

NUVEEN ARIZONA PREMIUM INCOME MUNICIPAL FUND INC
Form N-Q
December 28, 2007

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549**

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED MANAGEMENT INVESTMENT COMPANY

Investment Company Act file number 811-7278

Nuveen Arizona Premium Income Municipal Fund, Inc.

(Exact name of registrant as specified in charter)

Nuveen Investments

333 West Wacker Drive, Chicago, Illinois 60606

(Address of principal executive offices) (Zip code)

Kevin J. McCarthy Vice President and Secretary

333 West Wacker Drive, Chicago, Illinois 60606

(Name and address of agent for service)

Registrant's telephone number, including area code: 312-917-7700

Date of fiscal year end: 7/31

Date of reporting period: 10/31/07

Form N-Q is to be used by management investment companies, other than small business investment companies registered on Form N-5 (§§ 239.24 and 274.5 of this chapter), to file reports with the Commission, not later than 60 days after the close of the first and third fiscal quarters, pursuant to rule 30b1-5 under the Investment Company Act of 1940 (17 CFR 270.30b1-5). The Commission may use the information provided on Form N-Q in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-Q, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-Q unless the Form displays a currently valid Office of Management and Budget ("OMB") control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. § 3507.

Item 1. Schedule of Investments

Portfolio of Investments (Unaudited)

Nuveen Arizona Premium Income Municipal Fund, Inc. (NAZ)

October 31, 2007

Principal

Amount (000) Description (1)

Consumer Staples □ 1.5% (0.9% of Total Investments)

\$ 870 Puerto Rico, The Children's Trust Fund, Tobacco Settlement Asset-Backed Refunding Bonds, Series 2002, 5.375%, 5/15/33

Education and Civic Organizations □ 7.9% (5.2% of Total Investments)

1,000 Arizona State University, System Revenue Bonds, Series 2002, 5.000%, 7/01/25 □ FGIC Insured
 Arizona State University, System Revenue Bonds, Series 2005:
 1,455 5.000%, 7/01/20 □ AMBAC Insured
 750 5.000%, 7/01/21 □ AMBAC Insured
 1,500 Tempe Industrial Development Authority, Arizona, Lease Revenue Bonds, Arizona State University
 Foundation Project, Series 2003, 5.000%, 7/01/34 □ AMBAC Insured

4,705 Total Education and Civic Organizations

Health Care □ 17.2% (11.4% of Total Investments)

1,430 Arizona Health Facilities Authority, Hospital Revenue Bonds, Banner Health Systems, Series
 2007A, 5.000%, 1/01/25
 675 Glendale Industrial Development Authority, Arizona, Revenue Bonds, John C. Lincoln Health
 Network, Series 2005B, 5.000%, 12/01/37
 1,110 Glendale Industrial Development Authority, Arizona, Revenue Bonds, John C. Lincoln Health
 Network, Series 2007, 5.000%, 12/01/42
 550 Maricopa County Industrial Development Authority, Arizona, Health Facilities Revenue Bonds,
 Mayo Clinic, Series 2006, 5.000%, 11/15/36
 2,150 Maricopa County Industrial Development Authority, Arizona, Health Facility Revenue
 Bonds, Catholic Healthcare West, Series 2004A, 5.375%, 7/01/23 (UB)
 2,800 Maricopa County Industrial Development Authority, Arizona, Health Facility Revenue
 Bonds, Catholic Healthcare West, Series 2007A, 5.250%, 7/01/32 (UB)
 385 Maricopa County, Arizona, Hospital Revenue Bonds, Sun Health Corporation, Series 2005,
 5.000%, 4/01/16
 515 Puerto Rico Industrial, Tourist, Educational, Medical and Environmental Control Facilities
 Financing Authority, Hospital Revenue Bonds, Hospital de la Concepcion, Series 2000A,
 6.375%, 11/15/15
 1,055 Winslow Industrial Development Authority, Arizona, Hospital Revenue Bonds, Winslow Memorial
 Hospital, Series 1998, 5.500%, 6/01/22

10,670 Total Health Care

Housing/Multifamily □ 1.5% (1.0% of Total Investments)

400 Phoenix Industrial Development Authority, Arizona, GNMA Collateralized Multifamily Housing
 Revenue Bonds, Campaigne Place on Jackson, Series 2001, 5.700%, 6/20/31 (Alternative
 Minimum Tax)
 530 Phoenix Industrial Development Authority, Arizona, GNMA Collateralized Multifamily Housing
 Revenue Bonds, Park Lee Apartments, Series 2004A, 5.050%, 10/20/44 (Alternative Minimum Tax)

930 Total Housing/Multifamily

Housing/Single Family □ 7.8% (5.2% of Total Investments)

1,690 The Industrial Development Authority of The City of Tucson, Arizona, Tax-Exempt Single Family

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Mortgage Revenue Bonds, Series 2007A-1, 5.100%, 7/01/38
 3,010 Tucson and Pima County Industrial Development Authority, Arizona, Single Family Mortgage Revenue Bonds, Series 2007B, 5.350%, 6/01/47 (Alternative Minimum Tax)

4,700 Total Housing/Single Family

Tax Obligation/General ☐ 0.6% (0.4% of Total Investments)

330 Puerto Rico, General Obligation and Public Improvement Bonds, Series 2001A, 5.375%, 7/01/28

Tax Obligation/Limited ☐ 31.6% (21.0% of Total Investments)

Bullhead City, Arizona, Special Assessment Bonds, Parkway District Improvements, Series 1993:
 720 6.100%, 1/01/08
 775 6.100%, 1/01/09
 454 Estrella Mountain Ranch Community Facilities District, Goodyear, Arizona, Special Assessment Lien Bonds, Series 2001A, 7.875%, 7/01/25
 Greater Arizona Development Authority, Infrastructure Revenue Bonds, Series 2006A:
 740 5.000%, 8/01/23 ☐ MBIA Insured
 875 5.000%, 8/01/25 ☐ MBIA Insured
 1,280 Greater Arizona Development Authority, Infrastructure Revenue Bonds, Series 2006, 5.000%, 8/01/22 ☐ MBIA Insured
 575 Marana Municipal Property Corporation, Arizona, Revenue Bonds, Series 2003, 5.000%, 7/01/28 ☐ AMBAC Insured
 1,110 Marana, Arizona, Tangerine Farms Road Improvement District Revenue Bonds, Series 2006, 4.600%, 1/01/26
 3,400 Maricopa County Stadium District, Arizona, Revenue Refunding Bonds, Series 2002, 5.375%, 6/01/18 ☐ AMBAC Insured
 3,400 Mesa, Arizona, Street and Highway User Tax Revenue Bonds, Series 2005, 5.000%, 7/01/24 ☐ FSA Insured
 1,200 Prescott Valley Municipal Property Corporation, Arizona, Municipal Facilities Revenue Bonds, Series 2003, 5.000%, 1/01/27 ☐ FGIC Insured
 1,000 Puerto Rico Public Buildings Authority, Guaranteed Government Facilities Revenue Refunding Bonds, Series 2002D, 5.125%, 7/01/24
 1,610 San Luis Civic Improvement Corporation, Arizona, Municipal Facilities Excise Tax Revenue Bonds, Series 2005, 5.000%, 7/01/25 ☐ XLCA Insured
 1,350 Tempe, Arizona, Excise Tax Revenue Bonds, Series 2004, 5.250%, 7/01/20 ☐ AMBAC Insured
 500 Tucson, Arizona, Certificates of Participation, Series 2000, 5.700%, 7/01/20 ☐ MBIA Insured

18,989 Total Tax Obligation/Limited

U.S. Guaranteed ☐ 43.9% (29.2% of Total Investments) (4)

800 Arizona Health Facilities Authority, Hospital Revenue Bonds, Catholic Healthcare West, Series 1999A, 6.625%, 7/01/20 (Pre-refunded 7/01/10)
 1,000 Arizona Health Facilities Authority, Hospital System Revenue Bonds, John C. Lincoln Health Network, Series 2000, 7.000%, 12/01/25 (Pre-refunded 12/01/10)
 1,000 Arizona State University, Certificates of Participation, Series 2002, 5.375%, 7/01/19 (Pre-refunded 7/01/12) ☐ MBIA Insured
 Arizona Tourism and Sports Authority, Tax Revenue Bonds, Multipurpose Stadium Facility Project, Series 2003A:
 500 5.375%, 7/01/20 (Pre-refunded 7/01/13) ☐ MBIA Insured

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1,000	5.375%, 7/01/21 (Pre-refunded 7/01/13) □ MBIA Insured
1,250	Glendale Industrial Development Authority, Arizona, Revenue Bonds, Midwestern University, Series 2001A, 5.875%, 5/15/31 (Pre-refunded 5/15/11)
1,250	Maricopa County Industrial Development Authority, Arizona, Hospital Revenue Refunding Bonds, Samaritan Health Services, Series 1990A, 7.000%, 12/01/16 □ MBIA Insured (ETM)
1,525	Maricopa County Union High School District 210, Phoenix, Arizona, General Obligation Bonds, Series 2004A, 5.000%, 7/01/21 (Pre-refunded 7/01/14) □ FSA Insured
3,000	Mesa Industrial Development Authority, Arizona, Revenue Bonds, Discovery Health System, Series 1999A, 5.750%, 1/01/25 (Pre-refunded 1/01/10) □ MBIA Insured
1,050	Northern Arizona University, System Revenue Bonds, Series 2002, 5.000%, 6/01/34 (Pre-refunded 6/01/12) □ FGIC Insured
2,000	Phoenix Civic Improvement Corporation, Arizona, Junior Lien Wastewater System Revenue Bonds, Series 2000, 6.000%, 7/01/24 (Pre-refunded 7/01/10) □ FGIC Insured
2,000	Phoenix Civic Improvement Corporation, Arizona, Subordinate Lien Excise Tax Revenue Bonds, Series 2003A, 5.000%, 7/01/21 (Pre-refunded 7/01/13) □ MBIA Insured
	Phoenix Industrial Development Authority, Arizona, Government Office Lease Revenue Bonds, Capitol Mall LLC, Series 2000:
700	5.375%, 9/15/22 (Pre-refunded 9/15/10) □ AMBAC Insured
2,000	5.500%, 9/15/27 (Pre-refunded 9/15/10) □ AMBAC Insured
1,000	Puerto Rico Highway and Transportation Authority, Highway Revenue Bonds, Series 2000B, 6.500%, 7/01/27 (Pre-refunded 7/01/10)
1,500	Scottsdale Industrial Development Authority, Arizona, Hospital Revenue Bonds, Scottsdale Healthcare, Series 2001, 5.800%, 12/01/31 (Pre-refunded 12/01/11)
3,215	Tucson Industrial Development Authority, Arizona, Senior Living Facilities Revenue Bonds, Christian Care Project, Series 2000A, 5.625%, 7/01/20 (Pre-refunded 7/01/10) □ RAAI Insured
600	Tucson, Arizona, Junior Lien Street and Highway User Revenue Bonds, Series 2000E, 5.000%, 7/01/18 (Pre-refunded 7/01/10) □ FGIC Insured

25,390 Total U.S. Guaranteed

Utilities □ 16.2% (10.8% of Total Investments)

1,000	Arizona Power Authority, Special Obligation Power Resource Revenue Refunding Crossover Bonds, Hoover Project, Series 2001, 5.250%, 10/01/15
620	Pima County Industrial Development Authority, Arizona, Lease Obligation Revenue Refunding Bonds, Tucson Electric Power Company, Series 1988A, 7.250%, 7/15/10 □ FSA Insured
2,170	Puerto Rico Electric Power Authority, Power Revenue Bonds, Series 2005RR, 5.000%, 7/01/27 □ XLCA Insured
530	Salt River Project Agricultural Improvement and Power District, Arizona, Electric System Revenue Bonds, Series 2002B, 5.000%, 1/01/22
	Salt River Project Agricultural Improvement and Power District, Arizona, Electric System Revenue Refunding Bonds, Series 2002A:
2,000	5.125%, 1/01/27
1,000	5.000%, 1/01/31
2,645	Salt Verde Financial Corporation, Arizona, Senior GAs Revenue Drivers Trust 2267, Series 2007, 3.500%, 12/01/32 (IF)

9,965 Total Utilities

Water and Sewer □ 22.4% (14.9% of Total Investments)

1,005	Cottonwood, Arizona, Senior Lien Water System Revenue Bonds, Municipal Property Corporation, Series 2004, 5.000%, 7/01/24 □ XLCA Insured
3,500	Glendale, Arizona, Water and Sewer Revenue Bonds, Subordinate Lien, Series 2003, 5.000%, 7/01/28 □ AMBAC Insured
600	Oro Valley Municipal Property Corporation, Arizona, Senior Lien Water Revenue Bonds, Series 2003, 5.000%, 7/01/23 □ MBIA Insured
1,000	Phoenix Civic Improvement Corporation, Arizona, Junior Lien Wastewater System Revenue Bonds, Series 2004, 5.000%, 7/01/24 □ MBIA Insured
1,500	Phoenix Civic Improvement Corporation, Arizona, Junior Lien Water System Revenue Bonds, Series 2002, 5.000%, 7/01/26 □ FGIC Insured
3,295	Phoenix Civic Improvement Corporation, Arizona, Junior Lien Water System Revenue Bonds, Series 2005, 5.000%, 7/01/23 □ MBIA Insured
1,250	Phoenix Civic Improvement Corporation, Arizona, Junior Lien Water System Revenue Refunding Bonds, Series 2001, 5.500%, 7/01/21 □ FGIC Insured
	Surprise Municipal Property Corporation, Arizona, Wastewater System Revenue Bonds, Series 2007:
600	4.700%, 4/01/22
695	4.900%, 4/01/32

13,445 Total Water and Sewer

\$ 89,994 Total Investments (cost \$91,180,009) □ 150.6%

Floating Rate Obligations □ (5.3)%

Other Assets Less Liabilities □ 2.7%

Preferred Shares, at Liquidation Value □ (48.0)%

Net Assets Applicable to Common Shares □ 100%

All of the bonds in the Portfolio of Investments are either covered by Original Issue Insurance, Secondary Market Insurance or Portfolio Insurance, or are backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities, any of which ensure the timely payment of principal and interest.

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares unless otherwise noted.
- (2) Optional Call Provisions: Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates. Certain mortgage-backed securities may be subject to periodic principal paydowns.
- (3) Ratings: Using the higher of Standard & Poor's Group ("Standard & Poor's") or Moody's Investor Service, Inc. ("Moody's") rating. Ratings below BBB by Standard & Poor's or Baa by Moody's are considered to be below investment grade.
- (4) Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities which ensure the timely payment of principal and interest. Such investments are normally

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considered to be equivalent to AAA rated securities.

N/R Not rated.

(ETM) Escrowed to maturity.

(IF) Inverse floating rate investment.

(UB) Underlying bond of an inverse floating rate trust reflected as a financing transaction pursuant to the provisions of SFAS No. 140.

Income Tax Information

The following information is presented on an income tax basis. Differences between amounts for financial statement and federal income tax purposes are primarily due to the treatment of paydown gains and losses, timing differences in recognizing taxable market discount, timing differences in recognizing certain gains and losses on investment transactions and the treatment of investments in inverse floating rate transactions subject to SFAS No.140.

At October 31, 2007, the cost of investments was \$87,853,504.

Gross unrealized appreciation and gross unrealized depreciation of investments at October 31, 2007, were as follows:

Gross unrealized:	
Appreciation	\$3,339,200
Depreciation	(475,052)
<hr/>	
Net unrealized appreciation (depreciation) of investments	\$2,864,148

Item 2. Controls and Procedures.

- a. The registrant's principal executive and principal financial officers, or persons performing similar functions, have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "1940 Act") (17 CFR 270.30a-3(c))) are effective, as of a date within 90 days of the filing date of this report that includes the disclosure required by this paragraph, based on their evaluation of the controls and procedures required by Rule 30a-3(b) under the 1940 Act (17 CFR 270.30a-3(b)) and Rule 13a-15(b) or 15d-15(b) under the Securities Exchange Act of 1934 (17 CFR 240.13a-15(b) or 240.15d-15(b)).
- b. There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act (17 CFR 270.30a-3(d))) that occurred during the registrant's last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

Item 3. Exhibits.

File as exhibits as part of this Form a separate certification for each principal executive officer and principal financial officer of the registrant as required by Rule 30a-2(a) under the 1940 Act (17 CFR 270.30a-2(a)), exactly as set forth below: EX-99 CERT Attached hereto.

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.

(Registrant) Nuveen Arizona Premium Income Municipal Fund, Inc.

By (Signature and Title)* /s/ Kevin J. McCarthy
Kevin J. McCarthy
Vice President and Secretary

Date December 28, 2007

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 (Signature and Title)* /s/ Gifford R. Zimmerman
Gifford R. Zimmerman
Chief Administrative Officer (principal executive officer)

Date December 28, 2007

By (Signature and Title)* /s/ Stephen D. Foy
Stephen D. Foy
Vice President and Controller (principal financial officer)

Date December 28, 2007

* Print the name and title of each signing officer under his or her signature.