

DREYFUS MUNICIPAL INCOME INC
Form N-Q
February 24, 2011

**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: 12/31/2010

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Item 1. Schedule of Investments.

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STATEMENT OF INVESTMENTS**Dreyfus Municipal Income, Inc.****December 31, 2010 (Unaudited)**

Long-Term Municipal Investments--152.3%	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
Arizona--10.7%				
Barclays Capital Municipal Trust Receipts (Salt River Project Agricultural Improvement and Power District, Salt River Project Electric System Revenue)	5.00	1/1/38	10,000,000 a,b	9,992,600
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	1,405,000	1,431,920
Glendale Western Loop 101 Public Facilities Corporation, Third Lien Excise Tax Revenue	6.25	7/1/28	1,000,000	1,034,570
Glendale Western Loop 101 Public Facilities Corporation, Third Lien Excise Tax Revenue	7.00	7/1/28	2,000,000	2,112,160
Pima County Industrial Development Authority, Education Revenue (American Charter Schools Foundation Project)	5.63	7/1/38	2,000,000	1,660,060
Pima County Industrial Development Authority, IDR (Tucson Electric Power Company Project)	5.25	10/1/40	1,000,000	877,700
Pinal County Electrical District Number 4, Electric System Revenue	6.00	12/1/38	2,300,000	2,175,156
California--26.1%				
ABAG Financial Authority for Nonprofit Corporations, Insured Revenue, COP (Odd				

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Fellows Home of California)	6.00	8/15/24	5,000,000 c	5,115,900
Barclays Capital Municipal Trust Receipts (California Infrastructure and Economic Development Bank, Revenue (Sanford Consortium Project))	5.00	5/15/40	10,000,000 a,b,c	9,707,300
California, GO (Various Purpose)	5.75	4/1/31	3,950,000	3,989,618
California, GO (Various Purpose)	5.00	11/1/32	1,500,000	1,382,865
California, GO (Various Purpose)	6.50	4/1/33	3,000,000	3,220,140
California, GO (Various Purpose)	6.00	11/1/35	2,500,000	2,566,075
California Health Facilities Financing Authority, Revenue (Sutter Health)	6.25	8/15/35	2,500,000 c	2,508,550
Chabot-Las Positas Community College District, GO (Insured; AMBAC)	0.00	8/1/32	6,000,000 d	1,403,100
Chula Vista, IDR (San Diego Gas and Electric Company)	5.88	2/15/34	2,000,000	2,124,580
Golden State Tobacco Securitization Corporation, Tobacco Settlement Asset-Backed Bonds	5.00	6/1/33	2,500,000	1,725,850
Golden State Tobacco Securitization Corporation, Tobacco Settlement Asset-Backed Bonds (Prerefunded)	7.80	6/1/13	3,000,000 e	3,458,490
Sacramento County, Airport System Subordinate and Passenger Facility Charges Grant Revenue	6.00	7/1/35	2,250,000	2,323,957
San Diego Public Facilities Financing Authority, Senior Sewer Revenue	5.25	5/15/34	1,000,000	1,015,500

San Francisco City and County

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Public Utilities Commission, San Francisco Water Revenue	5.00	11/1/29	2,210,000	2,229,492
Tobacco Securitization Authority of Southern California, Tobacco Settlement Asset-Backed Bonds (San Diego County Tobacco Asset Securitization Corporation)	5.00	6/1/37	3,500,000	2,424,485
Tuolumne Wind Project Authority, Revenue (Tuolumne Company Project)	5.88	1/1/29	1,500,000	1,586,175
Colorado--5.3%				
Colorado Educational and Cultural Facilities Authority, Charter School Revenue (American Academy Project)	8.00	12/1/40	1,500,000	1,695,375
Colorado Health Facilities Authority, Health Facilities Revenue (The Evangelical Lutheran Good Samaritan Society Project)	6.13	6/1/38	2,525,000 c	2,544,518
Colorado Springs, HR E-470 Public Highway Authority, Senior Revenue	6.38	12/15/30	2,890,000 c	2,872,140
University of Colorado Regents, University Enterprise Revenue	5.25	9/1/25	1,000,000	915,570
	5.38	6/1/38	1,500,000	1,534,575
Florida--6.8%				
Greater Orlando Aviation Authority, Airport Facilities Revenue	6.25	10/1/20	3,980,000	4,451,073
Miami-Dade County, Aviation Revenue	5.00	10/1/41	2,500,000	2,256,625
Orange County School Board, COP (Master Lease Purchase Agreement) (Insured; Assured Guaranty Municipal Corp.)	5.50	8/1/34	2,000,000	2,047,280
Saint Johns County Industrial Development Authority, Revenue				

(Presbyterian Retirement)

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Communities Project)	5.88	8/1/40	2,500,000	2,446,675
South Lake County Hospital District, Revenue (South Lake Hospital, Inc.)	6.25	4/1/39	1,000,000 c	993,060
Georgia--2.7%				
Atlanta, Water and Wastewater Revenue	6.00	11/1/28	3,000,000	3,186,570
Atlanta, Water and Wastewater Revenue (Insured; Assured Guaranty Municipal Corp.)	5.25	11/1/34	1,750,000	1,717,205
Hawaii--2.9%				
Hawaii Department of Budget and Finance, Special Purpose Revenue (Hawai'i Pacific Health Obligated Group)	5.75	7/1/40	2,795,000 c	2,687,700
Hawaii Department of Budget and Finance, Special Purpose Revenue (Hawaiian Electric Company, Inc. and Subsidiary Projects)	6.50	7/1/39	2,400,000	2,488,680
Illinois--1.1%				
Railsplitter Tobacco Settlement Authority, Tobacco Settlement Revenue	6.00	6/1/28	2,000,000	1,968,080
Indiana--1.2%				
Indianapolis Local Public Improvement Bond Bank, Revenue (Indianapolis Airport Authority Project) (Insured; AMBAC)	5.00	1/1/36	2,500,000	2,227,175
Louisiana--.6%				
Louisiana Public Facilities Authority, Revenue (CHRISTUS Health Obligated Group)	6.13	7/1/29	1,000,000 c	1,034,440
Maryland--3.3%				
Maryland Economic Development Corporation, EDR (Transportation Facilities				

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Project)	5.75	6/1/35	1,000,000	944,900
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Maryland Economic Development Corporation, PCR (Potomac Electric Project)	6.20	9/1/22	2,500,000	2,822,750
Maryland Economic Development Corporation, Student Housing Revenue (University of Maryland, College Park Project) (Prerefunded)	5.63	6/1/13	2,000,000 e	2,224,120
Massachusetts--17.4%				
Barclays Capital Municipal Trust Receipts (Massachusetts Health and Educational Facilities Authority, Revenue (Harvard University Issue))	5.00	12/15/34	10,000,000 a,b	10,279,600
Barclays Capital Municipal Trust Receipts (Massachusetts Health and Educational Facilities Authority, Revenue (Massachusetts Institute of Technology Issue))	5.00	7/1/38	10,000,000 a,b	10,158,000
Massachusetts Health and Educational Facilities Authority, Healthcare System Revenue (Covenant Health Systems Obligated Group Issue)	6.00	7/1/31	1,970,000	1,986,095
Massachusetts Health and Educational Facilities Authority, Revenue (Suffolk University Issue)	6.25	7/1/30	2,000,000	2,070,580
Massachusetts Housing Finance Agency, Rental Housing Mortgage Revenue (Insured; AMBAC)	5.50	7/1/40	2,230,000	1,791,627
Massachusetts Industrial Finance Agency, Water Treatment Revenue (Massachusetts-American Hingham Project)	6.95	12/1/35	5,235,000	5,136,791
Michigan--7.2%				

Detroit,

Sewage Disposal System Senior

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Lien Revenue (Insured; Assured Guaranty Municipal Corp.)	7.50	7/1/33	2,140,000	2,473,904
Michigan Hospital Finance Authority, HR (Henry Ford Health System)	5.00	11/15/38	1,515,000 c	1,318,353
Michigan Strategic Fund, SWDR (Genesee Power Station Project)	7.50	1/1/21	4,185,000	3,872,966
Royal Oak Hospital Finance Authority, HR (William Beaumont Hospital Obligated Group)	8.00	9/1/29	2,500,000 c	2,877,975
Wayne County Airport Authority, Airport Revenue (Detroit Metropolitan Wayne County Airport) (Insured; National Public Finance Guarantee Corp.)	5.00	12/1/34	3,000,000	2,493,840
Minnesota--1.8%				
Minneapolis, Health Care System Revenue (Fairview Health Services)	6.75	11/15/32	3,000,000 c	3,238,740
Minnesota Agricultural and Economic Development Board, Health Care System Revenue (Fairview Health Care Systems)	6.38	11/15/29	80,000 c	80,358
Mississippi--3.3%				
Mississippi Business Finance Corporation, PCR (System Energy Resources, Inc. Project)	5.88	4/1/22	6,000,000	5,904,000
Missouri--0%				
Missouri Housing Development Commission, SFMR (Homeownership Loan Program) (Collateralized: FNMA and GNMA)	6.30	9/1/25	70,000	71,379
Nevada--2.2%				
Clark County, IDR (Southwest Gas Corporation Project) (Insured; AMBAC)	6.10	12/1/38	4,000,000	3,999,760
New Hampshire--1.2%				

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Authority, PCR (Public Service Company of New Hampshire Project) (Insured; AMBAC)	6.00	5/1/21	2,135,000	2,146,209
New Jersey--4.5%				
New Jersey Economic Development Authority, Water Facilities Revenue (New Jersey - American Water Company, Inc. Project)	5.70	10/1/39	2,000,000	1,962,660
New Jersey Higher Education Student Assistance Authority, Student Loan Revenue (Insured; Assured Guaranty Municipal Corp.)	6.13	6/1/30	2,500,000	2,543,900
Tobacco Settlement Financing Corporation of New Jersey, Tobacco Settlement Asset-Backed Bonds	5.00	6/1/29	5,000,000	3,655,050
New Mexico--1.6%				
Farmington, PCR (Public Service Company of New Mexico San Juan Project)	5.90	6/1/40	3,000,000	2,869,380
New York--1.7%				
New York City Industrial Development Agency, PILOT Revenue (Yankee Stadium Project) (Insured; Assured Guaranty Municipal Corp.)	7.00	3/1/49	1,435,000	1,580,796
Port Authority of New York and New Jersey, Special Project Revenue (JFK International Air Terminal LLC Project)	6.00	12/1/36	1,500,000	1,490,160
North Carolina--3.1%				
Barclays Capital Municipal Trust Receipts (North Carolina Medical Care Commission, Health Care Facilities Revenue (Duke University Health System))	5.00	6/1/42	5,000,000 a,b,c	4,838,300
North Carolina Housing Finance				

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Agency, Home Ownership Revenue	6.25	1/1/29	830,000	830,498
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Ohio--3.4%

Butler County,

Hospital Facilities Revenue

(UC Health)	5.50	11/1/40	2,500,000 c	2,250,700
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Ohio Air Quality Development

Authority, Air Quality Revenue

(Ohio Valley Electric

Corporation Project)	5.63	10/1/19	2,100,000	2,166,381
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Toledo-Lucas County Port

Authority, Special Assessment

Revenue (Crocker Park Public

Improvement Project)	5.38	12/1/35	2,000,000	1,631,260
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Pennsylvania--4.4%

Delaware County Industrial

Development Authority, Charter