

BLACKROCK MUNICIPAL INCOME QUALITY TRUST
Form N-Q
January 24, 2013

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 811-21178

Name of Fund: BlackRock Municipal Income Quality Trust (BYM)

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

Name and address of agent for service: John M. Perlowski, Chief Executive Officer, BlackRock Municipal

Income Quality Trust, 55 East 52nd Street, New York, NY 10055

Registrant's telephone number, including area code: (800) 882-0052, Option 4

Date of fiscal year end: 08/31/2013

Date of reporting period: 11/30/2012

Item 1 Schedule of Investments

Schedule of Investments November 30, 2012 (Unaudited)

BlackRock Municipal Income Quality Trust (BYM)

(Percentages shown are based on Net Assets)

| | Par | | Value |
|--|--------------|----|--------------|
| | (000) | | Value |
| Municipal Bonds | | | |
| Alabama 3.6% | | | |
| Alabama State Docks Department, Refunding RB, 6.00%, 10/01/40 | \$ 3,800 | \$ | 4,561,254 |
| Birmingham Airport Authority, RB (AGM), 5.50%, 7/01/40 | 5,800 | | 6,666,752 |
| Birmingham Special Care Facilities Financing Authority, RB, Children s Hospital (AGC), 6.00%, 6/01/39 | 1,495 | | 1,834,784 |
| County of Jefferson Alabama, RB, Series A, 4.75%, 1/01/25 | 2,800 | | 2,700,040 |
| | | | 15,762,830 |
| Alaska 0.6% | | | |
| Alaska Housing Finance Corp., Refunding RB, General Mortgage Revenue Bonds, Series A, 4.13%, 12/01/37 | 1,390 | | 1,448,213 |
| Alaska Industrial Development & Export Authority, RB, Providence Health Services, Series A, 5.50%, 10/01/41 | 1,070 | | 1,279,902 |
| | | | 2,728,115 |
| Arizona 0.5% | | | |
| State of Arizona, COP, Department of Administration, Series A (AGM): | | | |
| 5.00%, 10/01/27 | 1,500 | | 1,725,615 |
| 5.25%, 10/01/28 | 250 | | 290,220 |
| | | | 2,015,835 |
| California 22.6% | | | |
| California Health Facilities Financing Authority, RB, St. Joseph Health System, Series A, 5.75%, 7/01/39 | 625 | | 733,944 |
| California Infrastructure & Economic Development Bank, RB, Bay Area Toll Bridges, First Lien, Series A (AMBAC), 5.00%, 1/01/28 (a) | 10,100 | | 14,189,894 |
| California Statewide Communities Development Authority, RB, Kaiser Permanente, Series A, 5.00%, 4/01/42 | 1,620 | | 1,882,051 |
| Coast Community College District California, GO, CAB, Election of 2002, Series C (AGM): | | | |
| 0.00%, 8/01/13 (b) | 7,450 | | 7,752,097 |
| 5.40%, 8/01/36 (c) | 4,200 | | 1,190,154 |
| Golden State Tobacco Securitization Corp. California, RB, Series 2003-A-1 (a): | | | |
| 6.63%, 6/01/13 | 6,500 | | 6,708,975 |
| 6.75%, 6/01/13 | 14,500 | | 14,975,310 |
| Metropolitan Water District of Southern California, RB, Series B-1 (NPFGC), 5.00%, 10/01/13 (a) | 16,745 | | 17,410,279 |
| Monterey Peninsula Community College District, GO, CAB, Series C (AGM) (c): | | | |
| 4.98%, 8/01/31 | 13,575 | | 5,420,633 |
| | Par | | |
| | (000) | | Value |
| Municipal Bonds | | | |
| California (concluded) | | | |
| Monterey Peninsula Community College District, GO, CAB, Series C (AGM) (c) (concluded): | | | |
| 5.02%, 8/01/32 | \$ 14,150 | \$ | 5,335,399 |
| Orange County Sanitation District, COP, Series B (AGM), 5.00%, 2/01/31 | 2,500 | | 2,833,425 |
| San Diego Unified School District California, GO, CAB, Election of 2008, Series C, 4.70%, 7/01/38 (c) | 2,000 | | 609,040 |
| San Diego Unified School District California, GO, Refunding, CAB, Series R-1 (c): | | | |
| 4.26%, 7/01/30 | 5,995 | | 2,856,558 |
| 4.34%, 7/01/31 | 1,400 | | 630,308 |
| San Joaquin Hills Transportation Corridor Agency California, Refunding RB, CAB, Series A (NPFGC), 5.15%, 1/15/31 (c) | 10,000 | | 3,978,700 |
| | 2,350 | | 2,563,733 |

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| | | |
|--|--------|------------|
| San Jose Unified School District Santa Clara County California, GO, Election of 2002, Series B (NPFGC), 5.00%, 8/01/29 | | |
| State of California, GO, Various Purpose, 5.00%, 4/01/42 | 5,000 | 5,813,250 |
| State of California, GO, Refunding, Various Purpose, 5.00%, 10/01/41 | 1,100 | 1,271,457 |
| Yosemite Community College District, GO, CAB, Election of 2004, Series D, 4.78%, 8/01/37 (c) | 10,000 | 3,117,900 |
| | | 99,273,107 |
| Colorado 0.3% | | |
| Regional Transportation District, COP, Refunding, Series A, 5.38%, 6/01/31 | 960 | 1,120,234 |
| District of Columbia 2.2% | | |
| District of Columbia Tobacco Settlement Financing Corp., Refunding RB, Asset-Backed, 6.75%, 5/15/40 | 9,500 | 9,737,405 |
| Florida 12.4% | | |
| Broward County School Board Florida, COP, Series A (AGM), 5.25%, 7/01/33 | 1,400 | 1,621,676 |
| Broward County Water & Sewer Utility Revenue, Refunding RB, Series A, 5.25%, 10/01/34 | 6,750 | 8,180,257 |
| City of Jacksonville, Refunding RB, Series A, 5.00%, 10/01/30 | 320 | 385,034 |
| County of Duval Florida, COP, Master Lease Program (AGM), 5.00%, 7/01/33 | 3,475 | 3,935,333 |
| County of Miami-Dade Florida, RB: (AGM), 5.00%, 7/01/35 | 1,300 | 1,475,357 |
| CAB, Sub-Series A (NPFGC), 5.18%, 10/01/38 (c) | 22,270 | 5,935,400 |

BLACKROCK MUNICIPAL INCOME QUALITY TRUST

NOVEMBER 30, 2012

1

Schedule of Investments (continued)

BlackRock Municipal Income Quality Trust (BYM)

(Percentages shown are based on Net Assets)

| | Par | | Value |
|---|----------|----|------------|
| | (000) | | |
| Municipal Bonds | | | |
| Florida (concluded) | | | |
| County of Miami-Dade Florida, Refunding RB: | | | |
| Miami International Airport, Series A, 5.50%, 10/01/41 | \$ 5,000 | \$ | 5,882,200 |
| Series A, 5.50%, 10/01/36 | 5,000 | | 5,851,400 |
| Special Obligation, Series B, 4.00%, 10/01/37 | 5,000 | | 5,130,500 |
| Special Obligation, Series B, 5.00%, 10/01/37 | 780 | | 892,687 |
| Florida Housing Finance Corp., RB, Homeowner Mortgage, Series 3 (Ginnie Mae, Fannie Mae, Freddie Mac), 5.45%, 7/01/33 | 3,800 | | 4,176,732 |
| Florida State Department of Environmental Protection, RB, Series B (NPFGC), 5.00%, 7/01/27 | 6,150 | | 7,092,672 |
| Sarasota County Public Hospital District, RB, Sarasota Memorial Hospital Project, Series A, 5.63%, 7/01/39 | 300 | | 338,139 |
| South Florida Water Management District, COP (AMBAC), 5.00%, 10/01/36 | 1,000 | | 1,116,010 |
| Tohopekaliga Water Authority, Refunding RB, Series A, 5.25%, 10/01/36 | 2,000 | | 2,381,140 |
| | | | 54,394,537 |
| Georgia 2.5% | | | |
| Burke County Development Authority, Refunding RB, Oglethorpe Power, Vogtle Project, Series C, 5.70%, 1/01/43 | 1,250 | | 1,377,800 |
| City of Atlanta Georgia, Refunding RB, General, Series C, 6.00%, 1/01/30 | 7,500 | | 9,486,150 |
| | | | 10,863,950 |
| Hawaii 1.4% | | | |
| Hawaii State Harbor, RB, Series A, 5.25%, 7/01/35 | 5,000 | | 6,015,250 |
| Illinois 1.4% | | | |
| Chicago Illinois Board of Education, GO, Series A, 5.50%, 12/01/39 | 2,590 | | 3,106,575 |
| Chicago Park District, GO, Harbor Facilities, Series C, 5.25%, 1/01/40 | 600 | | 701,442 |
| Chicago Transit Authority, RB, 5.25%, 12/01/36 | 650 | | 765,200 |
| Cook County Forest Preserve District, GO, Series C, 5.00%, 12/15/37 | 360 | | 418,381 |
| Cook County Forest Preserve District, GO, Refunding, Limited Tax Project, Series B, 5.00%, 12/15/37 | 310 | | 360,273 |
| Railsplitter Tobacco Settlement Authority, RB, 6.00%, 6/01/28 | 710 | | 873,605 |
| | | | 6,225,476 |
| | Par | | Value |
| | (000) | | |
| Municipal Bonds | | | |
| Indiana 1.9% | | | |
| Indiana Finance Authority, RB, First Lien, CWA Authority, Series A, 5.25%, 10/01/38 | \$ 1,100 | \$ | 1,303,951 |
| Indiana Municipal Power Agency, RB, Series B, 5.75%, 1/01/34 | 450 | | 472,675 |
| Indianapolis Local Public Improvement Bond Bank, Refunding RB, Waterworks Project, Series A (AGC), 5.50%, 1/01/38 | 5,750 | | 6,644,355 |
| | | | 8,420,981 |
| Iowa 1.3% | | | |
| Iowa Finance Authority, RB, Series A (AGC), 5.63%, 8/15/37 | 5,000 | | 5,801,800 |
| Kentucky 0.4% | | | |
| Kentucky State Property & Buildings Commission, Refunding RB, Project No. 93 (AGC), 5.25%, 2/01/29 | 1,500 | | 1,757,820 |
| Louisiana 2.8% | | | |
| Parish of St. Charles Louisiana Gulf Opportunity Zone, RB, Valero Energy Corp. Project, 4.00%, 12/01/40 (d) | 1,720 | | 1,909,355 |
| Parish of St. John the Baptist Louisiana, RB, Marathon Oil Corp., Series A, 5.13%, 6/01/37 | 1,750 | | 1,885,660 |
| State of Louisiana, RB, Series A (AGM), 5.00%, 5/01/31 | 7,500 | | 8,449,275 |
| | | | 12,244,290 |

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Michigan 2.3%

| | | |
|--|-------|-----------|
| City of Detroit Michigan, Refunding RB, Second Lien, Series E (BHAC), 5.75%, 7/01/31 | 3,000 | 3,484,920 |
| Lansing Board of Water & Light Utilities System, RB, Series A, 5.50%, 7/01/41 | 1,100 | 1,337,424 |
| Michigan State Building Authority, Refunding RB, Facilities Program: | | |
| Series I-A, 5.38%, 10/15/36 | 2,000 | 2,403,900 |
| Series I-A, 5.38%, 10/15/41 | 800 | 958,776 |
| Series II-A, 5.38%, 10/15/36 | 1,500 | 1,783,440 |
| | | 9,968,460 |

Mississippi 0.2%

| | | |
|--|-----|---------|
| Medical Center Educational Building Corp., RB, University of Mississippi Medical Center Facilities Expansion & Renovation Project, Series A, 5.00%, 6/01/41 | 800 | 935,048 |
|--|-----|---------|

Nebraska 2.4%

| | | |
|---|-------|------------|
| Central Plains Energy Project Nebraska, RB, Gas Project No. 3, 5.25%, 9/01/37 | 9,345 | 10,620,499 |
|---|-------|------------|

BLACKROCK MUNICIPAL INCOME QUALITY TRUST

NOVEMBER 30, 2012

2

Schedule of Investments (continued)

BlackRock Municipal Income Quality Trust (BYM)

(Percentages shown are based on Net Assets)

| | Par | | Value |
|--|--------------|----|--------------|
| | (000) | | (000) |
| Municipal Bonds | | | |
| Nevada 1.1% | | | |
| County of Clark Nevada, RB, Las Vegas-McCarran International Airport, Series A (AGC), 5.25%, 7/01/39 | \$ 4,100 | \$ | 4,715,902 |
| New Jersey 1.4% | | | |
| New Jersey Transportation Trust Fund Authority, RB, Transportation System: | | | |
| Series A, 5.50%, 6/15/41 | 3,000 | | 3,621,660 |
| Series B, 5.25%, 6/15/36 | 1,990 | | 2,366,409 |
| | | | 5,988,069 |
| New York 1.7% | | | |
| Hudson New York Yards Infrastructure Corp., RB, | | | |
| Series A, 5.75%, 2/15/47 | 770 | | 935,334 |
| New York City Transitional Finance Authority, RB, Fiscal 2009, | | | |
| Series S-4, 5.50%, 1/15/33 | 1,950 | | 2,320,500 |
| New York State Dormitory Authority, ERB, Series B, 5.75%, 3/15/36 | 1,300 | | 1,636,726 |
| New York State Thruway Authority, Refunding RB, Series I, 5.00%, 1/01/37 | 2,300 | | 2,709,469 |
| | | | 7,602,029 |
| North Carolina 0.7% | | | |
| North Carolina Medical Care Commission, RB, Novant Health Obligation, Series A, 4.75%, 11/01/43 | 2,875 | | 3,134,066 |
| Ohio 1.0% | | | |
| County of Allen Ohio, Refunding RB, Catholic Healthcare Partners, Series A, 5.00%, 5/01/42 | 2,875 | | 3,243,028 |
| County of Lucas Ohio, RB, Promedica Healthcare, Series A, 6.50%, 11/15/37 | 610 | | 781,038 |
| Kent State University, RB, General Receipts, Series A, 5.00%, 5/01/37 | 470 | | 546,206 |
| | | | 4,570,272 |
| Pennsylvania 0.2% | | | |
| Pennsylvania Turnpike Commission, RB, Subordinate, Special Motor, License Fund, 6.00%, 12/01/36 | 625 | | 785,869 |
| Puerto Rico 3.3% | | | |
| Puerto Rico Sales Tax Financing Corp., RB, First Sub-Series A: | | | |
| 6.38%, 8/01/39 | 5,300 | | 6,178,475 |
| 5.50%, 8/01/42 | 3,450 | | 3,738,282 |
| Puerto Rico Sales Tax Financing Corp., Refunding RB, CAB, | | | |
| Senior Series C, | | | |
| 5.33%, 8/01/39 (c) | 17,625 | | 4,333,811 |
| | | | 14,250,568 |
| | Par | | |
| | (000) | | Value |
| | | | |
| Municipal Bonds | | | |
| Rhode Island 0.7% | | | |
| Rhode Island Health & Educational Building Corp., Refunding RB, Public Schools Financing Program, Series E (AGC), 6.00%, 5/15/29 | \$ 2,625 | \$ | 3,090,938 |
| South Carolina 1.4% | | | |
| South Carolina Jobs-EDA, Refunding RB, Palmetto Health, | | | |
| Series A (AGM), 6.50%, 8/01/39 | 260 | | 325,390 |
| South Carolina State Ports Authority, RB, 5.25%, 7/01/40 | 5,000 | | 5,769,100 |
| | | | 6,094,490 |
| Tennessee 3.3% | | | |
| Knox County Health Educational & Housing Facilities Board Tennessee, Refunding RB, CAB, | | | |
| Series A (AGM) (c): | | | |
| 5.86%, 1/01/23 | 8,910 | | 4,977,215 |

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| | | |
|--|--------|------------|
| 5.88%, 1/01/24 | 8,500 | 4,470,830 |
| 5.89%, 1/01/25 | 6,850 | 3,395,271 |
| Memphis Center City Revenue Finance Corp., RB, Sub-Pyramid & Pinch District, Series B (AGM), 5.25%, 11/01/30 | 1,240 | 1,493,493 |
| | | 14,336,809 |
| Texas 23.8% | | |
| City of San Antonio Texas, Refunding RB (NPFGC): | | |
| 5.13%, 5/15/29 | 9,250 | 9,822,575 |
| 5.13%, 5/15/34 | 10,000 | 10,619,000 |
| Comal ISD, GO, School Building (PSF-GTD), 5.00%, 2/01/36 | 2,500 | 2,797,650 |
| Coppell ISD Texas, GO, Refunding, CAB (PSF-GTD), 2.95%, 8/15/30 (c) | 10,030 | 5,971,461 |
| County of Harris Texas, GO, Refunding RB (NPFGC) (c): | | |
| 2.42%, 8/15/25 | 7,485 | 5,516,146 |
| 2.70%, 8/15/28 | 10,915 | 7,162,423 |
| Harris County-Houston Sports Authority, Refunding RB (NPFGC) (c): | | |
| CAB, Junior Lien, Series H, 5.91%, 11/15/38 | 5,785 | 1,277,212 |
| CAB, Junior Lien, Series H, 5.92%, 11/15/39 | 6,160 | 1,277,584 |
| Third Lien, Series A-3, 5.88%, 11/15/38 | 16,890 | 3,749,242 |
| Mansfield ISD Texas, GO, School Building (PSF-GTD), 5.00%, 2/15/33 | 2,980 | 3,433,228 |
| Midland County Fresh Water Supply District No 1, RB, CAB, City of Midland Project, Series A, 4.40%, 9/15/36 (c) | 2,340 | 831,753 |
| North Texas Tollway Authority, Refunding RB, First Tier, System: (NPFGC), 5.75%, 1/01/40 | 23,050 | 26,990,858 |

BLACKROCK MUNICIPAL INCOME QUALITY TRUST

NOVEMBER 30, 2012

3

Schedule of Investments (continued)

BlackRock Municipal Income Quality Trust (BYM)

(Percentages shown are based on Net Assets)

| | Par | |
|--|--------------|--------------|
| | (000) | Value |
| Municipal Bonds | | |
| Texas (concluded) | | |
| North Texas Tollway Authority, Refunding RB, First Tier, System (concluded): | | |
| Series A, 6.00%, 1/01/28 | \$ 625 | \$ 743,888 |
| San Antonio Public Facilities Corp., Refunding RB, Convention Center Refinancing and Expansion Project, 4.00%, 9/15/42 | 2,575 | 2,683,021 |
| Texas Municipal Gas Acquisition & Supply Corp. III, Gas Supply, RB (e): | | |
| 5.00%, 12/15/28 | 1,170 | 1,313,395 |
| 5.00%, 12/15/29 | 2,105 | 2,351,664 |
| Texas State Turnpike Authority, RB, First Tier, Series A (AMBAC), 5.00%, 8/15/42 | 7,500 | 7,529,550 |
| Texas Transportation Commission, Refunding RB, Central Texas Turnpike System, First Tier, Series A: | | |
| 4.00%, 8/15/38 | 6,250 | 6,401,500 |
| 5.00%, 8/15/41 | 3,500 | 3,965,780 |
| | | 104,437,930 |
| Washington 2.5% | | |
| County of King Washington, Refunding RB (AGM), 5.00%, 1/01/36 | 2,200 | 2,436,258 |
| Washington Health Care Facilities Authority, RB: | | |
| MultiCare Health Care, Series C (AGC), 5.50%, 8/15/43 | 4,000 | 4,452,040 |
| MultiCare Health System, Series A, 5.00%, 8/15/44 | 1,560 | 1,771,755 |
| Providence Health & Services, Series A, 5.00%, 10/01/39 | 500 | 555,995 |
| Providence Health & Services, Series A, 5.25%, 10/01/39 | 675 | 766,226 |
| Washington Health Care Facilities Authority, Refunding RB, Providence Health & Services, Series A, 5.00%, 10/01/42 | 940 | 1,081,780 |
| | | 11,064,054 |
| Wisconsin 0.5% | | |
| Wisconsin Health & Educational Facilities Authority, RB, Ascension Health Senior Credit Group, 5.00%, 11/15/33 | 1,500 | 1,760,850 |
| Wisconsin Health & Educational Facilities Authority, Refunding RB, Froedtert Health, Inc., Series A, 5.00%, 4/01/42 | 525 | 604,664 |
| | | 2,365,514 |
| Total Municipal Bonds 100.4% | | 440,322,147 |
| | Par | |
| | (000) | Value |
| Municipal Bonds Transferred to Tender Option | | |
| Bond (TOB) Trusts (f) | | |
| Arizona 1.9% | | |
| Phoenix Arizona Civic Improvement Corp., RB, Junior Lien, Series A, 5.00%, 7/01/34 | \$ 1,300 | \$ 1,571,479 |
| Phoenix Civic Improvement Corp., RB, Sub-Civic Plaza Expansion Project, Series A (NPFGC), 5.00%, 7/01/37 | 4,490 | 4,870,393 |
| Salt River Project Agricultural Improvement & Power District, RB, Series A, 5.00%, 1/01/38 | 1,500 | 1,733,055 |
| | | 8,174,927 |
| California 9.9% | | |
| California State University, RB, Systemwide, Series A (AGM), 5.00%, 11/01/33 (g) | 3,379 | 3,875,020 |
| California State University, Refunding RB, Systemwide, Series A (AGM), 5.00%, 11/01/32 | 8,000 | 9,172,000 |
| Foothill-De Anza Community College District, GO, Election of 1999, Series C (NPFGC), 5.00%, 8/01/36 | 7,500 | 8,225,625 |
| Los Angeles Community College District California, GO, Election of 2001, Series A (AGM), 5.00%, 8/01/32 | 5,000 | 5,769,350 |
| San Diego Community College District California, GO, Election of 2002, 5.25%, 8/01/33 | 449 | 552,860 |

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|---|--------|------------|
| San Diego County Water Authority, COP, Refunding, Series 2008-A (AGM), 5.00%, 5/01/33 | 4,870 | 5,486,006 |
| University of California, RB, Series C (NPFGC), 4.75%, 5/15/37 | 10,000 | 10,284,000 |
| | | 43,364,861 |
| District of Columbia 0.3% | | |
| District of Columbia, RB, Series A, 5.50%, 12/01/30 (g) | 1,080 | 1,379,225 |
| Florida 9.6% | | |
| City of Tallahassee Florida, RB (NPFGC): | | |
| 5.00%, 10/01/32 (g) | 3,000 | 3,416,160 |
| 5.00%, 10/01/37 | 5,000 | 5,637,850 |
| County of Miami-Dade Florida, RB, 5.00%, 10/01/39 | 10,101 | 11,569,198 |
| County of Miami-Dade Florida, Refunding RB, 5.00%, 7/01/42 | 1,950 | 2,267,479 |
| Florida State Board of Education, GO, Series D, 5.00%, 6/01/37 (g) | 2,999 | 3,482,145 |
| Highlands County Health Facilities Authority, RB, Adventist, Series C, 5.25%, 11/15/36 (d) | 1,800 | 2,019,636 |
| Orange County School Board, COP, Series A: | | |
| (AGC), 5.50%, 8/01/34 | 6,099 | 7,188,084 |
| (NPFGC), 5.00%, 8/01/30 | 6,000 | 6,640,920 |
| | | 42,221,472 |

BLACKROCK MUNICIPAL INCOME QUALITY TRUST

NOVEMBER 30, 2012

4

Schedule of Investments (continued)

BlackRock Municipal Income Quality Trust (BYM)

(Percentages shown are based on Net Assets)

| | Par | |
|--|--------------|---------------|
| | (000) | Value |
| Municipal Bonds Transferred to Tender Option Bond (TOB) | | |
| Trusts (f) | | |
| Hawaii 2.5% | | |
| Honolulu City & County Board of Water Supply, RB, Series A (NPFGC), 5.00%, 7/01/14 (a) | \$ 10,000 | \$ 10,741,500 |
| Illinois 11.2% | | |
| City of Chicago Illinois, RB, Project, Series A (AGC), 5.00%, 1/01/38 | 8,310 | 8,986,434 |
| City of Chicago Illinois, Refunding RB, Sales Tax Revenue, Series A, 5.00%, 1/01/41 | 3,870 | 4,474,803 |
| Illinois Finance Authority, RB, Carle Foundation, Series A (AGM), 6.00%, 8/15/41 | 2,400 | 2,909,112 |
| Illinois State Toll Highway Authority, RB, Series B, 5.50%, 1/01/33 | 4,499 | 5,170,259 |
| Metropolitan Pier & Exposition Authority, RB, McCormick Place Expansion Project, Series A, 5.00%, 6/15/42 | 14,294 | 16,427,491 |
| Metropolitan Pier & Exposition Authority, Refunding RB, 4.25%, 6/15/42 (g) | 9,000 | 9,623,970 |
| State of Illinois, RB, Build Illinois, Series B, 5.25%, 6/15/34 (g) | 1,400 | 1,636,018 |
| | | 49,228,087 |
| Massachusetts 3.3% | | |
| Massachusetts School Building Authority, Sales Tax, RB: 5.00%, 8/15/30 (a) | 11,314 | 12,530,101 |
| 5.00%, 8/15/30 | 1,674 | 1,853,574 |
| | | 14,383,675 |
| Michigan 1.9% | | |
| Michigan Finance Authority, Refunding RB, Trinity Health, 5.00%, 12/01/39 | 7,300 | 8,320,759 |
| Nevada 1.7% | | |
| City of Las Vegas Nevada, GO, Limited Tax, Performing Arts Center, 6.00%, 4/01/39 (g) | 4,197 | 4,999,453 |
| Clark County Water Reclamation District, GO, Series B, 5.75%, 7/01/34 | 2,024 | 2,569,338 |
| | | 7,568,791 |
| New York 4.3% | | |
| Erie County Industrial Development Agency, RB, City School District of Buffalo Project, Series A (AGM), 5.75%, 5/01/28 | 4,494 | 5,322,606 |
| Metropolitan Transportation Authority, RB, Series A (NPFGC), 5.00%, 11/15/31 | 7,002 | 8,010,793 |
| | Par | |
| | (000) | Value |
| Municipal Bonds Transferred to Tender Option Bond (TOB) | | |
| Trusts (f) | | |
| New York (concluded) | | |
| Triborough Bridge & Tunnel Authority, RB, General, Series A-2, 5.25%, 11/15/34 (g) | \$ 4,500 | \$ 5,498,595 |
| | | 18,831,994 |
| Ohio 0.2% | | |
| State of Ohio, RB, Cleveland Clinic Health, Series B, 5.50%, 1/01/34 | 620 | 720,211 |
| Puerto Rico 1.3% | | |
| Puerto Rico Sales Tax Financing Corp., Sales Tax, Refunding RB, Series C, 5.25%, 8/01/40 | 5,080 | 5,715,382 |
| South Carolina 0.2% | | |
| South Carolina State Public Service Authority, Refunding RB, Santee Cooper, Series A, 5.50%, 1/01/38 (g) | 600 | 714,078 |
| Texas 3.8% | | |
| City of Houston Texas, Refunding RB, Senior Lien, Series A, 5.50%, 7/01/34 | 4,167 | 4,926,495 |
| North East ISD Texas, GO, School Building, (PSF-GTD): 5.13%, 6/15/29 | 9,500 | 10,142,875 |
| Series A, 5.00%, 8/01/37 (g) | 1,500 | 1,750,695 |

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| | | |
|---|-------|-------------|
| | | 16,820,065 |
| Utah 1.3% | | |
| Utah Transit Authority, RB, Series A (AGM), 5.00%, 6/15/36 | 5,000 | 5,851,750 |
| Virginia 0.1% | | |
| Fairfax County IDA Virginia, Refunding RB, Health Care, Inova Health System, Series A, 5.50%, 5/15/35 | 400 | 466,946 |
| Washington 0.9% | | |
| Central Puget Sound Regional Transit Authority, RB, Series A (AGM), 5.00%, 11/01/32 | 3,494 | 4,025,327 |
| Wisconsin 0.6% | | |
| Wisconsin Health & Educational Facilities Authority, Refunding RB, Froedtert Health, Inc., Series C, 5.25%, 4/01/39 | 2,500 | 2,825,375 |
| Total Municipal Bonds Transferred to | | |
| Tender Option Bond (TOB) Trusts 55.0% | | 241,354,425 |
| Total Long-Term Investments | | |
| (Cost \$608,043,041) 155.4% | | 681,676,572 |

BLACKROCK MUNICIPAL INCOME QUALITY TRUST

NOVEMBER 30, 2012

5

Schedule of Investments (continued)

BlackRock Municipal Income Quality Trust (BYM)

(Percentages shown are based on Net Assets)

| | Par (000) | Value |
|--|---------------|----------------|
| Short-Term Securities | | |
| New York 0.4% | | |
| City of New York, New York, GO, VRDN, Sub-Series A-6 (AGM, Dexia Credit Local SBPA), 0.22%, 12/03/12 (h) | \$ 1,700 | \$ 1,700,000 |
| | Shares | |
| Money Market Funds 1.2% | | |
| FFI Institutional Tax-Exempt Fund, 0.01% (i)(j) | 5,310,147 | 5,310,147 |
| Total Short-Term Securities | | |
| (Cost \$7,010,147) 1.6% | | 7,010,147 |
| Total Investments (Cost - \$615,053,188*) 157.0% | | 688,686,719 |
| Other Assets Less Liabilities 1.1% | | 4,888,356 |
| Liability for TOB Trust Certificates, Including Interest Expense and Fees Payable (26.8)% | | (117,603,427) |
| VMTP Shares, at Liquidation Value (31.3)% | | (137,200,000) |
| Net Assets Applicable to Common Shares 100.0% | | \$ 438,771,648 |

* As of November 30, 2012, gross unrealized appreciation and gross unrealized depreciation based on cost for federal income tax purposes were as follows:

| | |
|-------------------------------|----------------|
| Tax cost | \$ 498,719,782 |
| Gross unrealized appreciation | \$ 73,741,687 |
| Gross unrealized depreciation | (1,305,189) |
| Net unrealized appreciation | \$ 72,436,498 |

- (a) US government securities, held in escrow, are used to pay interest on this security, as well as to retire the bond in full at the date indicated, typically at a premium to par.
- (b) Represents a step-up bond that pays an initial coupon rate for the first period and then a higher coupon rate for the following periods. Rate shown is as of report date.
- (c) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.
- (d) Variable rate security. Rate shown is as of report date.
- (e) When-issued security. Unsettled when-issued transactions were as follows:

| Counterparty | Value | Unrealized Appreciation |
|----------------------|--------------|----------------------------|
| JPMorgan Chase & Co. | \$ 3,665,059 | \$ 93,013 |

- (f) Securities represent bonds transferred to a TOB in exchange for which the Trust acquired residual interest certificates. These securities serve as collateral in a financing transaction.
- (g) All or a portion of security is subject to a recourse agreement which may require the Trust to pay the Liquidity Provider in the event there is a shortfall between the TOB Trust Certificates and proceeds received from the sale of the security contributed to the TOB trust. In the case of a shortfall, the aggregate maximum potential amount the Trust could ultimately be required to pay under the agreements is \$16,804,179.
- (h) Variable rate security. Rate shown is as of report date and maturity shown is the date the principal owed can be recovered through demand.
- (i) Investments in issuers considered to be an affiliate of the Trust during the period ended November 30, 2012, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

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| Affiliate | Shares | | Income |
|-----------------------------------|-------------------------|---------------------------|--------|
| | Held at August 31, 2012 | Held at November 30, 2012 | |
| FPI Institutional Tax-Exempt Fund | 4,404,456 | 5,310,147 | \$ 265 |

(j) Represents the current yield as of report date.

Portfolio Abbreviations

To simplify the listings of portfolio holdings in the Schedule of Investments, the names and descriptions of many of the securities have been abbreviated according to the following list:

| | |
|-------------|--|
| AGC | Assured Guaranty Corp. |
| AGM | Assured Guaranty Municipal Corp. |
| AMBAC | American Municipal Bond Assurance Corp. |
| BHAC | Berkshire Hathaway Assurance Corp. |
| CAB | Capital Appreciation Bonds |
| COP | Certificates of Participation |
| EDA | Economic Development Authority |
| ERB | Education Revenue Bonds |
| Fannie Mae | Federal National Mortgage Association |
| Freddie Mac | Federal Home Loan Mortgage Corporation |
| Ginnie Mae | Government National Mortgage Association |
| GO | General Obligation Bonds |
| IDA | Industrial Development Authority |
| ISD | Independent School District |
| NPFGC | National Public Finance Guarantee Corp. |
| PSF-GTD | Permanent School Fund Guaranteed |
| RB | Revenue Bonds |
| SBPA | Stand-by Bond Purchase Agreements |
| VRDN | Variable Rate Demand Notes |

BLACKROCK MUNICIPAL INCOME QUALITY TRUST

NOVEMBER 30, 2012

6

Schedule of Investments (concluded)

BlackRock Municipal Income Quality Trust (BYM)

Financial futures contracts sold as of November 30, 2012 were as follows:

| Contracts | Issue | Exchange | Expiration | Notional Value | Unrealized Depreciation |
|-----------|--------------------------|------------------------|----------------|----------------|-------------------------|
| 130 | 10-Year US Treasury Note | Chicago Board of Trade | December, 2012 | \$17,436,250 | \$ (144,437) |

Fair Value Measurements - Various inputs are used in determining the fair value of investments and derivative financial instruments. These inputs to valuation techniques are categorized into a disclosure hierarchy consisting of three broad levels for financial reporting purposes as follows:

Level 1 unadjusted price quotations in active markets/exchanges for identical assets and liabilities that the Trust has the ability to access

Level 2 other observable inputs (including, but not limited to: quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market-corroborated inputs)

Level 3 unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including the Trust's own assumptions used in determining the fair value of investments and derivative financial instruments)

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

Changes in valuation techniques may result in transfers into or out of an assigned level within the disclosure hierarchy. In accordance with the Trust's policy, transfers between different levels of the fair value disclosure hierarchy are deemed to have occurred as of the beginning of the reporting period. The categorization of a value determined for investments and derivative financial instruments is based on the pricing transparency of the investment and derivative financial instrument and is not necessarily an indication of the risks associated with investing in those securities. For information about the Trust's policy regarding valuation of investments and derivative financial instruments and other significant accounting policies, please refer to the Trust's most recent financial statements as contained in its annual report.

The following tables summarize the Trust's investments and derivative financial instruments categorized in the disclosure hierarchy as of November 30, 2012:

| | Level 1 | Level 2 | Level 3 | Total |
|------------------------------------|--------------|----------------|---------|----------------|
| Assets: | | | | |
| Investments: | | | | |
| Long-Term Investments ¹ | | \$ 681,676,572 | | \$ 681,676,572 |
| Short-Term Securities | \$ 5,310,147 | 1,700,000 | | 7,010,147 |
| Total | \$ 5,310,147 | \$ 683,376,572 | | \$ 688,686,719 |

¹ See above Schedule of Investments for values in each state or political subdivision.

| | Level 1 | Level 2 | Level 3 | Total |
|---|--------------|---------|---------|--------------|
| Derivative Financial Instruments ¹ | | | | |
| Liabilities: | | | | |
| Interest rate | \$ (144,437) | | | \$ (144,437) |

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¹ Derivative financial instruments are financial futures contracts. Financial futures contracts are valued at the unrealized appreciation/depreciation on the instrument.

Certain of the Trust's assets and liabilities are held at carrying amount, which approximates fair value for financial reporting purposes. As of November 30, 2012, such assets and liabilities are categorized within the disclosure hierarchy as follows:

| | Level 1 | Level 2 | Level 3 | Total |
|--|------------|------------------|---------|------------------|
| Assets: | | | | |
| Cash pledged as collateral for financial futures contracts | \$ 172,000 | | | \$ 172,000 |
| Liabilities: | | | | |
| TOB trust certificates | | \$ (117,530,439) | | (117,530,439) |
| VMTP Shares | | (137,200,000) | | (137,200,000) |
| Total | \$ 172,000 | \$ (254,730,439) | | \$ (254,558,439) |

There were no transfers between levels during the period ended November 30, 2012.

BLACKROCK MUNICIPAL INCOME QUALITY TRUST

NOVEMBER 30, 2012

7

Item 2 Controls and Procedures

- 2(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)) are effective as of a date within 90 days of the filing of this report based on the evaluation of these controls and procedures required by Rule 30a-3(b) under the 1940 Act and Rule 13a-15(b) under the Securities Exchange Act of 1934, as amended.
- 2(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) 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

Certifications Attached hereto

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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.

BlackRock Municipal Income Quality Trust

By: /s/ John M. Perlowski
John M. Perlowski
Chief Executive Officer (principal executive officer) of
BlackRock Municipal Income Quality Trust
Date: January 23, 2013

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

By: /s/ John M. Perlowski
John M. Perlowski
Chief Executive Officer (principal executive officer) of
BlackRock Municipal Income Quality Trust
Date: January 23, 2013

By: /s/ Neal J. Andrews
Neal J. Andrews
Chief Financial Officer (principal financial officer) of
BlackRock Municipal Income Quality Trust
Date: January 23, 2013