MORGAN STANLEY QUALITY MUNICIPAL INCOME TRUST
Form N-CSR
December 30, 2004

Welcome, Shareholder:

In this report, you'll learn about how your investment in Morgan Stanley Quality Municipal Income Trust performed during the annual period. We will provide an overview of the market conditions, and discuss some of the factors that affected performance during the reporting period. In addition, this report includes the Trust's financial statements and a list of Trust investments.

> Market forecasts provided in this report may not necessarily come to pass. There is no assurance that the Trust will achieve its investment objective. The Trust is subject to market risk, which is the possibility that market values of securities owned by the Trust will decline and, therefore, the value of the Trust's shares may be less than what you paid for them. Accordingly, you can lose money investing in this Trust.

Market Conditions

The U.S. economy continued to expand during the Trust's fiscal year ended October 31, 2004. However, through the spring and summer the economy hit what Federal Reserve Board Chairman Alan Greenspan described as a "soft patch." Oil prices almost doubled, reaching record highs, and employment growth weakened. As a result, real gross domestic product growth that had averaged 4.3 percent in the first half of the fiscal period slowed to 3.5 percent in the second.

Throughout most of the year, the Federal Reserve Open Market Committee (the "Fed") maintained its short-term borrowing rate (the federal funds rate) at an historic low. By April the market had begun to anticipate that the Fed would begin to increase short-term interest rates in response to higher commodity prices and reduced concern about the risk of deflation. In a series of three measured moves between June and the end of October, the Fed did increase

the federal funds rate, from 1.00 to 1.75 percent.

Rising inflation fears led to rising bond yields from April to June. The market reversed course in July, however, with yields falling from July through October as investors became concerned with slower growth. Rising and falling yields tended to offset each other over the entire period, and long-term municipal bond yields at the end of October had changed little from where they had begun the fiscal year. Higher short-term interest rates reduced the yield pickup for extending to longer maturities, and the yield curve flattened.

The supply of new-issue municipal bonds declined by 8 percent in the first 10 months of 2004. California remained the largest issuer, accounting for 16 percent of total underwriting volume. New York was second, and accounted for 9 percent of total underwriting volume. The ratio of municipal yields to Treasury yields, which serves as a gauge of relative performance, indicated that municipals generally remained attractive relative to Treasuries during the period. As a result, taxable investors such as insurance companies and hedge funds that normally focus on other sectors of the bond market supported municipal bond prices by "crossing over" to purchase municipal bonds.

Performance Analysis

The net asset value (NAV) of Morgan Stanley Quality Municipal Income Trust (IQI) moved from $15.54 to $15.42 per share. IQI declared tax-free dividends totaling $0.86 per share, ordinary dividends of $0.01574 and long-term capital gains of $0.302959 per share. The Trust's total NAV return was 7.79 percent. IQI's value on the New York Stock Exchange (NYSE) decreased from $14.55 to $13.83 per share during the same period. Based on this change plus reinvestment of dividends and distributions, IQI's total market return was 3.32 percent. IQI's share price was trading at a 10.31 percent discount to its NAV on October 31, 2004. *Past performance is no guarantee of future results.*

Monthly dividends for the fourth quarter of 2004 declared in September were decreased from $0.0725 to $0.0675 per share to reflect the Trust's current and projected earnings level. The Trust's level of undistributed net investment income was $0.088 per share on October 31, 2004, versus $0.132 per share 12 months earlier.

One of our key strategies in managing the Trust was to keep its overall interest-rate sensitivity lower than that of its benchmark index. This defensive strategy helped performance early in the period when rates rose but had the net effect of hampering total returns over the whole period by limiting the Trust's participation in the rally later in the period. The Trust's duration,* adjusted for leverage, was 10.5 years. The Trust's net assets, including preferred shares, of approximately $616 million were diversified across 104 credits in 13 long-term sectors.

As discussed in previous reports, the total income available for distribution to holders of common shares includes

incremental income provided by the Trust's outstanding Auction Rate Preferred Shares (ARPS). ARPS dividends reflect prevailing short-term interest rates on maturities ranging from one week to two years. Incremental income to holders of common shares depends on two factors: the amount of ARPS outstanding and the spread between the portfolio's cost yield and its ARPS auction rate and expenses. The greater the spread and the higher the amount of ARPS outstanding, the greater the amount of incremental income available for distribution to holders of common shares. The level of net investment income available for distribution to holders of common shares varies with the level of short-term interest rates. ARPS leverage also increases the price volatility of common shares and has the effect of extending portfolio duration.

During this 12-month period, ARPS leverage contributed approximately $0.19 per share to common-share earnings. The Trust has five ARPS series totaling $208 million, representing 34 percent of net assets, including preferred shares. All series are currently in two-year auction modes with maturities ranging from January 2005 to July 2006. The yields ranged from 1.50 to 2.25 percent.

The Trust's procedure for reinvesting all dividends and distributions in common shares is through purchases in the open market. This method helps support the market value of the Trust's shares. In addition, we would like to remind you that the Trustees have approved a procedure whereby the Trust may, when appropriate, purchase shares in the open market or in privately negotiated transactions at a price not above market value or net asset value, whichever is lower at the time of purchase. The Trust may also utilize procedures to reduce or eliminate the amount of ARPS outstanding, including their purchase in the open market or in privately negotiated transactions. During the 12-month period ended October 31, 2004, the Trust purchased and retired 1,263,400 shares of common stock at a weighted average market discount of 8.81 percent.

Performance data quoted represents past performance, which is no guarantee of future results, and current performance may be lower or higher than the figures shown. Investment return, net asset value and common share market price will fluctuate and Trust shares, when sold, may be worth more or less than their original cost.

There is no guarantee that any securities mentioned will continue to perform well or be held by the Trust in the future.

** A measure of the sensitivity of a bond's price to changes in interest rates, expressed in years. Each year of duration represents an expected 1 percent change in the price of a bond for every 1 percent change in interest rates. The longer a bond's duration, the greater the effect of interest-rate movements on its price. Typically, trusts with shorter durations perform better in rising-interest-rate environments, while trusts with longer durations perform better when rates decline.*

SECTORS	
Water & Sewer	37.2%
Transportation	29.8
General Obligation	23.2
Electric	17.3
Public Facilities	9.7

LONG-TERM CREDIT ANALYSIS	
Aaa/AAA	68.2%
Aa/AA	21.3
A/A	7.7
Baa/BBB	1.8
Ba/BB or Less	1.0

Data as of October 31, 2004. Subject to change daily. All percentages for top five sectors are as a percentage of net assets applicable to common shareholders. All percentages for long-term credit analysis are as a percentage of total long-term investments. This data is provided for informational purposes only and should not be deemed a recommendation to buy or sell the securities mentioned. Morgan Stanley is a full-service securities firm engaged in securities trading and brokerage activities, investment banking, research and analysis, financing and financial advisory services.
Results of Annual Shareholder Meeting

On October 26, 2004, an annual meeting of the Trust's shareholders was held for the purpose of voting on the following matter, the results of which were as follows:

Election of Trustees:

Edwin J. Garn	
For:	20,189,910
Withheld:	650,280
Michael E. Nugent	
For:	20,203,155
Withheld:	637,035

The following Trustees were not standing for reelection at this meeting: Michael Bozic, Charles A. Fiumefreddo, Wayne E. Hedien, James F. Higgins, Manuel H. Johnson, Joseph J. Kearns and Fergus Reid.

Distribution by Maturity
(% of Long-Term Portfolio) As of October 31, 2004

Weighted Average Maturity: 18 Years

Portfolio structure is subject to change.
Geographic Summary of Investments
Based on Market Value as a Percent of Total Investments

Alabama	1.3%
Alaska	0.5
Arizona	5.3
California	8.6
Colorado	2.1
Connecticut	0.4
Florida	4.1
Georgia	5.3
Hawaii	3.4
Idaho	0.6%
Illinois	5.9
Indiana	3.6
Kentucky	1.4
Maine	0.6
Maryland	1.7
Massachusetts	0.9
Michigan	1.4
Minnesota	0.3
Missouri	1.4%
Montana	0.7
Nevada	2.4
New Jersey	6.3
New Mexico	1.1
New York	13.5
North Carolina	0.8
Ohio	0.9
Pennsylvania	4.7
Puerto Rico	0.7%
South Carolina	4.1
Texas	12.3
Virginia	0.4
Washington	3.6
Wisconsin	0.4
Joint exemptions*	(0.7)

Total†	100.0%

* Joint exemptions have been included in each geographic location.

† Does not include open short futures contracts with an underlying face amount of $180,606,250 with unrealized depreciation of $2,376,836.

Call and Cost (Book) Yield Structure
(Based on Long-Term Portfolio) As of October 31, 2004

Years Bonds Callable — Weighted Average Call Protection: 7 Years

Cost (Book) Yield[(b)] — Weighted Average Book Yield: 5.2%

(a) May include issues initially callable in previous years.

(b) Cost or "book" yield is the annual income earned on a portfolio investment based on its original purchase price before the Trust's operating expenses. For example, the Trust is earning a book yield of 6.7% on 5% of the long-term portfolio that is callable in 2004.

Portfolio structure is subject to change.

Morgan Stanley Quality Municipal Income Trust

Portfolio of Investments October 31, 2004

PRINCIPAL AMOUNT IN THOUSANDS		COUPON RATE	MATURITY DATE	VALUE
	Tax-Exempt Municipal Bonds (147.1%)			
	General Obligation (23.2%)			
$ 5,000	California, Various Purpose dtd 05/01/03	5.25%	02/01/19	$ 5,471,050
4,000	Los Angeles, California, Ser 2004 A (MBIA)	5.00	09/01/24	4,230,720
2,700		5.125	12/01/21	2,920,266

	Adams & Arapahoe Counties Joint School District # 32, Colorado, Ser 2003A (FSA)			
3,500	Denver School District # 1, Colorado, Ser 1999 (FGIC)	5.25	12/01/16	3,894,695
2,000	Connecticut, 2002 Ser B	5.50	06/15/20	2,256,680
5,000	Florida Board of Education, Capital Outlay Refg 2002 Ser C (MBIA)	5.00	06/01/20	5,356,500
	Hawaii,			
5,000	1992 Ser BZ	6.00	10/01/10	5,805,300
8,000	1992 Ser BZ	6.00	10/01/11	9,383,440
5,000	Honolulu City & County, Hawaii, ROLS RR II R 237-3 (MBIA)	8.628‡	03/01/26	5,634,000
10,000	Chicago, Illinois, Neighborhoods Alive 21 Ser 2001 A (FGIC)	5.50	01/01/36	10,879,900
4,000	Cook County, Illinois, Ser 1992 C (FGIC)	6.00	11/15/09	4,598,200
6,000	lllinois, First Ser 2002 (MBIA)	5.375	07/01/20	6,562,920
2,000	Schaumburg, Illinois, Ser 2004 B (FGIC)	5.25	12/01/34	2,116,160
	Pennsylvania,			
5,000	First Ser 2003 RITES PA – 1112 A (MBIA)	7.67‡	01/01/18	5,832,050
5,000	First Ser 2003 RITES PA – 1112 B (MBIA)	7.67‡	01/01/19	5,781,100
3,235	Charleston County School District, South Carolina, Ser 2004 A	5.00	02/01/22	3,450,742
5,000	Houston, Independent School District, Texas, Refg Ser 1999 A (PSF)	5.25	02/15/18	5,440,450
5,000	Northside Independent School District, Texas, Bldg & Refg Ser 2001 (PSF)	5.00	02/15/26	5,123,000
85,435				94,737,173
	Educational Facilities Revenue (3.7%)			
3,700	University of Alabama, Ser 2004-A (MBIA)	5.25	07/01/22	4,038,253
	Arizona Board of Regents,			
1,650	University of Arizona Ser 2001 A COPs (Ambac)	5.50	06/01/15	1,850,888
1,740	University of Arizona Ser 2001 A COPs (Ambac)	5.50	06/01/16	1,946,399
1,835	University of Arizona Ser 2001 A COPs (Ambac)	5.50	06/01/17	2,052,668
940	University of Arizona Ser 2001 A COPs (Ambac)	5.50	06/01/18	1,051,503
2,000	Ohio State University, General Receipts Ser 2002 A	5.125	12/01/31	2,079,480
2,000	Pennsylvania State University, Refg Ser 2002	5.25	08/15/14	2,289,620
13,865				15,308,811

See Notes to Financial Statements

PRINCIPAL AMOUNT IN THOUSANDS		COUPON RATE	MATURITY DATE	VALUE
	Electric Revenue (17.3%)			
$ 6,000	Salt River Project Agricultural Improvement & Power District, Arizona, 2002 Ser B	5.00%	01/01/31	$ 6,184,260
5,000	California Department of Water Resources, Power Supply Ser 2002 A	5.75	05/01/17	5,677,950
3,300	Jacksonville Electric Authority, Florida, St Johns Power Park Refg Issue 2 Ser 17	5.00	10/01/18	3,531,693
2,000	Orlando Utilities Commission, Florida, Water & Electric Ser 2001	5.25	10/01/19	2,214,880
2,000	Indiana Municipal Power Agency, Power Supply 2004 Ser A (FGIC) (WI)	5.00	01/01/32	2,036,340
2,000	Western Minnesota Municipal Power Agency, 2003 Ser A (MBIA)	5.00	01/01/30	2,061,420
	Long Island Power Authority, New York,			
4,000	Ser 2003 B	5.25	06/01/13	4,446,280
5,325	Ser 2003 C	5.50	09/01/19	5,841,738
	South Carolina Public Service Authority,			
3,700	Refg Ser 2002 D (Ambac)	5.00	01/01/20	3,970,100
5,000	Refg Ser 2002 D (FSA)	5.00	01/01/20	5,347,150
7,000	Refg Ser 2003 A (Ambac)	5.00	01/01/22	7,426,650
7,000	Energy Northwest, Washington, Columbia Refg Ser 2001 C (MBIA)	5.75	07/01/18	8,036,140
	Grant County Public Utility District #2, Washington,			
5,000	Electric Refg Ser 2001 H (FSA)	5.375	01/01/18	5,553,350
8,220	Priest Rapids Hydro Second Ser 1992 A	5.00	01/01/23	8,223,452
65,545				70,551,403
	Hospital Revenue (4.0%)			
3,500	Birmingham-Carraway Special Care Facilities Financing Authority, Alabama, Carraway Methodist Hlth Ser 1995 A (Connie Lee)	5.875	08/15/15	3,654,980
	Maryland Health & Higher Educational Facilities Authority,			
5,000	University of Maryland Medical Ser 2001	5.25	07/01/28	5,128,250
1,500	University of Maryland Medical Ser 2002	6.00	07/01/32	1,612,785
3,000	Lorain County, Ohio, Catholic Healthcare Partners Ser 2001 A	5.625	10/01/17	3,279,720
2,715	Philadelphia Hospitals & Higher Education Facilities Authority, Pennsylvania, Chestnut Hill Hospital Ser 1992	6.375	11/15/11	2,717,389
15,715				16,393,124
	Industrial Development/Pollution Control Revenue (4.2%)			
6,000	California Pollution Control Financing Authority, Keller Canyon Landfill Co/Browning-Ferris Industries Inc Ser 1992 (AMT)	6.875	11/01/27	5,999,100
5,000		5.65	09/01/29	5,185,900

	Michigan Strategic Fund, Detroit Edison Co Ser 2001 C (AMT)			

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Morgan Stanley Quality Municipal Income Trust

Portfolio of Investments October 31, 2004 continued

PRINCIPAL AMOUNT IN THOUSANDS		COUPON RATE	MATURITY DATE	VALUE
$ 3,000	Brazos River Authority, Texas, TXU Electric Co Ser 1999 C (AMT)	7.70%	03/01/32	$ 3,566,280
2,000	Sabine River Authority, Texas, TXU Electric Co Refg Ser 2001 B (AMT) (Mandatory Tender 11/01/11)	5.75	05/01/30	2,170,040
16,000				16,921,320
	Mortgage Revenue – Multi-Family (1.9%)			
7,000	Illinois Housing Development Authority, Ser I	6.625	09/01/12	7,049,211
230	Missouri Housing Development Commission, Federally Insured Mortgage Loans Refg Ser 11/15/92	6.50	07/01/16	230,340
285	Federally Insured Mortgage Loans Refg Ser 11/15/92	6.60	07/01/24	285,336
7,515				7,564,887
	Mortgage Revenue – Single Family (2.8%)			
440	Idaho Housing Agency, 1992 Ser E (AMT)	6.75	07/01/12	441,496
2,945	Idaho Housing & Finance Association, 2000 Ser E (AMT)	6.00	01/01/32	2,961,551
425	Missouri Housing Development Commission, Homeownership Ser 2000 B-1 (AMT)	6.25	03/01/31	447,457
4,370	Montana Board of Housing, 2000 Ser B (AMT)	6.00	12/01/29	4,498,391
2,955	New Jersey Housing Mortgage Finance Authority, Home Buyer Ser 2000 CC (AMT) (MBIA)	5.875	10/01/31	2,992,203
11,135				11,341,098
	Public Facilities Revenue (9.7%)			
4,000	Arizona School Facilities Board, Ser 2003 A COPs (MBIA)	5.25	09/01/17	4,418,520
5,000	Phoenix Industrial Development Authority, Arizona, Capital Mall LLC Ser 2000 (Ambac)	5.50	09/15/27	5,451,450
2,000	Sacramento Financing Authority, California, City Hall 2002 Ser A (FSA)	5.00	12/01/32	2,042,340
2,000	Colorado Educational & Cultural Facilities Authority, Peak to Peak	5.25	08/15/34	2,095,180

	Charter School Refg & Impr Ser 2004 (XLCA)			
3,000	Broward County School Board, Florida, Ser 2001 A COPs (FSA)	5.00	07/01/26	3,099,180
4,000	Orange County School Board, Florida, Ser 2001 A COPs (Ambac)	5.25	08/01/14	4,501,920
1,400	Marion County Convention & Recreational Facilities Authority, Indiana, Refg Ser 2003 A (Ambac)	5.00	06/01/21	1,483,636
2,655	Kentucky State Property & Buildings Commission, Project # 79 (MBIA)	5.00	10/01/22	2,824,814
3,000	Albuquerque, New Mexico, Gross Receipts Refg Ser 1999 C	5.25	07/01/17	3,283,200
3,000	Pennsylvania Public School Building Authority, Philadelphia School District Ser 2003 (FSA)	5.00	06/01/33	3,078,870

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Morgan Stanley Quality Municipal Income Trust

Portfolio of Investments October 31, 2004 continued

PRINCIPAL AMOUNT IN THOUSANDS		COUPON RATE	MATURITY DATE	VALUE
$ 4,000	Puerto Rico Public Buildings Authority, Ser J (Mandatory Tender 07/01/12)	5.00%	07/01/36	$ 4,424,560
2,500	Milwaukee Redevelopment Authority, Wisconsin, Ser 2003 A (Ambac)	5.125	08/01/23	2,650,300
36,555				39,353,970
	Resource Recovery Revenue (0.8%)			
3,000	Northeast Maryland Waste Disposal Authority, Montgomery County Ser 2003 (AMT) (Ambac)	5.50	04/01/16	3,302,070
	Transportation Facilities Revenue (29.8%)			
3,000	Alaska International Airports, Ser 2002 B (Ambac)	5.25	10/01/27	3,171,780
2,000	Arizona Transportation Board, Highway Refg Ser 2002 A	5.25	07/01/19	2,220,580
3,000	Phoenix Civic Improvement Corporation, Arizona, Airport Ser 2002 B (AMT) (FGIC)	5.25	07/01/32	3,097,260
5,000	California Infrastructure & Economic Development Bank, Bay Area Toll Bridges Seismic Retrofit First Lien Ser 2003 A (Ambac)	5.00	07/01/36	5,139,600
1,900	Orange County Transportation Authority, California, Toll Road	5.00	08/15/20	2,041,778

	Refg Ser 2003 A (Ambac)			
4,000	Port of Oakland, California, Ser 2002 L (AMT) (FGIC)	5.00	11/01/32	4,057,160
2,000	Mid-Bay Bridge Authority, Florida Refg Ser 1993 A (Ambac)	5.95	10/01/22	2,256,180
	Georgia State Road & Tollway Authority,			
6,000	Ser 2004	5.00	10/01/22	6,430,020
9,000	Ser 2004	5.00	10/01/23	9,582,570
4,000	Chicago, Illinois, O' Hare Int'l Airport 3rd Lien Ser 2003 B-2 (AMT) (FSA)	5.75	01/01/23	4,395,760
6,335	Indiana Transportation Finance Authority, Ser 2000	5.375	12/01/25	6,856,877
3,400	Maine Turnpike Authority, Ser 2000 (FGIC)	5.50	07/01/30	3,704,810
3,000	Wayne County, Michigan, Detroit Metropolitan Wayne County Airport Refg Ser 2002 D (AMT) (FGIC)	5.50	12/01/17	3,296,520
	Clark County, Nevada,			
4,000	Airport SubLien Ser 2004 A-1 (AMT) (FGIC)	5.50	07/01/20	4,384,600
1,000	Jet Aviation Fuel Tax Ser 2003 C (AMT) (Ambac)	5.375	07/01/19	1,079,700
1,100	Jet Aviation Fuel Tax Ser 2003 C (AMT) (Ambac)	5.375	07/01/20	1,181,070
2,000	Jet Aviation Fuel Tax Ser 2003 C (AMT) (Ambac)	5.375	07/01/22	2,127,920
5,000	New Jersey Transportation Trust Fund Authority, 1999 Ser A	5.75	06/15/20	5,928,800
12,000	New Jersey Turnpike Authority, Ser 2003 A (FGIC)††	5.00	01/01/27	12,500,521
10,000	Metropolitan Transportation Authority, New York, Transportation			
	Refg Ser 2002 A (FGIC)	5.00	11/15/25	10,440,500
4,000	Port Authority of New York & New Jersey, Cons 135th Ser (MBIA)**	5.00	09/15/29	4,149,280

See Notes to Financial Statements

Morgan Stanley Quality Municipal Income Trust

Portfolio of Investments October 31, 2004 continued

PRINCIPAL AMOUNT IN THOUSANDS		COUPON RATE	MATURITY DATE	VALUE
	Triborough Bridge & Tunnel Authority, New York,			
$ 5,000	Refg 2002 E (MBIA)	5.25 %	11/15/22	$ 5,413,700
6,000	Ser 2001 A	5.00	01/01/32	6,135,660
	Houston, Texas,			
6,000	Airport Sub Lien Ser 2000 A (AMT) (FSA)	5.875	07/01/17	6,632,760
5,000	Airport Sub Lien Ser 2000 A (AMT) (FSA)	5.625	07/01/30	5,312,700

113,735				121,538,106
	Water & Sewer Revenue (37.2%)			
3,800	Phoenix Civic Improvement Corporation, Arizona, Jr Lien Water Ser 2002	5.00	07/01/26	3,943,108
3,000	East Bay Municipal Utility District, California, Water Ser 2001 (MBIA)	5.00	06/01/26	3,097,530
3,720	San Diego County Water Authority, California, Ser 2002 A COPs (MBIA)	5.00	05/01/27	3,840,937
3,500	Broward County, Florida, Water & Sewer Utility Ser 2003 (MBIA)	5.00	10/01/24	3,683,820
10,000	Augusta, Georgia, Water & Sewerage Ser 2000 (FSA)	5.25	10/01/30	10,552,800
10,000	Indiana Bond Bank, Revolving Fund Ser 2001 A	5.00	02/01/23	10,517,500
5,000	Louisville & Jefferson County Metropolitan Sewer District, Kentucky, Ser 1999 A (FGIC)	5.75	05/15/33	5,591,450
5,000	Massachusetts Water Resources Authority, 2000 Ser A (FGIC)	5.75	08/01/39	5,598,900
5,345	Las Vegas Valley Water District, Nevada, Water Impr Refg Ser 2003 A (FGIC)	5.25	06/01/20	5,812,260
10,000	Passaic Valley Sewerage Commissioners, New Jersey, Ser F (FGIC)	5.00	12/01/20	10,783,100
3,000	Rio Rancho, New Mexico, Water & Wastewater Refg Ser 1999 (Ambac)	5.25	05/15/19	3,281,400
	New York City Municipal Water Finance Authority, New York,			
3,500	2003 Ser A	5.375	06/15/19	3,846,115
18,000	2001 Ser B	5.00	06/15/26	18,473,579
10,000	2004 Ser A	5.00	06/15/35	10,211,700
4,500	Charlotte, North Carolina, Water & Sewer Ser 2001	5.125	06/01/26	4,725,540
4,000	Western Carolina Regional Sewer Authority, South Carolina, Ser 2001 (FSA)	5.375	03/01/18	4,437,280
10,000	Austin, Texas, Water & Wastewater Refg Ser 2001 A (FSA)	5.125	05/15/27	10,355,300
15,000	Houston, Texas, Combined Utility First Lien Refg 2004 Ser A (FGIC)	5.25	05/15/23	16,221,600
13,960	San Antonio, Texas, Water & Refg Ser 2001 (FGIC)	5.00	05/15/26	14,331,755
2,000	Fairfax County Water Authority, Virginia, Refg Ser 1992	6.00	04/01/22	2,206,900
143,325				151,512,574

See Notes to Financial Statements

PRINCIPAL AMOUNT IN THOUSANDS		COUPON RATE	MATURITY DATE	VALUE
	Other Revenue (7.9%)			
$ 10,000	California Economic Recovery, Ser 2004 A	5.00 %	07/01/16	$ 10,777,200
	Boulder County, Colorado,			
1,750	University Corp for Atmospheric Research Ser 2002 (MBIA)	5.375	09/01/18	1,970,483
1,750	University Corp for Atmospheric Research Ser 2002 (MBIA)	5.375	09/01/21	1,909,828
2,000	New Jersey Economic Development Authority, Cigarette Tax Ser 2004	5.75	06/15/29	2,053,240
2,000	New York City Transitional Finance Authority, New York, Refg 2003 Ser A	5.50	11/01/26	2,264,040
10,000	Tobacco Settlement Financing Corporation, New York, State Contingency Ser 2003 B-1C	5.50	06/01/17	10,954,899
2,000	Philadelphia, Pennsylvania, Gas Works First Ser 1998 B (FSA)	5.00	07/01/28	2,066,040
29,500				31,995,730
	Refunded (4.6%)			
5,000	Atlanta, Georgia, Airport Ser 2000 A (FGIC)	5.50	01/01/10†	5,692,850
1,165	Indiana Transportation Finance Authority, Ser 2000	5.375	12/01/10†	1,321,436
5,000	Dauphin County General Authority, Pennsylvania, HAPSO Group Inc/ The Western Pennsylvania Hospital Refg 1992 Ser A (MBIA) (ETM)	6.25	07/01/16	5,930,100
5,200	San Antonio, Texas, Electric & Gas Ser 2000 A	5.75	02/01/10†	5,943,236
16,365				18,887,622
557,690	Total Tax-Exempt Municipal Bonds *(Cost $560,973,840)*			599,407,888
	Short-Term Tax-Exempt Municipal Obligations (2.1%)			
7,700	Missouri Health & Educational Facilities Authority, Cox Health System Ser 1997 (MBIA) (Demand 11/01/04)	1.73*	06/01/15	7,700,000
1,000	Philadelphia Industrial Development Authority, Pennsylvania, The Fox Chase Cancer Center Ser 1997 (Demand 11/01/04)	1.74*	07/01/25	1,000,000
8,700	Total Short-Term Tax-Exempt Municipal Obligations *(Cost $8,700,000)*			8,700,000
$566,390	Total Investments *(Cost $569,673,840) (a) (b)*		149.2 %	608,107,888
	Other Assets in Excess of Liabilities		1.9	7,751,424
	Preferred Shares of Beneficial Interest		(51.1)	(208,306,290)
	Net Assets Applicable to Common Shareholders		100.0 %	$ 407,553,022

See Notes to Financial Statements

Morgan Stanley Quality Municipal Income Trust

Portfolio of Investments October 31, 2004 continued

Note: The categories of investments are shown as a percentage of net assets applicable to common shareholders.

AMT	Alternative Minimum Tax.
COPs	Certificates of Participation.
ETM	Escrowed to maturity.
PSF	Texas Permanent School Fund Guarantee Program.
RITES	Residual Interest Tax-Exempt Securities (Illiquid securities).
ROLS	Reset Option Longs (Illiquid securities).
WI	Security purchased on a when-issued basis.
†	Prerefunded to call date shown.

‡ A portion of this security has been physically segregated in connection with open futures contracts in the amount of $1,290,000.

ţ Current coupon rate for inverse floating rate municipal obligation. This rate resets periodically as the auction rate on the related security changes. Positions in inverse floating rate municipal obligations have a total value of $17,247,150 which represents 4.2% of net assets applicable to common shareholders.

*	Current coupon of variable rate demand obligation.
**	Joint exemption in New York and New Jersey.

(a) Securities have been designated as collateral in an amount equal to $178,980,154 in connection with open futures contracts and the purchase of a when-issued security.

(b) The aggregate cost for federal income tax purposes is $569,622,810. The aggregate gross unrealized appreciation is $38,579,341 and the aggregate gross unrealized depreciation is $94,263, resulting in net unrealized appreciation of $38,485,078.

Bond Insurance:

Ambac	Ambac Assurance Corporation.
Connie Lee	Connie Lee Insurance Company – a wholly owned subsidiary of Ambac Assurance Corporation.
FGIC	Financial Guaranty Insurance Company.
FSA	Financial Security Assurance Inc.
MBIA	Municipal Bond Investors Assurance Corporation.
XLCA	XL Capital Assurance Inc.

Futures Contracts Open at October 31, 2004:

NUMBER OF CONTRACTS	LONG/SHORT	DESCRIPTION, DELIVERY MONTH AND YEAR	UNDERLYING FACE AMOUNT AT VALUE	UNREALIZED DEPRECIATION
500	Short	U.S. Treasury Notes 5 Yr December/2004	$(55,687,500)	$(496,467)
1,100	Short	U.S. Treasury Notes 10 Yr December/2004	(124,918,750)	(1,880,369)
		Total unrealized depreciation		$(2,376,836)

See Notes to Financial Statements

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Morgan Stanley Quality Municipal Income Trust

Financial Statements

Statement of Assets and Liabilities

October 31, 2004

Assets:	
Investments in securities, at value (cost $569,673,840)	$608,107,888
Cash	13,405
Receivable for:	
Interest	9,470,604
Investments sold	315,312
Prepaid expenses and other assets	1,037,270
Total Assets	618,944,479
Liabilities:	
Payable for:	
Investment purchased	2,036,340
Variation margin	521,875
Investment management fee	218,781
Common shares of beneficial interest repurchased	175,581
Accrued expenses and other payables	132,590
Total Liabilities	3,085,167
Preferred shares of beneficial interest (at liquidation value) *(1,000,000 shares authorized of non-participating $.01 par value, 4,160 shares outstanding)*	208,306,290
Net Assets Applicable to Common Shareholders	$407,553,022
Composition of Net Assets Applicable to Common Shareholders:	
Common shares of beneficial interest *(unlimited shares authorized of $.01 par value, 26,432,420 shares outstanding)*	$369,872,448
Net unrealized appreciation	36,057,212
Accumulated undistributed net investment income	2,316,278
Accumulated net realized loss	(692,916)
Net Assets Applicable to Common Shareholders	$407,553,022
Net Asset Value Per Common Share, *($407,553,022 divided by 26,432,420 common shares outstanding)*	$ 15.42

Statement of Operations

For the year ended October 31, 2004

Net Investment Income:	
Interest Income	$ 30,507,576
Expenses	
Investment management fee	2,189,799
Auction commission fees	1,042,245
Transfer agent fees and expenses	186,592
Professional fees	54,804
Shareholder reports and notices	48,315
Custodian fees	31,852
Auction agent fees	31,192
Registration fees	16,512
Trustees' fees and expenses	15,710
Other	72,788
Total Expenses	3,689,809
Less: expense offset	(3,666)
Net Expenses	3,686,143
Net Investment Income	26,821,433
Net Realized and Unrealized Gain (Loss):	
Net Realized Gain (Loss) on:	
Investments	6,945,757
Futures contracts	(11,103,325)
Net Realized Loss	(4,157,568)
Net Change in Unrealized Appreciation/Depreciation on:	
Investments	7,283,081
Futures contracts	1,225,950
Net Appreciation	8,509,031
Net Gain	4,351,463
Dividends to preferred shareholders from net investment income	(4,164,646)
Net Increase	$ 27,008,250

See Notes to Financial Statements

Morgan Stanley Quality Municipal Income Trust

Financial Statements continued

Statement of Changes in Net Assets

	FOR THE YEAR ENDED OCTOBER 31,	FOR THE YEAR ENDED OCTOBER 31,

	2004	2003
Increase (Decrease) in Net Assets:		
Operations:		
Net investment income	$ 26,821,433	$ 29,064,363
Net realized gain (loss)	(4,157,568)	12,139,931
Net change in unrealized appreciation/depreciation	8,509,031	(5,751,763)
Dividends to preferred shareholders from net investment income	(4,164,646)	(4,630,727)
Net Increase	27,008,250	30,821,804
Dividends and Distributions to Common Shareholders from:		
Net investment income	(23,870,615)	(25,758,247)
Net realized gain	(8,366,098)	(8,460,780)
Total Dividends and Distributions	(32,236,713)	(34,219,027)
Decrease from transactions in common shares of beneficial interest	(17,571,884)	(16,666,151)
Net Decrease	(22,800,347)	(20,063,374)
Net Assets Applicable to Common Shareholders:		
Beginning of period	430,353,369	450,416,743
End of Period *(Including accumulated undistributed net investment income of $2,316,278 and $3,649,160, respectively)*	$407,553,022	$430,353,369

See Notes to Financial Statements

Morgan Stanley Quality Municipal Income Trust

Notes to Financial Statements October 31, 2004

1. Organization and Accounting Policies

Morgan Stanley Quality Municipal Income Trust (the "Trust") is registered under the Investment Company Act of 1940, as amended, as a diversified, closed-end management investment company. The Trust's investment objective is to provide current income which is exempt from federal income tax. The Trust was organized as a Massachusetts business trust on March 12, 1992 and commenced operations on September 29, 1992.

The following is a summary of significant accounting policies:

A. Valuation of Investments — (1) portfolio securities are valued by an outside independent pricing service approved by the Trustees. The pricing service uses both a computerized grid matrix of tax-exempt securities and evaluations by its staff, in each case based on information concerning market transactions and quotations from dealers which reflect the mean between the last reported bid and asked price. The portfolio securities are thus valued by reference to a combination of transactions and quotations for the same or other securities believed to be comparable in quality, coupon, maturity, type of issue, call provisions, trading characteristics and other features deemed to be relevant. The Trustees believe that timely and reliable market quotations are generally not readily available for purposes of valuing tax-exempt securities and that the valuations supplied by the pricing service are more likely to approximate the fair value of such securities; (2) futures are valued at the latest sale price on the commodities exchange on which they

trade unless it is determined that such price does not reflect their market value, in which case they will be valued at their fair value as determined in good faith under procedures established by and under the supervision of the Trustees; and (3) short-term debt securities having a maturity date of more than sixty days at time of purchase are valued on a mark-to-market basis until sixty days prior to maturity and thereafter at amortized cost based on their value on the 61st day. Short-term debt securities having a maturity date of sixty days or less at the time of purchase are valued at amortized cost.

B. Accounting for Investments — Security transactions are accounted for on the trade date (date the order to buy or sell is executed). Realized gains and losses on security transactions are determined by the identified cost method. Discounts are accreted and premiums are amortized over the life of the respective securities. Interest income is accrued daily.

C. Futures Contracts — A futures contract is an agreement between two parties to buy and sell financial instruments or contracts based on financial indices at a set price on a future date. Upon entering into such a contract, the Trust is required to pledge to the broker cash, U.S. Government securities or other liquid portfolio securities equal to the minimum initial margin requirements of the applicable futures exchange. Pursuant to the contract, the Trust agrees to receive from or pay to the broker an amount of cash equal to the daily fluctuation in the value of the contract. Such receipts or payments known as variation margin are recorded by the Trust as unrealized gains and losses. Upon closing of the contract, the Trust realizes a gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed.

D. Federal Income Tax Policy — It is the Trust's policy to comply with the requirements of the Internal Revenue Code applicable to regulated investment companies and to distribute substantially all of its taxable and nontaxable income to its shareholders.

E. Dividends and Distributions to Shareholders — Dividends and distributions to shareholders are recorded on the ex-dividend date.

F. Use of Estimates — The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and disclosures. Actual results could differ from those estimates.

2. Investment Management Agreement

Pursuant to an Investment Management Agreement with Morgan Stanley Investment Advisors Inc. (the "Investment Manager"), the Trust pays the Investment Manager a management fee, calculated weekly and payable monthly, by applying the annual rate of 0.35% to the Trust's weekly total net assets including preferred shares.

3. Security Transactions and Transactions with Affiliates

The cost of purchases and proceeds from sales of portfolio securities, excluding short-term investments, for the year ended October 31, 2004, aggregated $95,715,448 and $128,190,689, respectively. Included in the aforementioned transactions is a purchase of $2,185,660 with another Morgan Stanley fund.

Morgan Stanley Trust, an affiliate of the Investment Manager, is the Trust's transfer agent. At October 31, 2004, the Trust had transfer agent fees and expenses payable of approximately $19,300.

The Trust has an unfunded noncontributory defined benefit pension plan covering certain independent Trustees of the Trust who will have served as independent Trustees for at least five years at the time of retirement. Benefits under this plan are based on factors which include years of service and compensation. Aggregate pension costs for the year ended October 31, 2004, included in Trustees' fees and expenses in the Statement of Operations amounted to $6,435. At October 31, 2004, the Trust had an accrued pension liability of $52,908 which is included in accrued expenses in the Statement of Assets and Liabilities. On December 2, 2003, the Trustees voted to close the plan to new participants and eliminate the future benefits growth due to increases to compensation after July 31, 2003.

Effective April 1, 2004, the Trust began an unfunded Deferred Compensation Plan (the "Compensation Plan"), which allows each independent Trustee to defer payment of all, or a portion, of the fees he receives for serving on the Board of Trustees. Each eligible Trustee generally may elect to have the deferred amounts credited with a return equal to the total return on one or more of the Morgan Stanley funds that are offered as

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investment options under the Compensation Plan. Appreciation/depreciation and distributions received from these investments are recorded with an offsetting increase/decrease in the deferred compensation obligation and do not affect the net asset value of the Trust.

4. Preferred Shares of Beneficial Interest

The Trust is authorized to issue up to 1,000,000 non-participating preferred shares of beneficial interest having a par value of $.01 per share, in one or more series, with rights as determined by the Trustees, without approval of the common shareholders. The Trust has issued Series 1 through 5 Auction Rate Preferred Shares ("Preferred Shares") which have a liquidation value of $50,000 per share plus the redemption premium, if any, plus accumulated but unpaid dividends, whether or not declared, thereon to the date of distribution. The Trust may redeem such shares, in whole or in part, at the original purchase price of $50,000 per share plus accumulated but unpaid dividends, whether or not declared, thereon to the date of redemption.

Dividends, which are cumulative, are reset through auction procedures.

SERIES	SHARES*	AMOUNT IN THOUSANDS*	RATE*	RESET DATE	RANGE OF DIVIDEND

					RATES**
1	1,120	$56,000	1.60%	01/05/05	1.60%
2	400	20,000	1.70	07/07/05	1.70
3	1,120	56,000	2.25	07/06/06	2.20 – 2.25
4	1,120	56,000	1.50	01/05/06	1.50 – 2.55
5	400	20,000	1.70	09/02/05	1.70

* As of October 31, 2004.

** For the year ended October 31, 2004.

Subsequent to October 31, 2004 and up through December 3, 2004, the Trust paid dividends to each of the Series 1 through 5 at rates ranging from 1.50% to 2.25% in the aggregate amount of $612,579.

The Trust is subject to certain restrictions relating to the preferred shares. Failure to comply with these restrictions could preclude the Trust from declaring any distributions to common shareholders or purchasing common shares and/or could trigger the mandatory redemption of preferred shares at liquidation value.

The preferred shares, which are entitled to one vote per share, generally vote with the common shares but vote separately as a class to elect two Trustees and on any matters affecting the rights of the preferred shares.

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5. Common Shares of Beneficial Interest

Transactions in common shares of beneficial interest were as follows:

	SHARES	PAR VALUE	CAPITAL PAID IN EXCESS OF PAR VALUE
Balance, October 31, 2002	28,866,920	$288,669	$403,564,629
Treasury shares purchased and retired (weighted average discount 8.23%)*	(1,171,100)	(11,711)	(16,654,440)
Balance, October 31, 2003	27,695,820	276,958	386,910,189
Treasury shares purchased and retired (weighted average discount 8.81%)*	(1,263,400)	(12,634)	(17,559,250)
Reclassification due to permanent book/tax differences	—	—	257,185
Balance, October 31, 2004	26,432,420	$264,324	$369,608,124

* The Trustees have voted to retire the shares purchased.

6. Dividends to Common Shareholders

On September 28, 2004, the Trust declared the following dividends from net investment income:

AMOUNT PER SHARE	RECORD DATE	PAYABLE DATE
$0.0675	November 5, 2004	November 19, 2004
$0.0675	December 10, 2004	December 23, 2004

7. Expense Offset

The expense offset represents a reduction of the custodian fees for earnings on cash balances maintained by the Trust.

8. Risks Relating to Certain Financial Instruments

The Trust may invest a portion of its assets in residual interest bonds, which are inverse floating rate municipal obligations. The prices of these securities are subject to greater market fluctuations during periods of changing prevailing interest rates than are comparable fixed rate obligations.

To hedge against adverse interest rate changes, the Trust may invest in financial futures contracts or municipal bond index futures contracts ("futures contracts").

These futures contracts involve elements of market risk in excess of the amount reflected in the Statement of Assets and Liabilities. The Trust bears the risk of an unfavorable change in the value of the underlying securities. Risks may also arise upon entering into these contracts from the potential inability of the counterparties to meet the terms of their contracts.

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9. Federal Income Tax Status

The amount of dividends and distributions from net investment income and net realized capital gains are determined in accordance with federal income tax regulations which may differ from generally accepted accounting principles. These "book/tax" differences are either considered temporary or permanent in nature. To the extent these differences are permanent in nature, such amounts are reclassified within the capital accounts based on their federal tax-basis treatment; temporary differences do not require reclassification. Dividends and distributions which exceed net investment income and net realized capital gains for tax purposes are reported as distributions of paid-in-capital.

The tax character of distributions paid was as follows:

	FOR THE YEAR ENDED OCTOBER 31, 2004	FOR THE YEAR ENDED OCTOBER 31, 2003
Tax-exempt income	$27,647,266	$30,041,987
Ordinary income	434,654	330,519
Long-term capital gains	8,366,098	8,351,665
Total distributions	$36,448,018	$38,724,171

As of October 31, 2004, the tax-basis components of accumulated earnings were as follows:

Undistributed tax-exempt income	$ 2,624,717
Undistributed long-term gains	—
Net accumulated earnings	2,624,717
Capital loss carryforward*	(3,069,752)
Temporary differences	(359,469)
Net unrealized appreciation	38,485,078
Total accumulated earnings	$37,680,574

* As of October 31, 2004, the Trust had a net capital loss carryforward of $3,069,752 which will expire on October 31, 2012 to offset future capital gains to the extent provided by regulations.

As of October 31, 2004, the Trust had temporary book/tax differences primarily attributable to book amortization of discounts on debt securities, mark-to-market of open futures contracts and dividend payable and permanent book/tax differences primarily attributable to tax adjustments on debt securities sold and market discount retained by the Trust. To reflect reclassifications arising from the permanent differences, accumulated net realized loss was charged $138,131, accumulated undistributed net investment income was charged $119,054 and paid-in-capital was credited $257,185.

Morgan Stanley Quality Municipal Income Trust

Financial Highlights

Selected ratios and per share data for a common share of beneficial interest outstanding throughout each period:

	FOR THE YEAR ENDED OCTOBER 31,				
	2004	2003	2002	2001	2000
Selected Per Share Data:					
Net asset value, beginning of period	$ 15.54	$ 15.60	$ 15.91	$ 15.22	$ 14.88
Income (loss) from investment operations:					

Net investment income*	0.97	1.01	1.11	1.16	1.17
Net realized and unrealized gain	0.18	0.24	0.01	0.76	0.26
Common share equivalent of dividends paid to preferred shareholders*	(0.15)	(0.16)	(0.20)	(0.27)	(0.26)
Total income from investment operations	1.00	1.09	0.92	1.65	1.17
Less dividends and distributions from:					
Net investment income	(0.88)	(0.90)	(0.87)	(0.87)	(0.93)
Net realized gain	(0.30)	(0.30)	(0.39)	(0.13)	—
Total dividends and distributions	(1.18)	(1.20)	(1.26)	(1.00)	(0.93)
Anti-dilutive effect of acquiring treasury shares*	0.06	0.05	0.03	0.04	0.10
Net asset value, end of period	$ 15.42	$ 15.54	$ 15.60	$ 15.91	$ 15.22
Market value, end of period	$ 13.83	$ 14.55	$ 13.91	$ 14.48	$ 13.313
Total Return†	3.32%	13.82%	4.94%	16.59%	7.51%
Ratios to Average Net Assets of Common Shareholders:					
Total expenses (before expense offset)	0.89%	0.83% (1)	0.78% (1)	0.74%	0.75% (1)
Net investment income before preferred stock dividends	6.48%	6.58%	7.19%	7.47%	7.83%
Preferred stock dividends	1.01%	1.05%	1.29%	1.71%	1.74%
Net investment income available to common shareholders	5.47%	5.53%	5.90%	5.76%	6.09%
Supplemental Data:					
Net assets applicable to common shareholders, end of period, in thousands	$407,553	$430,353	$450,417	$473,103	$467,875
Asset coverage on preferred shares at end of period	296%	307%	316%	325%	324%
Portfolio turnover rate	16%	41%	20%	19%	15%

*The per share amounts were computed using an average number of common shares outstanding during the period.

†Total return is based upon the current market value on last day of each period reported. Dividends and distributions are assumed to be reinvested at the prices obtained under the Trust's dividend reinvestment plan. Total return does not reflect brokerage commissions.

(1) Does not reflect the effect of the expense offset of 0.01%.

See Notes to Financial Statements

Morgan Stanley Quality Municipal Income Trust

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Trustees of
Morgan Stanley Quality Municipal Income Trust:

We have audited the accompanying statement of assets and liabilities of Morgan Stanley Quality Municipal Income Trust (the "Trust"), including the portfolio of investments, as of October 31, 2004, and the related statements of operations for the year then ended and changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended. These financial statements and financial highlights are the responsibility of the 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. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of October 31, 2004, by correspondence with the custodian and brokers; where replies were not received from brokers, we performed other auditing procedures. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. 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 Morgan Stanley Quality Municipal Income Trust as of October 31, 2004, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America.

Deloitte & Touche LLP
New York, New York
December 14, 2004

2004 Federal Tax Notice (unaudited)

During the year ended October 31, 2004, the Trust paid the following per share amounts from tax-exempt income: $0.89 to common shareholders, $733 to Series 1 preferred shareholders, $779 to Series 2 preferred shareholders, $1,014 to Series 3 preferred shareholders, $785 to Series 4 preferred shareholders and $779 to Series 5 preferred shareholders. For the year ended October 31, 2004, the Trust paid the following per share amounts from long-term capital gains: $0.27 to common shareholders, $137 to Series 1 preferred shareholders, $124 to Series 2 preferred shareholders, $191 to Series 3 preferred shareholders, $221 to Series 4 preferred shareholders and $123 to Series 5 preferred shareholders.

Morgan Stanley Quality Municipal Income Trust

Trustee and Officer Information

Independent Trustees:

Name, Age and Address of Independent Trustee	Position(s) Held with Registrant	Term of Office and Length of Time Served*	Principal Occupation(s) During Past 5 Years**	Number of Portfolios in Fund Complex Overseen by Trustee***	Other Directorships Held by Trustee
Michael Bozic (63) c/o Kramer Levin Naftalis & Frankel LLP Counsel to the Independent Trustees 919 Third Avenue New York, NY	Trustee	Since April 1994	Private Investor; Director or Trustee of the Retail Funds (since April 1994) and the Institutional Funds (since July 2003); formerly Vice Chairman of Kmart Corporation (December 1998-October 2000), Chairman and Chief Executive Officer of Levitz Furniture Corporation (November 1995-November 1998) and President and Chief Executive Officer of Hills Department Stores (May 1991-July 1995); formerly variously Chairman, Chief Executive Officer, President and Chief Operating Officer (1987-1991) of the Sears Merchandise Group of Sears, Roebuck & Co.	208	Director of Weirton Steel Corporation.
Edwin J. Garn (72) c/o Summit Ventures LLC 1 Utah Center 201 S. Main Street Salt Lake City, UT	Trustee	Since January 1993	Managing Director of Summit Ventures LLC; Director or Trustee of the Retail Funds (since January 1993) and the Institutional Funds (since July 2003); member of the Utah Regional Advisory Board of Pacific Corp.; formerly United States Senator (R-Utah) (1974-1992) and Chairman, Senate Banking Committee (1980-1986), Mayor of Salt Lake City, Utah (1971-1974), Astronaut, Space Shuttle Discovery (April 12-19, 1985), and Vice Chairman,	208	Director of Franklin Covey (time management systems), BMW Bank of North America, Inc. (industrial loan corporation), United Space Alliance (joint venture between Lockheed Martin and the Boeing Company) and Nuskin Asia Pacific (multilevel marketing); member of the board of various civic and charitable organizations.

			Huntsman Corporation (chemical company).		
Wayne E. Hedien (70) c/o Kramer Levin Naftalis & Frankel LLP Counsel to the Independent Trustees 919 Third Avenue New York, NY	Trustee	Since September 1997	Retired; Director or Trustee of the Retail Funds; (since September 1997) and the Institutional Funds (since July 2003); formerly associated with the Allstate Companies (1966-1994), most recently as Chairman of The Allstate Corporation (March 1993-December 1994) and Chairman and Chief Executive Officer of its wholly-owned subsidiary, Allstate Insurance Company (July 1989-December 1994).	208	Director of The PMI Group Inc. (private mortgage insurance); Trustee and Vice Chairman of The Field Museum of Natural History; director of various other business and charitable organizations.

Morgan Stanley Quality Municipal Income Trust

Trustee and Officer Information continued

Name, Age and Address of Independent Trustee	Position(s) Held with Registrant	Term of Office and Length of Time Served*	Principal Occupation(s) During Past 5 Years**	Number of Portfolios in Fund Complex Overseen by Trustee***	Other Directorships Held by Trustee
Dr. Manuel H. Johnson (55) c/o Johnson Smick International, Inc. 2099 Pennsylvania Avenue, N.W. Suite 950 Washington, D.C.	Trustee	Since July 1991	Senior Partner, Johnson Smick International, Inc., a consulting firm; Chairman of the Audit Committee and Director or Trustee of the Retail Funds (since July 1991) and the Institutional Funds (since July 2003); Co-Chairman and a founder of the Group of Seven Council (G7C),	208	Director of NVR, Inc. (home construction); Chairman and Trustee of the Financial Accounting Foundation (oversight organization of the Financial Accounting Standards Board); Director of RBS Greenwich Capital Holdings (financial

			an international economic commission; formerly Vice Chairman of the Board of Governors of the Federal Reserve System and Assistant Secretary of the U.S. Treasury.		holding company).
Joseph J. Kearns (62) PMB754 23852 Pacific Coast Highway Malibu, CA	Trustee	Since July 2003	President, Kearns & Associates LLC (investment consulting); Deputy Chairman of the Audit Committee and Director or Trustee of the Retail Funds (since July 2003) and the Institutional Funds (since August 1994); previously Chairman of the Audit Committee of the Institutional Funds (October 2001-July 2003); formerly CFO of the J. Paul Getty Trust.	209	Director of Electro Rent Corporation (equipment leasing), The Ford Family Foundation, and the UCLA Foundation.
Michael E. Nugent (68) c/o Triumph Capital, L.P. 445 Park Avenue New York, NY	Trustee	Since July 1991	General Partner of Triumph Capital, L.P., a private investment partnership; Chairman of the Insurance Committee and Director or Trustee of the Retail Funds (since July 1991) and the Institutional Funds (since July 2001); formerly Vice President, Bankers Trust Company and BT Capital Corporation (1984-1988).	208	Director of various business organizations.
Fergus Reid (72) c/o Lumelite Plastics Corporation 85 Charles Colman Blvd. Pawling, NY	Trustee	Since July 2003	Chairman of Lumelite Plastics Corporation; Chairman of the Governance Committee and Director or Trustee of the Retail Funds (since July 2003) and the Institutional Funds (since June 1992).	209	Trustee and Director of certain investment companies in the JPMorgan Funds complex managed by J.P. Morgan Investment Management Inc.

Morgan Stanley Quality Municipal Income Trust

Trustee and Officer Information continued

Interested Trustees:

Name, Age and Address of Interested Trustee	Position(s) Held with Registrant	Term of Office and Length of Time Served*	Principal Occupation(s) During Past 5 Years**	Number of Portfolios in Fund Complex Overseen by Trustee***	Other Directorships Held by Trustee
Charles A. Fiumefreddo (71) c/o Morgan Stanley Trust Harborside Financial Center, Plaza Two, Jersey City, NJ	Chairman of the Board and Trustee	Since July 1991	Chairman and Director or Trustee of the Retail Funds (since July 1991) and the Institutional Funds (since July 2003); formerly Chief Executive Officer of the Retail Funds (until September 2002).	208	None
James F. Higgins (56) c/o Morgan Stanley Trust Harborside Financial Center, Plaza Two, Jersey City, NJ	Trustee	Since June 2000	Director or Trustee of the Retail Funds (since June 2000) and the Institutional Funds (since July 2003); Senior Advisor of Morgan Stanley (since August 2000); Director of the Distributor and Dean Witter Realty Inc.; previously President and Chief Operating Officer of the Private Client Group of Morgan Stanley (May 1999-August 2000), and President and Chief Operating Officer of Individual Securities of Morgan Stanley (February 1997-May 1999).	208	Director of AXA Financial, Inc. and The Equitable Life Assurance Society of the United States (financial services).

* This is the earliest date the Trustee began serving the funds advised by Morgan Stanley Investment Advisors Inc. (the "Investment Manager") (the "Retail Funds").

** The dates referenced below indicating commencement of services as Director/Trustee for the Retail Funds and the funds advised by Morgan Stanley Investment Management Inc. and Morgan Stanley AIP GP LP (the "Institutional Funds") reflect the earliest date the Director/Trustee began serving the Retail or Institutional Funds as applicable.

***

The Fund Complex includes all open-end and closed-end funds (including all of their portfolios) advised by the Investment Manager and any funds that have an investment advisor that is an affiliated person of the Investment Manager (including but not limited to Morgan Stanley Investment Management Inc.).

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Morgan Stanley Quality Municipal Income Trust

Trustee and Officer Information continued

Officers:

Name, Age and Address of Executive Officer	Position(s) Held with Registrant	Term of Office and Length of Time Served*	Principal Occupation(s) During Past 5 Years**
Mitchell M. Merin (51) 1221 Avenue of the Americas New York, NY	President	Since May 1999	President and Chief Operating Officer of Morgan Stanley Investment Management Inc.; President, Director and Chief Executive Officer of the Investment Manager and Morgan Stanley Services; Chairman and Director of the Distributor; Chairman and Director of the Transfer Agent; Director of various Morgan Stanley subsidiaries; President of the Institutional Funds (since July 2003) and President of the Retail Funds (since May 1999); Trustee (since July 2003) and President (since December 2002) of the Van Kampen Closed-End Funds; Trustee (since May 1999) and President (since October 2002) of the Van Kampen Open-End Funds.
Ronald E. Robison (65) 1221 Avenue of the Americas New York, NY	Executive Vice President and Principal Executive Officer	Since April 2003	Principal Executive Officer-Office of the Funds (since November 2003); Managing Director of Morgan Stanley & Co. Incorporated, Managing Director of Morgan Stanley; Managing Director, Chief Administrative Officer and Director of the Investment Manager and Morgan Stanley Services; Chief Executive Officer and Director of the Transfer Agent; Managing Director and Director of the Distributor; Executive Vice President and Principal Executive Officer of the Institutional Funds (since July 2003) and the Retail Funds (since April 2003); Director of Morgan Stanley SICAV (since May 2004); previously President and Director of the Retail Funds (March 2001-July 2003) and Chief Global Operations Officer and Managing Director of Morgan Stanley Investment Management Inc.

Joseph J. McAlinden (61) 1221 Avenue of the Americas New York, NY	Vice President	Since July 1995	Managing Director and Chief Investment Officer of the Investment Manager and Morgan Stanley Investment Management Inc.; Director of the Transfer Agent, Chief Investment Officer of the Van Kampen Funds; Vice President of the Institutional Funds (since July 2003) and the Retail Funds (since July 1995).
Barry Fink (49) 1221 Avenue of the Americas New York, NY	Vice President	Since February 1997	General Counsel (since May 2000) and Managing Director (since December 2000) of Morgan Stanley Investment Management; Managing Director (since December 2000), Secretary (since February 1997) and Director (since July 1998) of the Investment Manager and Morgan Stanley Services; Vice President of the Retail Funds; Assistant Secretary of Morgan Stanley DW; Vice President of the Institutional Funds (since July 2003); Managing Director, Secretary and Director of the Distributor; previously Secretary (February 1997-July 2003) and General Counsel (February 1997-April 2004) of the Retail Funds; Vice President and Assistant General Counsel of the Investment Manager and Morgan Stanley Services (February 1997-December 2001).
Amy R. Doberman (42) 1221 Avenue of Americas New York, NY	Vice President	Since July 2004	Managing Director and General Counsel, U.S. Investment Management; Managing Director of Morgan Stanley Investment Management Inc. and the Investment Manager, Vice President of the Institutional and Retail Funds (since July 2004); previously, Managing Director and General Counsel — Americas, UBS Global Asset Management (July 2000 – July 2004) and General Counsel, Aeltus Investment Management Inc. (January 1997 – July 2000).
Carsten Otto (41) 1221 Avenue of the Americas New York, NY	Chief Compliance Officer	Since October 2004	Executive Director and U.S. Director of Compliance for Morgan Stanley Investment Management (since October 2004); Executive Director of the Investment Adviser and Morgan Stanley Investment Management Inc.; formerly Assistant Secretary and Assistant General Counsel of the Morgan Stanley Retail Funds.

Morgan Stanley Quality Municipal Income Trust

Trustee and Officer Information continued

Name, Age and Address of Executive Officer	Position(s) Held with Registrant	Term of Office and Length of	Principal Occupation(s) During Past 5 Years**

		Time Served*	
Stefanie V. Chang (37) 1221 Avenue of the Americas New York, NY	Vice President	Since July 2003	Executive Director of Morgan Stanley & Co. Incorporated, Morgan Stanley Investment Management Inc. and the Investment Manager; Vice President of the Institutional Funds (since December 1997) and the Retail Funds (since July 2003); formerly practiced law with the New York law firm of Rogers & Wells (now Clifford Chance US LLP).
Francis J. Smith (39) c/o Morgan Stanley Trust Harborside Financial Center, Plaza Two, Jersey City, NJ	Treasurer and Chief Financial Officer	Treasurer since July 2003 and Chief Financial Officer since September 2002	Executive Director of the Investment Manager and Morgan Stanley Services (since December 2001); previously, Vice President of the Retail Funds (September 2002-July 2003), Vice President of the Investment Manager and Morgan Stanley Services (August 2000-November 2001) and Senior Manager at PricewaterhouseCoopers LLP (January 1998-August 2000).
Thomas F. Caloia (58) c/o Morgan Stanley Trust Harborside Financial Center, Plaza Two, Jersey City, NJ	Vice President	Since July 2003	Executive Director (since December 2002) and Assistant Treasurer of the Investment Manager, the Distributor and Morgan Stanley Services; previously Treasurer of the Retail Funds (April 1989-July 2003); formerly First Vice President of the Investment Manager, the Distributor and Morgan Stanley Services.
Mary E. Mullin (37) 1221 Avenue of the Americas New York, NY	Secretary	Since July 2003	Executive Director of Morgan Stanley & Co. Incorporated, Morgan Stanley Investment Management Inc. and the Investment Manager; Secretary of the Institutional Funds (since June 1999) and the Retail Funds (since July 2003); formerly practiced law with the New York law firms of McDermott, Will & Emery and Skadden, Arps, Slate, Meagher & Flom LLP.

* This is the earliest date the Officer began serving the Retail Funds. Each Officer serves an indefinite term, until his or her successor is elected.

** The dates referenced below indicating commencement of service as an Officer for the Retail and Institutional Funds reflect the earliest date the Officer began serving the Retail or Institutional Funds as applicable.

Trustees

Michael Bozic
Charles A. Fiumefreddo
Edwin J. Garn
Wayne E. Hedien
James F. Higgins
Dr. Manuel H. Johnson
Joseph J. Kearns
Michael E. Nugent
Fergus Reid

MORGAN STANLEY FUNDS

Morgan Stanley
Quality Municipal
Income Trust

Officers

Annual Report
October 31, 2004

Charles A. Fiumefreddo
Chairman of the Board

Mitchell M. Merin
President

Ronald E. Robison
Executive Vice President and *Principal Executive Officer*

Joseph J. McAlinden
Vice President

Barry Fink
Vice President

Amy R. Doberman
Vice President

Carsten Otto
Chief Compliance Officer

Stefanie V. Chang
Vice President

Francis J. Smith
Treasurer and *Chief Financial Officer*

Thomas F. Caloia
Vice President

Mary E. Mullin
Secretary

Transfer Agent

Morgan Stanley Trust
Harborside Financial Center, Plaza Two
Jersey City, New Jersey 07311

Independent Registered Public Accounting Firm

Deloitte & Touche LLP
Two World Financial Center
New York, New York 10281

Investment Manager

Morgan Stanley Investment Advisors Inc.
1221 Avenue of the Americas
New York, New York 10020

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