBAC)	5.63	10/1/09	1,605,000 a	1,687,192
District of Columbia, Revenue (Catholic University America Project) (Insured; AMBAC)	5.63	10/1/29	475,000	487,649
District of Columbia Housing Finance Agency, SFMR (Collateralized: FHA, FNMA, GNMA and GIC; Trinity Funding)	7.45	12/1/30	495,000	503,222
Florida--1.4%				
Orange County Health Facilities Authority, HR (Orlando Regional Healthcare System)	6.00	10/1/09	30,000 a	31,621
Orange County Health Facilities Authority, HR (Orlando Regional Healthcare System)	6.00	10/1/26	1,470,000	1,499,253
South Lake County Hospital District, Revenue (South Lake Hospital, Inc.)	5.80	10/1/34	1,095,000	1,102,271
Illinois--11.9%				
Chicago (Insured; FGIC)	6.13	7/1/10	3,685,000 a	3,963,254
Chicago (Insured; FGIC)	6.13	7/1/10	315,000 a	338,786
Illinois Development Finance Authority, Revenue (Community Rehabilitation Providers Facilities Acquisition Program)	8.75	3/1/10	40,000	40,110

Revenue (Sherman Health

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Systems) Illinois Health Facilities Authority, Revenue (Advocate Health Care Network)	5.50	8/1/37	2,000,000	1,876,100
Illinois Health Facilities Authority, Revenue (OSF Healthcare System)	6.13	11/15/10	5,800,000 a	6,239,930
Illinois Health Facilities Authority, Revenue (Swedish American Hospital)	6.25	11/15/09	7,000,000 a	7,422,030
Indiana--1.5% Franklin Township School Building Corporation, First Mortgage Bonds	6.88	5/15/10	2,000,000 a	2,153,980
Louisiana--1.5% Parish of Saint John the Baptist, Revenue (Marathon Oil Corporation Project)	6.13	7/15/10	2,500,000 a	2,717,275
Maryland--5.1% Maryland Economic Development Corporation, Student Housing Revenue (University of Maryland, College Park Project)	5.13	6/1/37	3,000,000	2,698,590
Maryland Health and Higher Educational Facilities Authority, Revenue (The Johns Hopkins University Issue)	6.00	7/1/09	7,000,000 a	7,329,070
Massachusetts--6.5% Massachusetts Development Finance Agency, SWDR (Dominion Energy Brayton Point Issue)	5.63	6/1/13	2,000,000 a	2,202,160
Massachusetts Health and Educational Facilities Authority, Healthcare System Revenue (Covenant Health Systems Obligated Group Issue)	6.00	7/1/09	7,000,000 a	7,329,070
Massachusetts Health and Educational Facilities Authority, Healthcare System Revenue (Covenant Health Systems Obligated Group Issue)	6.00	1/1/12	530,000 a	581,792
Massachusetts Housing Finance Agency, SFHR	6.00	7/1/31	1,970,000	2,020,452
Massachusetts Industrial Finance Agency, Water Treatment Revenue (Massachusetts-American Hingham Project)	5.00	12/1/31	2,500,000	2,330,175
	6.95	12/1/35	5,235,000	5,244,580

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Michigan--3.6%

Hancock Hospital Finance
Authority, Mortgage Revenue

(Portgag Health) (Insured; MBIA, Inc.)	5.45	8/1/08	2,145,000 a	2,151,328
Michigan Strategic Fund, SWDR (Genesee Power Station Project)	7.50	1/1/21	4,585,000	4,458,958

Minnesota--2.9%

Minnesota Agricultural and Economic Development Board, Health Care Facilities Revenue (Essentia Health Obligated Group) (Insured; Assured Guaranty)	5.00	2/15/37	2,600,000	2,605,772
Minnesota Agricultural and Economic Development Board, Health Care System Revenue (Fairview Health Care Systems)	6.38	11/15/10	2,420,000 a	2,640,002
Minnesota Agricultural and Economic Development Board, Health Care System Revenue (Fairview Health Care Systems)	6.38	11/15/29	80,000	82,778

Mississippi--3.2%

Mississippi Business Finance Corporation, PCR (System Energy Resources, Inc. Project)	5.88	4/1/22	6,000,000	5,866,680
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Missouri--1.5%

Missouri Health and Educational Facilities Authority, Health Facilities Revenue (Saint Anthony's Medical Center)	6.25	12/1/10	2,500,000 a	2,719,725
Missouri Housing Development Commission, SFMR (Homeownership Loan Program) (Collateralized: FNMA and GNMA)	6.30	9/1/25	130,000	131,745

Nevada--2.1%

Clark County, IDR (Southwest Gas Corporation Project) (Insured; AMBAC)	6.10	12/1/38	4,000,000	3,960,960
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New Jersey--.8%

New Jersey Economic Development Authority, Cigarette Tax Revenue	5.50	6/15/31	1,610,000	1,529,532
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New Mexico--2.3%

Farmington,

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PCR (Public Service Company of New Mexico San Juan Project)	6.30	12/1/16	3,000,000	2,976,090
New Mexico Mortgage Finance Authority, Single Family Mortgage Program (Collateralized: FHLMC and GNMA)	6.85	9/1/31	1,305,000	1,324,170
New York--.8%				
Long Island Power Authority,				
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Electric System General Revenue	5.00	9/1/27	1,500,000	1,514,865
North Carolina--.6%				
North Carolina Housing Finance Agency, Home Ownership Revenue	6.25	1/1/29	1,145,000	1,151,824
Ohio--10.0%				
Buckeye Tobacco Settlement Financing Authority, Tobacco Settlement Asset-Backed Bonds Cuyahoga County,	6.50	6/1/47	8,000,000	7,309,680
Hospital Improvement Revenue (The Metrohealth System Project)	6.13	2/15/09	5,000,000 a	5,177,850
Ohio Housing Finance Agency, Residential Mortgage Revenue (Collateralized; GNMA)	5.75	9/1/30	5,000	5,055
Rickenbacker Port Authority, Capital Funding Revenue (OASBO Expanded Asset Pooled)	5.38	1/1/32	4,090,000	4,260,185
Toledo-Lucas County Port Authority, Special Assessment Revenue (Crocker Park Public Improvement Project)	5.38	12/1/35	2,000,000	1,877,400
Oklahoma--1.4%				
Oklahoma Development Finance Authority, Revenue (Saint John Health System)	6.00	2/15/29	625,000	638,975
Oklahoma Development Finance Authority, Revenue (Saint John Health System)	6.00	2/15/09	1,875,000 a	1,943,363
Oregon--2.8%				
Oregon Department of Transportation, Highway User Tax Revenue	5.00			