

DREYFUS MUNICIPAL INCOME INC  
Form N-Q  
February 16, 2007  
**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 811-05652

DREYFUS MUNICIPAL INCOME, INC.  
(Exact name of Registrant as specified in charter)

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

Mark N. Jacobs, Esq.  
200 Park Avenue  
New York, New York 10166  
(Name and address of agent for service)

Registrant's telephone number, including area code: (212) 922-6000

Date of fiscal year end: 9/30  
Date of reporting period: 12/31/06

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**FORM N-Q**

**Item 1. Schedule of Investments.**

**STATEMENT OF INVESTMENTS**

**Dreyfus Municipal Income, Inc.**  
**December 31, 2006 (Unaudited)**

<b>Long-Term Municipal Investments--156.7%</b>	<b>Coupon Rate (%)</b>	<b>Maturity Date</b>	<b>Principal Amount (\$)</b>	<b>Value (\$)</b>
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**Alabama--8.7%**  
Jefferson County,

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Limited Obligation School Warrants	5.50	1/1/21	4,000,000	4,369,800
Jefferson County, Sewer Revenue, Capital Improvement (Insured; FGIC)	5.75	2/1/09	7,500,000 a	7,890,225
The Board of Trustees of the University of Alabama, HR (University of Alabama at Birmingham) (Insured; MBIA)	5.88	9/1/10	4,620,000 a	5,011,314
<b>Alaska--3.5%</b>				
Alaska Housing Finance Corp., General Mortgage Revenue (Insured; MBIA)	6.05	6/1/39	6,845,000	7,039,740
<b>Arkansas--1.6%</b>				
Independence County, PCR (Entergy Arkansas Inc. Project)	5.00	1/1/21	3,000,000	3,091,170
<b>California--14.2%</b>				
ABAG Financial Authority for Nonprofit Corps., Insured Revenue, COP (Odd Fellows Home of California)	6.00	8/15/24	5,000,000	5,104,700
California Department of Veteran Affairs, Home Purchase Revenue	5.20	12/1/28	5,000,000	5,003,400
California Educational Facilities Authority, Revenue (Mills College)	5.00	9/1/34	2,000,000	2,069,860
California Health Facilities Financing Authority, Revenue (Sutter Health)	6.25	8/15/35	2,500,000	2,740,350
California Housing Finance Agency, Home Mortgage Revenue	4.80	8/1/36	2,500,000	2,524,300
California Statewide Communities Development Authority, COP (Catholic Healthcare West)	6.50	7/1/10	3,545,000 a	3,913,857
California Statewide Communities Development Authority, COP (Catholic Healthcare West)	6.50	7/1/20	1,455,000	1,588,293
Chabot-Las Positas Community College District, GO (Insured; AMBAC)	0.00	8/1/32	6,000,000	1,738,440
Golden State Tobacco Securitization Corp., Tobacco				
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Settlement Asset-Backed Bonds	7.80	6/1/42	3,000,000	3,662,910
<b>Colorado--10.3%</b>				
Colorado Springs,				

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HR Colorado Springs,	6.38	12/15/10	2,835,000 a	3,130,974
HR Denver City and County, Special Facilities Airport Revenue (United Airlines Project)	6.38	12/15/30	2,890,000	3,148,799
University of Northern Colorado Board of Trustees, Auxiliary Facilities System Revenue (Insured; FSA)	6.88	10/1/32	2,480,000	2,565,560
<b>District of Columbia--1.4%</b> District of Columbia, Revenue (Catholic University America Project) (Insured; AMBAC)	5.16	6/1/35	11,000,000 b,c	11,662,585
District of Columbia Housing Finance Agency, SFMR (Collateralized: FHA, FNMA, GNMA and GIC; Trinity Funding)	5.63	10/1/29	2,080,000	2,195,918
<b>Florida--1.4%</b> Orange County Health Facilities Authority, HR (Orlando Regional Healthcare System)	7.45	12/1/30	580,000	590,051
Orange County Health Facilities Authority, HR (Orlando Regional Healthcare System)	6.00	10/1/09	30,000 a	32,106
South Lake County Hospital District, Revenue (South Lake Hospital Inc.)	6.00	10/1/26	1,470,000	1,556,495
<b>Georgia--.5%</b> Milledgeville and Baldwin County Development Authority, Revenue (Georgia College and State University Foundation Property III, LLC Student Housing System Project)	5.80	10/1/34	1,095,000	1,142,961
<b>Illinois--10.3%</b> Chicago (Insured; FGIC)	5.25	9/1/19	1,000,000	1,064,970
Chicago (Insured; FGIC)	6.13	7/1/10	3,685,000 a	4,013,739
Illinois Development Finance Authority, Revenue (Community Rehabilitation Providers Facilities Acquisition Program)	6.13	7/1/10	315,000 a	343,101
Illinois Health Facilities Authority, Revenue (Advocate	8.75	3/1/10	65,000	65,274

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Health Care Network)	6.13	11/15/10	5,800,000 a	6,301,294
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Illinois Health Facilities Authority, Revenue (OSF Healthcare System)	6.25	11/15/09	7,000,000 a	7,567,630
Illinois Health Facilities Authority, Revenue (Swedish American Hospital)	6.88	5/15/10	2,000,000 a	2,197,440
<b>Indiana--1.4%</b>				
Franklin Township School Building Corp., First Mortgage	6.13	7/15/10	2,500,000 a	2,747,025
<b>Kansas--1.3%</b>				
Unified Government of Wyandotte County/Kansas City, Tax-Exempt Sales Tax Special Tax Obligation Revenue (Redevelopment Project Area B)	5.00	12/1/20	2,500,000	2,604,925
<b>Maryland--4.9%</b>				
Maryland Economic Development Corp., Student Housing Revenue (University of Maryland, College Park Project)	5.63	6/1/13	2,000,000 a	2,223,660
Maryland Health and Higher Educational Facilities Authority, Revenue (The Johns Hopkins University Issue)	6.00	7/1/09	7,000,000 a	7,474,390
<b>Massachusetts--9.1%</b>				
Massachusetts Bay Transportation Authority, Assessment Revenue	5.00	7/1/14	5,000,000 a	5,434,550
Massachusetts Development Finance Agency, SWDR (Dominion Energy Brayton Point Issue)	5.00	2/1/36	2,000,000	2,066,880
Massachusetts Health and Educational Facilities Authority, Healthcare System Revenue (Covenant Health Systems Obligated Group Issue)	6.00	7/1/31	2,500,000	2,715,075
Massachusetts Housing Finance Agency, SFHR	5.00	12/1/31	2,500,000	2,571,500
Massachusetts Industrial Finance Agency, Water Treatment Revenue (Massachusetts-American Hingham Project)	6.95	12/1/35	5,235,000	5,236,937
<b>Michigan--3.5%</b>				
Hancock Hospital Finance Authority, Mortgage Revenue				

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(Portage Health) (Insured; MBIA)	5.45	8/1/08	2,200,000 a	2,252,778
Michigan Strategic Fund, SWDR (Genesee Power Station Project)	7.50	1/1/21	4,785,000	4,784,904
<b>Minnesota--1.4%</b>				
Minnesota Agricultural and Economic Development Board, Health Care System Revenue (Fairview Health Care Systems)	6.38	11/15/10	2,420,000 a	2,671,801
Minnesota Agricultural and Economic Development Board, Health Care System Revenue (Fairview Health Care Systems)	6.38	11/15/29	80,000	86,649
<b>Mississippi--3.0%</b>				
Mississippi Business Finance Corp., PCR (System Energy Resources, Inc. Project)	5.88	4/1/22	6,000,000	6,000,720
<b>Missouri--4.1%</b>				
Missouri Development Finance Board, Infrastructure Facilities Revenue (Branson Landing Project)	5.00	6/1/35	2,500,000	2,568,200
Missouri Health and Educational Facilities Authority, Health Facilities Revenue (BJC Health System)	5.25	5/15/32	2,500,000	2,641,250
Missouri Health and Educational Facilities Authority, Health Facilities Revenue (Saint Anthony's Medical Center)	6.25	12/1/10	2,500,000 a	2,749,925
Missouri Housing Development Commission, SFMR (Homeownership Loan Program) (Collateralized: FNMA and GNMA)	6.30	9/1/25	180,000	181,883
<b>Nevada--2.2%</b>				
Clark County, IDR (Southwest Gas Corp. Project) (Insured; AMBAC)	6.10	12/1/38	4,000,000	4,316,200
<b>New Jersey--.9%</b>				
New Jersey Economic Development Authority, Cigarette Tax Revenue	5.50	6/15/31	1,610,000	1,707,695
<b>New Mexico--2.4%</b>				
Farmington, PCR (Public Service Co. of New				

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Mexico San Juan Project)	6.30	12/1/16	3,000,000	3,064,770
New Mexico Mortgage Finance Authority, Single Family Mortgage Program (Collateralized: FHLMC and GNMA)	6.85	9/1/31	1,660,000	1,685,481
<b>New York--2.3%</b>				
Long Island Power Authority, Electric System Revenue	5.00	9/1/27	1,500,000	1,567,785
New York State Dormitory Authority, Catholic Health Services of Long Island Obligated Group Revenue (Saint				
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Francis Hospital Project)	5.00	7/1/27	2,930,000	3,027,159
<b>North Carolina--3.2%</b>				
Gaston County Industrial Facilities and Pollution Control Financing Authority, Exempt Facilities Revenue (National Gypsum Co. Project)	5.75	8/1/35	1,500,000	1,608,375
North Carolina Eastern Municipal Power Agency, Power System Revenue	5.13	1/1/26	3,000,000	3,128,970
North Carolina Housing Finance Agency, Home Ownership Revenue	6.25	1/1/29	1,525,000	1,573,525
<b>Ohio--4.7%</b>				
Cuyahoga County, Hospital Improvement Revenue (The Metrohealth System Project)	6.13	2/15/09	5,000,000 a	5,305,650
Ohio Housing Finance Agency, Residential Mortgage Revenue (Collateralized; GNMA)	5.75	9/1/30	105,000	105,811
Rickenbacker Port Authority, Capital Funding Revenue (OASBO Expanded Asset Pooled)	5.38	1/1/32	3,590,000	4,026,724
<b>Oklahoma--1.3%</b>				
Oklahoma Development Finance Authority, Revenue (Saint John Health System)	6.00	2/15/29	2,500,000	2,627,800
<b>Pennsylvania--7.8%</b>				