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COLONIAL MUNICIPAL INCOME TRUST
Form N-CSRS
August 11, 2005

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED
MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number: 811-4992

Colonial Municipal Income Trust

(Exact name of registrant as specified in charter)

One Financial Center, Boston, Massachusetts 02111

(Address of principal executive offices) (Zip code)

Vincent Pietropaolo, Esq.
Columbia Management Group, Inc.
One Financial Center
Boston, MA 02111

(Name and address of agent for service)

Registrant's telephone number, including area code: 1-617-772-3698

Date of fiscal year end: 11/30/05

Date of reporting period: 05/31/05

Form N-CSR is to be used by management investment companies to file reports with the Commission not later than 10 days after the transmission to stockholders of any report that is required to be transmitted to stockholders under Rule 30e-1 under the Investment Company Act of 1940 (17 CFR 270.30e-1). The Commission may use the information provided on Form N-CSR in its regulatory, disclosure review, inspection, and policymaking roles.

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

ITEM 1. REPORTS TO STOCKHOLDERS.

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COLONIAL MUNICIPAL INCOME TRUST

SEMIANNUAL REPORT

MAY 31, 2005

[cover photo of domed building]

NOT FDIC INSURED
MAY LOSE VALUE
NO BANK GUARANTEE

PRESIDENT'S MESSAGE

Dear Shareholder:

In 2004, Colonial Funds became part of Columbia Management, the asset management division of Bank of America, one of the largest, most respected financial institutions in the United States. As a direct result of this merger, a number of changes are in the works that we believe offer significant potential benefits for our shareholders. First, some funds may be merged in order to eliminate redundancies, others may be liquidated and fund management teams will be aligned to maximize performance potential. You will receive more detailed information about these changes if your fund is affected and you may be asked to vote on certain fund changes. In this matter, your timely response will enable us to implement the changes in 2005.

As a result of these changes, we believe we will offer shareholders an even stronger lineup of investment options. What will not change as we enter this next phase of consolidation is our commitment to the highest standards of performance and our dedication to superior service. Change for the good has another name: it's called improvement. It helps move us forward, and we believe that it represents progress for all our shareholders in their quest for long-term financial success.

In the pages that follow, you'll find a detailed report from the fund's manager on key factors that influenced your fund's performance. We hope that you will read the manager reports carefully and discuss any questions you might have with your financial advisor.

As always, we thank you for choosing Colonial Funds. We appreciate your continued confidence. And, we look forward to helping you keep your long-term financial goals on target in the years to come.

Sincerely,

/s/ Christopher L. Wilson

Christopher L. Wilson

President, Columbia Funds

Christopher L. Wilson is Head of Mutual Funds for Columbia Management, President of Columbia Funds, President & CEO of Nations Funds and President of Galaxy Funds, responsible for the day-to-day delivery of mutual fund services to the firm's investors. With the exception of distribution, Chris oversees all aspects

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of the mutual fund services operation, including treasury, investment accounting and shareholder and broker services. Chris joined Bank of America in August 2004.

The views expressed in the President's Message and Portfolio Manager's Report reflect the current views of the respective parties. These views are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict so actual outcomes and results may differ significantly from the views expressed. These views are subject to change at any time based upon economic, market or other conditions and the respective parties disclaim any responsibility to update such views. These views may not be relied on as investment advice and, because investment decisions for a Colonial trust are based on numerous factors, may not be relied on as an indication of trading intent on behalf of any particular Colonial trust. References to specific company securities should not be construed as a recommendation or investment advice.

PORTFOLIO MANAGER'S REPORT

For the six-month period ended May 31, 2005, Colonial Municipal Income Trust generated a total return of 2.32%, based on its market price. The trust returned 6.12%, based on investment at net asset value. It fell slightly short of the 6.38% average return of its peer group, the Lipper High Yield Municipal Debt Funds Category1 and the 6.77% average return of a customized peer group consisting of nine leveraged closed-end high-yield municipal funds. The trust benefited from strong demand for high-yield municipal bonds, which outstripped supply as investors reached for yield in a low interest rate environment. Lower quality, higher-yielding issues did particularly well. We believe that the trust had less exposure than its customized peer group to the airline and tobacco sectors, which somewhat hindered its relative return.

GAINS CAME FROM LONGER-MATURITY BIAS

Although short-term interest rates rose, long-term yields fell and long-term bond prices rose. As a result, the trust benefited from having a sizable stake in longer-maturity issues and downplaying weaker-performing short-maturity bonds. In particular, the trust benefited from its stake in zero coupon municipal bonds, or "zeros," which did well as long-term interest rates declined. However, Treasury futures contracts, which were used to reduce the duration of the trust, declined in value, offsetting some of the gains from the trust's bonds. Zeros are long-term bonds that carry no coupon and are bought at a steep discount to face value.

The trust's diversified approach meant that it had modest holdings in the top-performing but volatile air transportation and tobacco sectors. Tobacco bonds are issued by individual states, cities and counties. These bonds are secured by revenues from a financial settlement with tobacco companies related to past and future tobacco-related health costs. The sector benefited from strong demand and positive litigation news during the period. Among airlines, US Airways bonds (0.2% of total investments) were standouts.² Elsewhere, we sold at a loss some bonds that were issued for Westbridge Apartments, a multi-family housing project in South Carolina, which was hurt by the loss of some government contracts.

SHIFT TOWARD HIGHER QUALITY

The difference in yield between lower quality and higher quality bonds narrowed during the period, giving us an opportunity to buy higher quality bonds without sacrificing much yield. We trimmed some BBB-rated hospital bonds and replaced them with AA-rated housing bonds that had a nice yield advantage over AAA-rated

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issues, with only slightly lower yield than the hospital bonds.

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- 1 Lipper Inc., a widely respected data provider in the industry, calculates an average total return (assuming reinvestment of distributions) for mutual funds with investment objectives similar to those of the trust. Lipper makes no adjustment for the effect of sales loads.
 - 2 Holdings are disclosed as of May 31, 2005, and are subject to change.

(Sidebar)

PRICE PER SHARE AS OF 05/31/05 (\$)

Net asset value	5.83

Market price	5.59

6-MONTH (CUMULATIVE) TOTAL RETURN AS OF 05/31/05 (%)

Net asset value	6.12

Market price	2.32

Lipper High Yield Municipal Debt Funds Category average	6.38

All returns shown assume
reinvestment of distributions.

DISTRIBUTIONS DECLARED PER COMMON SHARE 12/01/04 - 05/31/05 (\$)

0.20

A portion of the trust's income may be subject to the alternative minimum tax. The trust may at times purchase tax exempt securities at a discount from their original issue price. Some or all of this discount may be included in the trust's ordinary income, and any market discount is taxable when distributed.

TOP 5 SECTORS AS OF 05/31/05 (%)

Hospitals	10.9

Continuing care retirement	7.6

Local general obligations	6.7

Education	6.5

Refunded/escrowed	5.7

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QUALITY BREAKDOWN AS OF 05/31/05 (%)

AAA	32.6
-----	-----
AA	1.4
-----	-----
A	6.8
-----	-----
BBB	21.8
-----	-----
BB	5.2
-----	-----
B	1.1
-----	-----
CCC	0.2
-----	-----
Non-rated	29.8
-----	-----
Cash equivalents	1.1
-----	-----

Sector and quality breakdowns are calculated as a percentage of total investments. Ratings shown in the quality breakdown represent the rating assigned to a particular bond by one of the following nationally-recognized rating agencies: Standard & Poor's, a division of The McGraw-Hill Companies, Inc., Moody's Investors Service, Inc. or Fitch Ratings, Ltd. The majority of the bonds that are non-rated are considered by the advisor to be of non-investment grade quality.

Because the trust is actively managed, there is no guarantee that the trust will continue to invest in these sectors or maintain this quality breakdown in the future.

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PORTFOLIO MANAGER'S REPORT (CONTINUED)

DECLINE IN DIVIDEND, BUT CONTINUED BENEFIT FROM LEVERAGE

The trust's dividend yield dropped as long-term interest rates fell and short-term interest rates rose. The trust earned some of its income through leverage, which came from preferred shares that allow the trust to borrow against its underlying investments. We invested the proceeds from the preferred shares in longer maturity bonds and then paid out to preferred shareholders a short-term rate that is influenced by the federal funds rate--the overnight rate at which banks lend each other money. As the fed funds rate climbed, the payout rate to preferred shareholders rose, reducing the income available to the common shareholders. However, the leverage continued to give the trust an income advantage over its non-leveraged peers.

POSITIVE OUTLOOK

With interest rates still at low levels, we expect demand for high-yield municipals to remain strong. The yield differential between higher-rated and lower-rated bonds, while narrow already, could narrow further and help high-yield relative returns. However, our plan is to continue looking for opportunities to upgrade credit quality without sacrificing much yield. In addition, even if long-term interest rates head higher, we think the increases are unlikely to be dramatic.

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/s/ Maureen G. Newman

Maureen G. Newman has been the portfolio manager of Colonial Municipal Income Trust since August 1998. Ms. Newman has managed various other municipal funds for Columbia Management Advisors, Inc. or its predecessors or affiliate organizations since May 1996.

Performance data quoted represents past performance and current performance may be lower or higher. Past performance is no guarantee of future results.

Investing in fixed-income securities may involve certain risks, including the credit quality of individual issuers, possible prepayments, market or economic developments and yield and share price fluctuations due to changes in interest rates. When interest rates go up, bond prices typically drop, and vice versa.

Investing in high-yield or "junk bonds" offers the potential for higher income than investments in investment-grade bonds but they also have a higher degree of risk. Changes in economic conditions or other circumstances may adversely affect a high-yield bond issuer's ability to make timely principal and interest payments.

Tax-exempt investing offers current tax-exempt income, but it also involves special risks. The value of the trust will be affected by interest rate changes and the creditworthiness of issues held in the trust. Interest income from certain tax-exempt bonds may be subject to certain state and local taxes and, if applicable, the alternative minimum tax. Capital gains are not exempt from income taxes. The value of the trust shares will be affected by interest rate changes and the creditworthiness of issues held in the trust.

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INVESTMENT PORTFOLIO

May 31, 2005 (Unaudited)

MUNICIPAL BONDS - 151.1%	PAR (\$)	VALUE (\$)

EDUCATION - 10.9%		
EDUCATION - 10.1%		
CA Educational Facilities Authority, Loyola Marymount University, Series 2001, Insured: MBIA (a) 10/01/14	1,250,000	868,875
CA Public Works Board, UCLA, Series 2002 A, Insured: FSA 5.375% 10/01/15	1,000,000	1,108,360
MA Development Finance Agency, Western New England College, Series 2002, 6.125% 12/01/32	200,000	213,444
MI Southfield Economic Development Corp., Lawrence University, Series 1998 A, 5.400% 02/01/18	750,000	767,730
NC Capital Facilities Finance Authority, Meredith College,		

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Series 2001, Insured: AMBAC 5.125% 06/01/15	1,000,000	1,080,680
PA Higher Education Facilities Authority, Philadelphia University, Series 2004 A, 5.125% 06/01/25	570,000	575,113
VT Educational & Health Buildings Finance Agency, Norwich University, Series 1998, 5.500% 07/01/21	1,000,000	1,037,170
WA Higher Education Facilities Authority, University of Puget Sound, Series 1998, Insured: MBIA 5.375% 10/01/30	5,000,000	5,290,300
WV Higher Education Policy Commission, Series 2004 B, Insured: FGIC 5.000% 04/01/34	4,745,000	5,015,275
WV University, Series 2000 A, Insured: AMBAC (a) 04/01/25	750,000	297,900
	Education Total	16,254,847

PREP SCHOOL - 0.8%

CA Statewide Communities Development Authority, Crossroads School of Arts & Sciences, Series 1998, 6.000% 08/01/28 (b)	1,080,000	1,133,223
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	PAR (\$)	VALUE (\$)
MA Industrial Finance Agency, St. John's High School, Series 1998, 5.350% 06/01/28	200,000	205,168
	Prep School Total	1,338,391
	EDUCATION TOTAL	17,593,238

HEALTH CARE - 39.3%

CONTINUING CARE RETIREMENT - 11.8%

CA La Verne, Brethren Hillcrest Homes, Series 2003 B, 6.625% 02/15/25	525,000	581,831
CA Statewide Community Development Authority, Eskaton Village - Grass Valley, Series 2000, 8.250% 11/15/31 (b)	745,000	825,333

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CT Development Authority, The Elim Park Baptist, Inc. Project, Series 2003, 5.850% 12/01/33	430,000	459,292
FL Capital Projects Finance Authority, Glenridge on Palmer Ranch, Series 2002 A, 8.000% 06/01/32	500,000	553,320
FL Lee County Industrial Development Authority, Shell Point Village Project, Series 1999 A, 5.500% 11/15/29	400,000	408,496
GA Fulton County Residential Care Facilities Authority, Canterbury Court Project, Series 2004 A, 6.125% 02/15/26	500,000	510,625
GA Savannah Economic Development Authority, Marshes of Skidaway, Series 2003 A, 7.400% 01/01/34	350,000	372,925
IL Health Facilities Authority: Lutheran Senior Ministries, Series 2001, 7.375% 08/15/31	650,000	696,410
Washington & Jane Smith Community, Series 2003 A, 7.000% 11/15/32	525,000	539,805
KS Manhattan, Meadowlark Hills Retirement Home, Series 1999 A, 6.375% 05/15/20	250,000	260,040

See Accompanying Notes to Financial Statements.

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INVESTMENT PORTFOLIO (CONTINUED)

May 31, 2005 (Unaudited)

MUNICIPAL BONDS (CONTINUED)	PAR (\$)	VALUE (\$)

HEALTH CARE (CONTINUED)		
CONTINUING CARE RETIREMENT (CONTINUED)		
MA Boston Industrial Development Financing Authority, Springhouse, Inc., Series 1998, 5.875% 07/01/20	235,000	239,510
MA Development Finance Agency, Loomis Communities:		

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Series 1999 A, 5.625% 07/01/15	250,000	251,943
Series 2002 A, 6.900% 03/01/32	125,000	134,979
MD Westminster Economic Development, Carroll Lutheran Village, Inc., Series 2004 A, 6.250% 05/01/34	500,000	522,705
MO Cole County Industrial Development Authority, Lutheran Senior Services, Heisinger Project, Series 2004, 5.500% 02/01/35	750,000	790,455
NH Higher Educational & Health Facilities Authority, Rivermead at Peterborough, Series 1998, 5.750% 07/01/28	1,100,000	1,097,668
NJ Economic Development Authority: Seabrook Village, Inc., Series 2000 A, 8.250% 11/15/30	700,000	782,852
Winchester Gardens, Series 2004 A, 5.750% 11/01/24	500,000	532,895
PA Chartiers Valley Industrial & Commercial Development Authority: Asbury Health Center, Series 1999, 6.375% 12/01/24	1,000,000	1,029,690
Friendship Village of South Hills, Series 2003 A, 5.750% 08/15/20	1,000,000	1,033,920
PA Delaware County Authority, Dunwoody Village, Series 2003 A, 5.375% 04/01/17	400,000	427,220
PA Lancaster Industrial Development Authority, Garden Spot Village, Series 2000 A, 7.625% 05/01/31	325,000	354,851

PAR (\$) VALUE (\$)

PA Montgomery County Industrial Development Authority, Whitemarsh Continuing Care Retirement Community, Series 2005, 6.250% 02/01/35	600,000	629,526
TN Johnson City Health & Educational Facilities Authority, Appalachian Christian Village Project, Series 2004 A, 6.250% 02/15/32	250,000	254,605
TN Metropolitan Government		

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Nashville & Davidson County, Blakeford at Green Hills, Series 1998, 5.650% 07/01/24	575,000	575,040
TN Shelby County Health, Educational & Housing Facilities Board, Germantown Village, Series 2003 A, 7.250% 12/01/34	300,000	316,362
TX Abilene Health Facilities Development Corp., Sears Methodist Retirement Center: Series 1998 A, 5.900% 11/15/25	750,000	744,570
Series 2003 A, 7.000% 11/15/33	200,000	212,422
TX Houston Health Facilities Development Corp., Buckingham Senior Living Community, Inc., Series 2004 A, 7.000% 02/15/26	500,000	530,295
WI Health & Educational Facilities Authority: Attic Angel Obligated Group, Series 1998, 5.750% 11/15/27	875,000	844,944
Clement Manor, Series 1998, 5.750% 08/15/24	1,000,000	1,003,200
Eastcastle Place, Inc., Series 2004, 6.125% 12/01/34	300,000	301,560
Three Pillars Senior Living Communities, Series 2003, 5.750% 08/15/26	500,000	521,525
United Lutheran Program for the Aging, Series 1998, 5.700% 03/01/28	750,000	730,312

Continuing Care Retirement Total		19,071,126

See Accompanying Notes to Financial Statements.

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INVESTMENT PORTFOLIO (CONTINUED)

May 31, 2005 (Unaudited)

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MUNICIPAL BONDS (CONTINUED)	PAR (\$)	VALUE (\$)

HEALTH CARE (CONTINUED)		
HEALTH SERVICES - 2.7%		
CO Health Facilities Authority, National Jewish Medical & Research Center, Series 1998:		
5.375% 01/01/16	1,500,000	1,529,790
5.375% 01/01/23	340,000	344,872
MA Development Finance Agency, Boston Biomedical Research Institute, Series 1999,		
5.650% 02/01/19	620,000	617,030
MA Health & Educational Facilities Authority, Civic Investments, Inc., Series 2002 A,		
9.000% 12/15/15	750,000	865,710
MN Minneapolis & St. Paul Housing & Redevelopment Authority, Healthpartners Project, Series 2003,		
5.625% 12/01/22	200,000	216,628
WI Health & Educational Facilities Authority, Blood Center Southeastern Project, Series 2004,		
5.750% 06/01/34	750,000	803,108

Health Services Total		4,377,138

HOSPITALS - 16.9%		
AR Conway Health Facilities Board, Conway Regional Medical Center:		
Series 1999 A,		
6.400% 08/01/29	350,000	379,071
Series 1999 B,		
6.400% 08/01/29	850,000	920,601
CA Health Facilities Financing Authority, Cedars-Sinai Medical Center, Series 1999 A,		
6.125% 12/01/30	650,000	709,286
CA Rancho Mirage Joint Powers Financing Authority, Eisenhower Medical Center, Series 2004,		
5.625% 07/01/29	750,000	801,637
CA Turlock Health Facilities Authority, Emanuel Medical Center, Inc., Series 2004,		
5.375% 10/15/34	1,000,000	1,042,390
CO Health Facilities Authority: Parkview Medical Center, Series 2004,		
5.000% 09/01/25	550,000	564,718
Vail Valley Medical Center Project, Series 2004,		
5.000% 01/15/20	500,000	519,720

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	PAR (\$)	VALUE (\$)
FL Orange County Health Facilities Authority, Orlando Regional Healthcare System, Series 2002, 5.750% 12/01/32	150,000	161,330
FL South Lake County Hospital District, South Lake Hospital, Inc., Series 2003, 6.375% 10/01/34	250,000	270,835
FL West Orange Healthcare District, Series 2001 A, 5.650% 02/01/22	400,000	425,328
GA Coffee County Hospital Authority, Coffee Regional Medical Center, Inc., Series 2004, 5.000% 12/01/26	350,000	359,324
IL Health Facilities Authority, Thorek Hospital & Medical Center, Series 1998, 5.375% 08/15/28	500,000	513,645
IL Southwestern Development Authority, Anderson Hospital: Series 1999, 5.375% 08/15/15	500,000	521,210
5.500% 08/15/20	550,000	572,379
IN Health Facility Financing Authority, Community Foundation of Northwest Indiana, Inc., Series 2004 A, 6.000% 03/01/34	425,000	455,668
LA Public Facilities Authority, Touro Infirmary: Series 1999 A, 5.625% 08/15/29	525,000	547,249
Series 1999, 5.500% 08/15/19	250,000	261,753
MA Health & Educational Facilities Authority: Jordan Hospital, Series 2003 E, 6.750% 10/01/33	250,000	276,803
Milford - Whitinsville Regional Hospital: Series 1998 C, 5.250% 07/15/18	500,000	506,570
Series 2002 D, 6.350% 07/15/32	250,000	267,538
MD Health & Higher Educational Facilities Authority, Adventist Healthcare, Series 2003 A: 5.000% 01/01/16	365,000	378,651
5.750% 01/01/25	400,000	431,720

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See Accompanying Notes to Financial Statements.

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INVESTMENT PORTFOLIO (CONTINUED)

May 31, 2005 (Unaudited)

MUNICIPAL BONDS (CONTINUED)	PAR (\$)	VALUE (\$)

HEALTH CARE (CONTINUED)		
HOSPITALS (CONTINUED)		
MI Dickinson County, Series 1999, 5.700% 11/01/18	770,000	794,748
MI Flint Hospital Building Authority, Hurley Medical Center, Series 1998 A, 5.375% 07/01/20	460,000	462,921
MN St. Paul Housing & Redevelopment Authority, HealthEast, Inc., Series 2001 A, 5.700% 11/01/15	2,000,000	2,011,140
NH Higher Educational & Health Facilities Authority: Catholic Medical Center, Series 2002, 6.125% 07/01/32	200,000	215,178
Littleton Hospital Association, Inc, Series 1998 A: 5.900% 05/01/18	500,000	517,005
6.000% 05/01/28	625,000	637,500
Series 1998 B, 5.900% 05/01/28	675,000	685,624
NJ Health Care Facilities, Capital Health Systems, Inc., Series 2003 A, 5.750% 07/01/23	500,000	543,000
NV Henderson Healthcare Facilities Authority, Catholic Healthcare West, Series 1998, 5.375% 07/01/26	500,000	514,835
NY Dormitory Authority, North Shore - Long Island Jewish Medical Center, Series 2003, 5.500% 05/01/33	200,000	213,696
OH Belmont County, East Ohio Regional Hospital, Series 1998, 5.700% 01/01/13	700,000	664,713
OH Highland County Joint Township Hospital District, Series 1999,		

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6.750% 12/01/29	705,000	705,430
OH Lakewood Hospital Improvement District, Lakewood Hospital Association, Series 2003,		
5.500% 02/15/14	400,000	435,140
	PAR (\$)	VALUE (\$)

OH Miami County Hospital Facilities Authority, Upper Valley Medical Center, Inc., Series 1996 A,		
6.250% 05/15/16	665,000	690,935
OH Sandusky County, County Memorial Hospital, Series 1998,		
5.150% 01/01/08	270,000	276,143
PA Allegheny County Hospital Development Authority, Ohio Valley General Hospital, Series 1998 A,		
5.450% 01/01/28	1,050,000	1,072,018
SC Jobs Economic Development Authority, Bon Secours Health Systems, Inc., Series 2002 A,		
5.500% 11/15/23	1,250,000	1,325,150
SC Lexington County Health Services District, Lexington Medical Center Project, Refunding, Series 2003,		
5.500% 11/01/23	750,000	802,035
SD Health & Educational Facilities Authority, Sioux Valley Hospital & Health System, Series 2004 A,		
5.250% 11/01/34	525,000	554,683
TX Tyler Health Facilities Development Corp., Mother Frances Hospital, Series 2001,		
6.000% 07/01/31	750,000	801,382
VA Prince William County Industrial Development Authority, Potomac Hospital Corp., Series 2003,		
5.200% 10/01/30	350,000	366,538
VT Educational & Health Buildings Finance Agency, Brattleboro Memorial Hospital, Series 1998,		
5.375% 03/01/28	500,000	502,235
WI Health & Educational Facilities Authority: Aurora Health Care, Inc., Series 2003,		
6.400% 04/15/33	350,000	390,506

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Fort Healthcare, Inc. Project, Series 2004, 6.100% 05/01/34	750,000	815,257
Wheaton Franciscan Services, Series 2002, 5.750% 08/15/30	450,000	482,693

Hospitals Total		27,367,931

See Accompanying Notes to Financial Statements.

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INVESTMENT PORTFOLIO (CONTINUED)

May 31, 2005 (Unaudited)

MUNICIPAL BONDS (CONTINUED)	PAR (\$)	VALUE (\$)

HEALTH CARE (CONTINUED)		
INTERMEDIATE CARE FACILITIES - 0.6%		
IN Health Facilities Financing Authority, Hoosier Care, Inc., Series 1999 A, 7.125% 06/01/34		
	1,050,000	931,507

Intermediate Care Facilities		931,507

NURSING HOMES - 7.3%		
AK Juneau, St. Ann's Care Center, Inc., Series 1999, 6.875% 12/01/25		
	1,000,000	1,021,350
CO Health Facilities Authority: American Housing Foundation I, Inc., Series 2003 A, 8.500% 12/01/31		
	540,000	572,513
Volunteers of America Care Facilities: Series 1998 A, 5.750% 07/01/20		
	700,000	681,681
Series 1999 A, 6.000% 07/01/29	350,000	341,695
Series 1998 A, 5.450% 07/01/08	250,000	248,820
IA Finance Authority, Care Initiatives Project: Series 1996, 9.250% 07/01/25		
	965,000	1,174,511
Series 1998 B: 5.750% 07/01/18	550,000	551,238
5.750% 07/01/28	1,475,000	1,385,172
IN Gary Industrial Economic		

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	Development, West Side Health Care Center, Series 1987 A, 11.500% 10/01/17 (c)	2,230,000	669,067
IN	Michigan City Health Facilities Authority, Metro Health Foundation, Inc. Project, Series 1993, 11.000% 11/01/22 (d)	3,570,476	217,799
KY	Kentucky Economic Development Finance Authority, Series 2003, 6.500% 01/01/29	395,000	402,770
MA	Development Finance Agency: Alliance Health Care Facilities, Series 1999, 7.100% 07/01/32 Woodlawn Manor, Inc.: Series 2000 A, 7.750% 12/01/27 Series 2000 B, 10.250% 06/01/27 (c) (e)	1,135,000 364,000 113,186	1,144,307 200,087 16,978

		PAR (\$)	VALUE (\$)
MA	Industrial Finance Agency, GF/Massachusetts, Inc., Series 1994 A, 8.300% 07/01/23	875,000	876,024
MI	Cheboygan County Economic Development Corp., Metro Health Foundation Project, Series 1993, 11.000% 11/01/22 (d)	1,936,101	118,102
MN	Carlton, Inter-Faith Social Services, Inc., Series 2000, 7.500% 04/01/19	250,000	267,098
MN	Sartell, Foundation for Healthcare, Series 1999 A, 6.625% 09/01/29	1,025,000	1,061,746
TX	Kirbyville Health Facilities Development Corp., Heartway III Project, Series 1997 A, 10.000% 03/20/18 (c)	539,215	161,818
WA	Kitsap County Consolidated Housing Authority, Martha & Mary Health Services, Series 1996, Insured: GNMA 7.100% 02/20/36	643,000	738,376
	Nursing Homes Total		11,851,152
	HEALTH CARE TOTAL		63,598,854

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HOUSING - 11.3%		
ASSISTED LIVING / SENIOR - 4.6%		
DE Kent County,		
Heritage at Dover,		
Series 1999, AMT,		
7.625% 01/01/30	1,195,000	1,103,188
GA Columbus Housing Authority,		
The Gardens at Calvary,		
Series 1999,		
7.000% 11/15/19	490,000	449,565
IL Development Finance Authority,		
Care Institute, Inc.,		
Series 1995,		
8.250% 06/01/25	1,410,000	1,466,583
MN Roseville,		
Care Institute, Inc.,		
Series 1993,		
7.750% 11/01/23 (c)	1,630,000	1,060,478
NC Medical Care Commission,		
DePaul Community Facilities Project,		
Series 1999,		
7.625% 11/01/29	975,000	1,021,439

See Accompanying Notes to Financial Statements.

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INVESTMENT PORTFOLIO (CONTINUED)

May 31, 2005 (Unaudited)

MUNICIPAL BONDS (CONTINUED)	PAR (\$)	VALUE (\$)

HOUSING (CONTINUED)		
ASSISTED LIVING / SENIOR (CONTINUED)		
NY Huntington Housing Authority,		
Gurwin Jewish Senior Center,		
Series 1999 A:		
5.875% 05/01/19	420,000	414,019
6.000% 05/01/29	650,000	638,606
TX Bell County Health Facility		
Development Corp.,		
Care Institute, Inc.,		
Series 1994,		
9.000% 11/01/24	1,390,000	1,318,415

Assisted Living / Senior Total		7,472,293

MULTI - FAMILY - 6.1%		
DC Housing Finance Agency,		
Henson Ridge,		
Series 2004 E, AMT,		

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Insured: FHA		
5.100% 06/01/37	655,000	672,528
DE Wilmington, Electra Arms Senior Association Project, Series 1998, AMT, 6.250% 06/01/28	930,000	801,697
FL Broward County Housing Finance Authority, Chaves Lake Apartment Project, Series 2000 A, AMT, 7.500% 07/01/40	500,000	505,270
FL Clay County Housing Finance Authority, Madison Commons Apartments, Series 2000 A, AMT, 7.450% 07/01/40	500,000	506,795
MA Housing Finance Agency, Series 2005 B: 5.000% 12/01/28	500,000	504,895
5.000% 06/01/30	500,000	507,970
MN Washington County Housing & Redevelopment Authority, Cottages of Aspen, Series 1992, AMT, 9.250% 06/01/22	970,000	993,319
MN White Bear Lake, Birch Lake Townhome Project, Series 1989 A, AMT, 10.250% 07/15/19	1,770,000	1,772,053
Series 1989 B, AMT, (a) 07/15/19	624,000	243,710
NC Medical Care Commission, ARC Projects, Series 2004 A, 5.800% 10/01/34	400,000	407,056
Resolution Trust Corp., Pass-Through Certificates, Series 1993 A, 9.750% 12/01/16 (f)	455,481	451,637

PAR (\$) VALUE (\$)

TN Chattanooga Health Educational & Housing Facility Board, Series 2005 B, 6.000% 10/01/35	250,000	253,510
TN Franklin Industrial Development Board, Landings Apartment Project, Series 1996 B, 8.750% 04/01/27	690,000	706,946
TX Affordable Housing Corp., NHT/GTEX Project, Series 2001 C, 10.000% 10/01/31 (c)	685,000	6,850
TX El Paso County Housing Finance Corp., American Village Communities: Series 2000 C,		

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8.000% 12/01/32	300,000	310,047
Series 2000 D,		
10.000% 12/01/32	300,000	312,954
VA Alexandria Redevelopment & Housing Authority, Courthouse Commons Apartments, Series 1990 A, AMT,		
10.000% 01/01/21	1,000,000	829,410

Multi - Family Total		9,786,647

SINGLE-FAMILY - 0.6%		
KY Kentucky County Single Family Mortgage Revenue, Series 1987 A, AMT, Insured: MBIA		
9.000% 09/01/16	15,000	15,042
WI Housing & Economic Development Authority, Series 2005 C,		
4.875% 03/01/36(g)	1,000,000	1,011,210

Single-Family Total		1,026,252

HOUSING TOTAL		18,285,192

INDUSTRIALS - 8.0%

FOOD PRODUCTS - 2.2%

GA Cartersville Development Authority, Anheuser Busch Project, Inc., Series 2002, AMT,		
5.950% 02/01/32	1,000,000	1,074,540
LA Port of New Orleans Industrial Development, Continental Grain Co., Series 1993,		
7.500% 07/01/13	1,000,000	1,020,670
LA Southern Louisiana Port Commission, Cargill, Inc., Project, Series 1997,		
5.850% 04/01/17	500,000	524,515

See Accompanying Notes to Financial Statements.

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INVESTMENT PORTFOLIO (CONTINUED)

May 31, 2005 (Unaudited)

MUNICIPAL BONDS (CONTINUED) PAR (\$) VALUE (\$)

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INDUSTRIALS (CONTINUED)		
FOOD PRODUCTS (CONTINUED)		
MI State Strategic Fund, Sebewaing Project, Series 1998 A, 6.250% 11/01/15	1,000,000	1,008,380

Food Products Total		3,628,105

FOREST PRODUCTS & PAPER - 2.4%		
AL Camden Industrial Development Board, Weyerhaeuser Co., Series 2003 B, AMT, 6.375% 12/01/24	400,000	438,144
AL Courtland Industrial Development Board, Champion International Corp., Series 1999, AMT, 6.000% 08/01/29	1,000,000	1,036,280
AL Phenix City Industrial Development Board, Meadwestvaco Corp., Series 2002 A, AMT, 6.350% 05/15/35	400,000	432,896
GA Rockdale County Development Authority, Visy Paper, Inc., Series 1993, AMT, 7.500% 01/01/26	800,000	810,888
MS Lowndes County Solid Waste Disposal & Pollution Control, Weyerhaeuser Company Project, Series 1992 B, 6.700% 04/01/22	595,000	723,859
VA Bedford County Industrial Development Authority, Nekoosa Packaging Corp., Series 1998, AMT, 5.600% 12/01/25	400,000	402,388

Forest Products & Paper Total		3,844,455

MANUFACTURING - 1.0%		
IL Will-Kankakee Regional Development Authority, Flanders Corp., Precisionaire Project, Series 1997, AMT, 6.500% 12/15/17	785,000	801,634
TX Trinity River Authority, Texas Instruments Project, Series 1996, AMT, 6.200% 03/01/20	750,000	775,170

Manufacturing Total		1,576,804

METALS & MINING - 0.4%		
NV Department of Business & Industry, Wheeling-Pittsburgh Steel Corp., Series 1999 A, AMT, 8.000% 09/01/14 (f)	222,097	227,958

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	PAR (\$)	VALUE (\$)

VA Greensville County Industrial Development Authority, Wheeling-Pittsburgh Steel Corp., Series 1999 A, AMT, 7.000% 04/01/14	345,000	335,040

Metals & Mining Total		562,998

OIL & GAS - 2.0%		
NJ Middlesex County Pollution Control Authority, Amerada Hess Corp., Series 2004, 6.050% 09/15/34	115,000	122,965
TX Gulf Coast Industrial Development Authority, Citgo Petroleum, Series 1998, AMT, 8.000% 04/01/28	375,000	425,873
VI Virgin Islands Public Finance Authority, Hovensa: Series 2003, AMT, 5.875% 07/01/22	400,000	432,716
6.125% 07/01/22	425,000	467,194
VI Government Refinery Facilities, Hovensa, Series 2004, AMT, 6.500% 07/01/21	250,000	284,305
WA Pierce County Economic Development Corp., Occidental Petroleum Co., Series 1993, AMT, 5.800% 09/01/29	1,500,000	1,501,500

Oil & Gas Total		3,234,553

INDUSTRIALS TOTAL		12,846,915

OTHER - 12.1%		
OTHER - 0.5%		
NY Convention Center Operating Corp., Yale Building Project, Series 2003, (a) 06/01/08	1,000,000	868,610

Other Total		868,610

POOL / BOND BANK - 0.4%		
MI Municipal Bond Authority, Local Government Loan Project, Series 2001 A, Insured: AMBAC 5.375% 11/01/17	550,000	608,025

Pool / Bond Bank Total		608,025

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REFUNDED/ESCROWED (h) - 8.8%		
CO Public Highway Authority, Series 2000 B, Pre-refunded 09/01/10, (a) 09/01/35	8,750,000	1,112,562

See Accompanying Notes to Financial Statements.

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INVESTMENT PORTFOLIO (CONTINUED)

May 31, 2005 (Unaudited)

MUNICIPAL BONDS (CONTINUED)	PAR (\$)	VALUE (\$)

OTHER (CONTINUED)		
REFUNDED/ESCROWED (h) (CONTINUED)		
CT Development Authority, New Haven Residuals LP, Series 1996, AMT, Escrowed to Maturity, 8.250% 12/01/06	410,000	432,243
GA Forsyth County Hospital Authority, Georgia Baptist Health Care System, Series 1998, Escrowed to Maturity, 6.000% 10/01/08	620,000	650,405
ID Health Facilities Authority, IHC Hospitals, Inc., Series 1992, Escrowed to Maturity, 6.650% 02/15/21	2,750,000	3,625,572
IL Health Facilities Authority, Swedish American Hospital, Series 2000, Pre-refunded 05/15/10 6.875% 11/15/30	500,000	588,505
IL Metropolitan II Pier & Exposition Authority, McCormick Place Expansion Project, Series 2002 A, Insured: FGIC (a) 06/15/14	3,990,000	2,795,274
NC Lincoln County, Lincoln County Hospital, Series 1991, Escrowed to Maturity, 9.000% 05/01/07	140,000	150,830
PA Delaware County Authority, Mercy Health Corp., Southeastern Pennsylvania Obligated, Pre-refunded 12/15/08, Series 1996: 6.000% 12/15/16	1,400,000	1,482,208

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6.000% 12/15/26	500,000	527,420
PR Commonwealth of Puerto Rico Public Finance Corp., Escrowed to Maturity, Series 2002 E,		
6.000% 08/01/26	80,000	101,630
TN Shelby County Health, Educational & Housing Facilities Board, Open Arms Development Centers: Series 1992 A, Pre-refunded 08/01/07,		
9.750% 08/01/19	450,000	526,712
Series 1992 C, Pre-refunded 08/01/07,		
9.750% 08/01/19	455,000	530,307

	PAR (\$)	VALUE (\$)
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TX Board of Regents, University of Texas, Escrowed to Maturity, Series 2001 B, 5.375% 08/15/18	350,000	390,747
University of Illinois, Series 2001 A, Pre-refunded 08/15/11, Insured: AMBAC 5.500% 08/15/17	600,000	675,108
WV Hospital Finance Authority, Charleston Area Medical Center, Series 2000, Pre-refunded 09/01/10, 6.750% 09/01/30	605,000	713,761

Refunded/Escrowed Total		14,303,284

TOBACCO - 2.4%		
CA Golden State Tobacco Securitization Corp., Series 2003 A-1, 6.250% 06/01/33	1,600,000	1,694,864
Series 2003 B, 5.500% 06/01/43	500,000	536,055
NJ Tobacco Settlement Financing Corp., Series 2003, 6.750% 06/01/39	1,000,000	1,088,120
WA Tobacco Settlement Authority, Series 2002, 6.625% 06/01/32	500,000	527,085

Tobacco Total		3,846,124

OTHER TOTAL		19,626,043

OTHER REVENUE - 5.5%
HOTELS - 1.9%

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NJ Middlesex County Improvement Authority, Heldrich Associates LLC, Series 2005 B, 6.250% 01/01/37	1,000,000	997,440
PA Philadelphia Authority for Industrial Development, Doubletree Project, Series 1997 A, 6.500% 10/01/27	2,000,000	2,076,760

Hotels Total		3,074,200

RECREATION - 2.6%

CA Agua Caliente Band of Cahuilla Indians Revenue, Series 2003, 5.600% 07/01/13	775,000	790,848
CA Cabazon Band Mission Indians, Series 2004: 8.375% 10/01/15 (f)	220,000	227,480
8.750% 10/01/19 (f)	780,000	803,018
CT Mashantucket Western Pequot, Series 1999 B, (a) 09/01/18 (f)	1,100,000	556,446

See Accompanying Notes to Financial Statements.

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INVESTMENT PORTFOLIO (CONTINUED)

May 31, 2005 (Unaudited)

MUNICIPAL BONDS (CONTINUED)	PAR (\$)	VALUE (\$)

OTHER REVENUE (CONTINUED)		
RECREATION (CONTINUED)		
CT Mohegan Tribe Gaming Authority, Series 2001, 6.250% 01/01/31 (f)	200,000	216,910
FL Capital Trust Agency, Seminole Tribe Convention Center, Series 2002 A, 10.000% 10/01/33 (f)	900,000	999,558
NM Red River Sports Facility, Red River Ski Area Project, Series 1998, 6.450% 06/01/07	515,000	519,872

Recreation Total		4,114,132

RETAIL - 1.0%

LA Beauregard Parish, Boise Cascade Corp., Series 2002, 6.800% 02/01/27	1,000,000	1,083,770
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OH Lake County, North Madison Properties, Series 1993, 8.819% 09/01/11	590,000	591,788

	Retail Total	1,675,558

	OTHER REVENUE TOTAL	8,863,890

RESOURCE RECOVERY - 2.2%		
DISPOSAL - 0.9%		
CA Pollution Control Financing Authority, Republic Services, Series 2002 C, AMT, 5.250% 06/01/23	500,000	526,255
MA Industrial Finance Agency, Peabody Monofill Associates, Inc. Project, Series 1995, 9.000% 09/01/05	220,000	221,245
UT Carbon County, Laidlaw Environmental: Series 1995 A, AMT, 7.500% 02/01/10	250,000	255,700
Series 1997 A, AMT, 7.450% 07/01/17	500,000	518,800

	Disposal Total	1,522,000

RESOURCE RECOVERY - 1.3%		
MA Industrial Finance Agency, Ogden Haverhill Associates, Series 1998 A, AMT, 5.500% 12/01/13	1,000,000	1,022,230
PA Delaware County Industrial Development Authority, American REF-Fuel Co., Series 1997 A, 6.200% 07/01/19	1,000,000	1,043,170

	Resource Recovery Total	2,065,400

	RESOURCE RECOVERY TOTAL	3,587,400

	PAR (\$)	VALUE (\$)

TAX-BACKED - 26.2%		
LOCAL APPROPRIATED - 1.4%		
CA Compton, Civic Center & Capital Improvements, Series 1997 A, 5.500% 09/01/15	1,000,000	1,045,710
SC Laurens County School District No. 55, Series 2005, 5.250% 12/01/30	700,000	725,158
SC Dorchester County School		

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District No. 2, Series 2004, 5.250% 12/01/29	500,000	526,755

Local Appropriated Total		2,297,623

LOCAL GENERAL OBLIGATIONS - 10.4%		
CA East Side Union High School		
District, Series 2003 B,		
Insured: MBIA		
5.100% 02/01/20	750,000	849,765
CA Fresno Unified School District,		
Series 2002 A,		
Insured: MBIA		
6.000% 02/01/18	1,245,000	1,511,268
CA Los Angeles Unified School		
District, Series 2002,		
Insured: MBIA		
5.750% 07/01/16	600,000	710,982
CA Vallejo City Unified School		
District, Series 2002 A,		
Insured: MBIA		
5.900% 08/01/25	1,000,000	1,223,270
LA New Orleans,		
Series 1991,		
Insured: AMBAC		
(a) 09/01/15	4,000,000	2,646,680
NY New York City,		
Series 1998 H,		
Insured: MBIA		
5.125% 08/01/25	5,000,000	5,270,700
TX Dallas County Flood Control		
District, Series 2002,		
7.250% 04/01/32	750,000	783,053
TX Irving Independent School District,		
Series 1997 A:		
Insured: PSFG		
(a) 02/15/15	1,500,000	1,008,750
(a) 02/15/16	1,000,000	640,300
WA Clark County School District		
No. 37, Series 2001 C,		
Insured: FGIC		
(a) 12/01/18	4,000,000	2,237,440

Local General Obligations Total		16,882,208

See Accompanying Notes to Financial Statements.

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INVESTMENT PORTFOLIO (CONTINUED)

May 31, 2005 (Unaudited)

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MUNICIPAL BONDS (CONTINUED)	PAR (\$)	VALUE (\$)

TAX-BACKED (CONTINUED)		
SPECIAL NON-PROPERTY TAX - 5.3%		
CA San Diego Redevelopment Agency, Series 2001, Insured: FSA (a) 09/01/18	1,015,000	570,927
FL Northern Palm Beach County Improvement District, Series 1999, Insured: MBIA 5.900% 08/01/19	500,000	548,410
IL Metropolitan Pier & Exposition Authority, McCormick Place Expansion Project: Series 1993 A, Insured: FGIC (a) 06/15/14	1,010,000	707,455
Series 1994 A, Insured: MBIA (a) 06/15/15	3,000,000	2,003,940
Series 1996 A, Insured: MBIA (a) 12/15/13	5,000,000	3,589,900
NJ Economic Development Authority, Cigarette Tax, Series 2004: 5.500% 06/15/31	120,000	126,368
5.750% 06/15/29	500,000	540,200
PR Commonwealth of Puerto Rico Highway & Transportation Authority, Series 2003 AA, Insured: MBIA 5.500% 07/01/18	375,000	444,068

Special Non-Property Tax Total		8,531,268

SPECIAL PROPERTY TAX - 7.5%		
CA Huntington Beach Community Facilities District, Grand Coast Resort, Series 2001-1, 6.450% 09/01/31	500,000	527,030
CA Lincoln Community Facilities District No. 2003-1, Series 2004, 5.550% 09/01/18	500,000	508,550
CA Oakdale Public Financing Authority, Central City Redevelopment Project, Series 2004, 5.375% 06/01/33	1,125,000	1,152,000
CA Orange County Community Facilities District, Ladera Ranch, Series 1999 A, 6.500% 08/15/21	1,000,000	1,141,060
CA Orange County Improvement Bond Act 1915, Phase IV, No. 01-1-B, Series 2003,		

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	PAR (\$)	VALUE (\$)
5.750% 09/02/33	500,000	515,375

CA Redwood City Community Facilities District No. 1, Series 2003 B, 6.000% 09/01/33	300,000	314,463
CA Temecula Valley Unified School District No. 1, Series 2003, 6.125% 09/01/33	355,000	364,780
CA Yorba Linda Redevelopment Agency, Series 1998 A, Insured: MBIA (a) 09/01/24	1,325,000	539,765
FL Celebration Community Development District, Series 2003 A, 6.400% 05/01/34	740,000	790,986
FL Colonial Country Club Community Development District, Series 2003, 6.400% 05/01/33	490,000	523,761
FL Double Branch Community Development District, Series 2002 A, 6.700% 05/01/34	495,000	540,307
FL Heritage Palms Community Development District, Series 1999 A, 6.250% 11/01/07	145,000	145,349
FL Islands at Doral Southwest Community Development District, Series 2003, 6.375% 05/01/35	250,000	266,605
FL Lexington Oaks Community Development District, Series 1998 A, 6.125% 05/01/19	685,000	697,844
FL Orlando, Conroy Road Interchange Project, Series 1998 A: 5.500% 05/01/10 5.800% 05/01/26	105,000 300,000	108,752 307,995
FL Seven Oaks Community Development District, Series 2004 B, 5.000% 05/01/09	1,000,000	1,009,280
FL Stoneybrook Community Development District: Series 1998 A, 6.100% 05/01/19 Series 1998 B, 5.700% 05/01/08	230,000 25,000	234,377 25,386
FL Westchester Community Development District,		

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Series 2003, 6.125% 05/01/35	275,000	288,849
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INVESTMENT PORTFOLIO (CONTINUED)

May 31, 2005 (Unaudited)

MUNICIPAL BONDS (CONTINUED)	PAR (\$)	VALUE (\$)

TAX-BACKED (CONTINUED)		
SPECIAL PROPERTY TAX (CONTINUED)		
IL Chicago, Pilsen Redevelopment, Series 2004 B, 6.750% 06/01/22	310,000	325,977
IL Lincolnshire Special Services Area No. 1, Sedgebrook Project, Series 2004, 6.250% 03/01/34	250,000	264,918
MI Pontiac Finance Authority Development Area No. 3, Series 2002, 6.375% 06/01/31	450,000	465,242
MI Taylor Tax Increment Finance Authority, Series 2001, Insured: FSA 5.375% 05/01/17	1,000,000	1,099,220

Special Property Tax Total		12,157,871

STATE APPROPRIATED - 1.3%		
MI Building Authority, Series 2001 I, 5.000% 10/15/24	1,000,000	1,063,810
PR Commonwealth of Puerto Rico Public Finance Corp., Series 2002 E, 6.000% 08/01/26	820,000	1,007,181

State Appropriated Total		2,070,991

STATE GENERAL OBLIGATIONS - 0.3%		
CA State, Series 2003, 5.250% 02/01/23	380,000	430,924

State General Obligations Total		430,924

TAX-BACKED TOTAL		42,370,885

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TRANSPORTATION - 13.7%		
AIR TRANSPORTATION - 3.7%		
CA Los Angeles Regional Airport, LAXfuel Corp., Series 2001, AMT, Insured: AMBAC 5.250% 01/01/23	500,000	520,855
CO Denver City & County Airport, United Air Lines, Inc., Series 1992 A, AMT 6.875% 10/01/32 (d)	645,000	554,687
FL Capital Trust Agency, Air Cargo Orlando Project, Series 2003, AMT, 6.750% 01/01/32	350,000	351,551
IN Indianapolis Airport Authority, Fed Ex Corp., Series 2004, AMT, 5.100% 01/15/17	500,000	531,275

	PAR (\$)	VALUE (\$)
MN Minneapolis & St. Paul Metropolitan Airports Commission, Northwest Airlines, Inc.: Series 2001 A, AMT, 7.000% 04/01/25	800,000	749,120
Series 2005, 7.375% 04/01/25	250,000	245,885
NC Charlotte Douglas International Airport, US Airways, Inc.: Series 1998, AMT, 5.600% 07/01/27 (i)	250,000	150,158
Series 2000, AMT, 7.750% 02/01/28 (i)	500,000	352,250
NJ Economic Development Authority, Continental Airlines, Inc., Series 2003, AMT, 9.000% 06/01/33	1,250,000	1,286,700
NY New York City Industrial Development, JFK International Airport Project, American Airlines, Inc., Series 2002 B, AMT, 8.500% 08/01/28	500,000	402,525
PA Philadelphia Authority for Industrial Development, Aero Philadelphia, Series 1999, AMT, 5.250% 01/01/09	250,000	252,340
TX Houston Industrial Development Corp., United Parcel Services, Series 2002, AMT, 6.000% 03/01/23	525,000	549,937

Air Transportation Total		5,947,283

AIRPORTS - 2.0%

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GA Augusta Airport, Series 2005 B, 5.350% 01/01/28	215,000	220,007
TX Dallas Fort Worth International Airport, Series 2004 B, AMT, Insured: FSA 5.000% 11/01/25	3,000,000	3,114,000

Airports Total		3,334,007

TOLL FACILITIES - 3.0%		
CA San Joaquin Hills Transportation Corridor Agency, Series 1997 A, Insured: MBIA (a) 01/15/15	3,000,000	2,042,790
CO E-470 Public Highway Authority, Series 2000 B, Insured: MBIA (a) 09/01/18	3,000,000	1,689,660
CO Northwest Parkway Public Highway Authority, Series 2001 D, 7.125% 06/15/41	1,000,000	1,081,480

Toll Facilities Total		4,813,930

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INVESTMENT PORTFOLIO (CONTINUED)

May 31, 2005 (Unaudited)

MUNICIPAL BONDS (CONTINUED)	PAR (\$)	VALUE (\$)

TRANSPORTATION (CONTINUED)		
TRANSPORTATION - 5.0%		
NV Department of Business & Industry, Las Vegas Monorail Project, Series 2000, 7.375% 01/01/40	750,000	786,833
NY Port Authority of New York & New Jersey, Series 2004, AMT, Insured: FSA 5.125% 07/15/30 (j)	6,790,000	7,237,257

Transportation Total		8,024,090

TRANSPORTATION TOTAL		22,119,310

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UTILITIES - 21.8%		
INDEPENDENT POWER PRODUCERS - 4.1%		
MI Midland County Economic Development Corp., Series 2000 A, AMT, 6.875% 07/23/09	1,000,000	1,048,990
NY Port Authority of New York & New Jersey, KIAC Partners, Series 1996 IV, AMT, 6.750% 10/01/11	2,000,000	2,116,020
NY Suffolk County Industrial Development Authority, Nissequogue Cogeneration Partners Facilities, Series 1998, AMT, 5.500% 01/01/23	550,000	545,534
PA Carbon City Industrial Development Authority, Panther Creek Partners Project, Series 2000, AMT, 6.650% 05/01/10	130,000	141,054
PA Economic Development Financing Authority, Colver Project, Series 1994 D, AMT, 7.150% 12/01/18	1,500,000	1,560,750
PR Commonwealth of Puerto Rico Industrial, Tourist, Educational, Medical & Environmental Authority, AES Project, Series 2000, AMT, 6.625% 06/01/26	320,000	347,619
VA Pittsylvania County Industrial Development Authority, Multi-trade of Pittsylvania, Series 1994 A, AMT, 7.450% 01/01/09	900,000	926,415

Independent Power Producers Total		6,686,382

INVESTOR OWNED - 7.2%		
AZ Maricopa County Pollution Control Corp., El Paso Electric Co., Series 2002 A, 6.250% 05/01/37	500,000	502,835
	PAR (\$)	VALUE (\$)

AZ Pima County Industrial Development Authority, Tucson Electric Power Co., Series 1997 A, AMT, 6.100% 09/01/25	750,000	750,802
CA Chula Vista Industrial Development Authority, San Diego Gas & Electric, Series 1996, AMT, 5.500% 12/01/21	475,000	513,295
FL Polk County Industrial		

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Development Authority, Tampa Electric Co. Project, Series 1996, AMT, 5.850% 12/01/30	800,000	820,040
IL Bryant, Central Illinois Light Co., Series 1993, 5.900% 08/01/23	1,000,000	1,020,400
IN Petersburg, Indianapolis Power & Light Co., Series 1995, 6.625% 12/01/24	750,000	763,597
LA Calcasieu Parish Industrial Development Board, Entergy Gulf States, Inc., Series 1999, 5.450% 07/01/10	500,000	506,060
LA West Feliciana Parish, Entergy Gulf States, Inc., Series 1999 B, 6.600% 09/01/28	500,000	506,765
MS Business Finance Corp., Systems Energy Resources Project, Series 1998, 5.875% 04/01/22	1,500,000	1,525,185
MT Forsyth, Portland General, Series 1998 A, 5.200% 05/01/33	225,000	236,365
NV Clark County Industrial Development, Nevada Power Co., Series 1997 A, AMT, 5.900% 11/01/32	1,500,000	1,501,140
OH Air Quality Development Authority, Cleveland Electric Illuminating Company, Series 2002 A, 6.000% 12/01/13	650,000	690,761
PA Economic Development Financing Authority, Reliant Energy, Inc., Series 2001 A, AMT, 6.750% 12/01/36	400,000	429,340
TX Brazos River Authority, TXU Energy Co. LLC: Series 2001 C, AMT, 5.750% 05/01/36	220,000	235,803

See Accompanying Notes to Financial Statements.

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INVESTMENT PORTFOLIO (CONTINUED)

May 31, 2005 (Unaudited)

MUNICIPAL BONDS (CONTINUED) PAR (\$) VALUE (\$)

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UTILITIES (CONTINUED)		
INVESTOR OWNED (CONTINUED)		
Series 2003 C, AMT, 6.750% 10/01/38	555,000	619,735
WY Campbell County, Black Hills Power, Inc., Series 2004, 5.350% 10/01/24	1,000,000	1,030,450

Investor Owned Total		11,652,573

JOINT POWER AUTHORITY - 0.3%		
NC Eastern Municipal Power Agency, Series 2003 F, 5.500% 01/01/16	430,000	465,097

Joint Power Authority Total		465,097

MUNICIPAL ELECTRIC - 7.2%		
CA Department of Water Resources, Power Supply Revenue Bonds, Series 2002 A, Insured: AMBAC 5.500% 05/01/14	2,000,000	2,272,720
TX Austin Utilities System, Series 1994: Insured: FGIC (a) 05/15/17 (a) 05/15/18	6,600,000 5,000,000	3,987,258 2,870,400
WA Seattle Light & Power, Series 2001, Insured: FSA 5.500% 03/01/17	2,250,000	2,473,065

Municipal Electric Total		11,603,443

WATER & SEWER - 3.0%		
MA Water Resources Authority, Series 1997 D, Insured: MBIA 5.000% 08/01/24	2,000,000	2,106,400
MS V Lakes Utility District, Series 1994, 8.250% 07/15/24	500,000	505,175
TX Houston Water & Sewer System, Series 1991 C, Insured: AMBAC (a) 12/01/12	3,000,000	2,256,930

Water & Sewer Total		4,868,505

UTILITIES TOTAL		35,276,000

TOTAL MUNICIPAL BONDS		
(cost of \$238,911,774)		244,167,727

MUNICIPAL PREFERRED STOCKS - 2.0%

HOUSING - 2.0%
MULTI-FAMILY - 2.0%
Charter Mac Equity Issuer Trust,

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Series A-4, AMT,
6.000% 04/30/19 1,000,000 1,079,900

	PAR (\$)	VALUE (\$)

Charter Municipal Mortgage Acceptance Co., AMT, 7.600% 11/30/10 (f)	500,000	574,620
GMAC Municipal Mortgage Trust, AMT, 5.600% 10/31/39 (f)	500,000	519,670
Munimae Trust, AMT, 5.800% 06/30/49 (f)	1,000,000	1,008,750

Multi-Family Total		3,182,940

HOUSING TOTAL		3,182,940

TOTAL MUNICIPAL PREFERRED STOCKS (cost of \$3,000,000)		3,182,940

INVESTMENT COMPANY - 0.0%	SHARES	

Dreyfus Tax-Exempt Cash Management Fund	1	1

TOTAL INVESTMENT COMPANY (cost of \$1)		1

SHORT-TERM OBLIGATIONS - 2.1%	PAR (\$)	

VARIABLE RATE DEMAND NOTES (k) - 2.1%		
FL Alachua County Health Facilities Authority, Continuing Care, Oak Hammock at The University of Florida Inc., Series 2002 A, 2.250% 10/01/32	200,000	200,000
FL Orange County School Board, Series 2002 B, 2.000% 08/01/27	800,000	800,000
IA Higher Education Loan Authority, Loras College, Series 2000, 2.000% 11/01/30	400,000	400,000
IN Development Financing Authority, Cathedral High Trustees, Inc., Series 2001, 2.050% 09/01/26	300,000	300,000
MO Development Financing Board, Missouri Associates Municipal Utilities Lease, Series 2003, 2.050% 06/01/33	285,000	285,000
MS Jackson County,		

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Chevron U.S.A., Inc. Project, Series 1992, 2.000% 06/01/23	100,000	100,000
NE Lancaster County Hospital Authority No.1, BryanIgh Medical Center Project, LOC: U.S. Bank N.A. 2.000% 06/01/18	300,000	300,000

See Accompanying Notes to Financial Statements.

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INVESTMENT PORTFOLIO (CONTINUED)

May 31, 2005 (Unaudited)

SHORT-TERM OBLIGATIONS (CONTINUED)	PAR (\$)	VALUE (\$)

VARIABLE RATE DEMAND NOTES (k) (CONTINUED)		
WI Health and Educational Facilities Authority, Gundersen Lutheran, Series B, Insured: FSA, LOC: Dexia Credit Local 2.000% 12/01/29	500,000	500,000
WY Uinta County, Chevron U.S.A., Inc., 2.000% 12/01/22	600,000	600,000

	VARIABLE RATE DEMAND NOTES TOTAL	3,485,000

TOTAL SHORT-TERM OBLIGATIONS (cost of \$3,485,000)		3,485,000

TOTAL INVESTMENTS - 155.2% (cost of \$245,396,775) (1)		250,835,668

AUCTION PREFERRED SHARES PLUS		
CUMULATIVE UNPAID DISTRIBUTIONS - (55.7)%		(90,020,785)
OTHER ASSETS & LIABILITIES, NET - 0.5%		819,127

NET ASSETS - 100.0%		161,634,010

NOTES TO INVESTMENT PORTFOLIO:

(a) Zero coupon bond.

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- (b) Denotes a restricted security, which is subject to restrictions on resale under federal securities laws. At May 31, 2005, the value of these securities amounted to \$1,958,556, which represents 1.2% of net assets.

Additional information on these securities is as follows:

SECURITY	ACQUISITION DATE	ACQUISITION COST
CA Statewide Community Development Authority: Crossroads School for Art & Sciences, Series 1998:		
6.00% 08/01/28	08/21/98	\$ 410,000
6.00% 08/01/28	08/31/98	700,000
Eskaton Village - Grass Valley, Series 2000,		
8.250% 11/15/31	09/08/00	750,000
		\$1,860,000

- (c) The issuer is in default of certain debt covenants. Income is not being fully accrued. As of May 31, 2005, the value of these securities amounted to \$1,915,191, which represents 1.2% of net assets.
- (d) The issuer has filed for bankruptcy protection under Chapter 11 and is in default of certain debt covenants. Income is not being accrued. As of May 31, 2005, the value of these securities amounted to \$890,588 which represents 0.6% of net assets.
- (e) Represents fair value as determined in good faith under procedures approved by the Board of Trustees.
- (f) Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. At May 31, 2005, these securities amounted to \$5,586,047 which represents 3.5% of net assets.
- (g) Security purchased on a delayed delivery basis.
- (h) The Trust has been informed that each issuer has placed direct obligations of the U.S. Government in an irrevocable trust, solely for the payment of principal and interest.
- (i) The issuer has filed for bankruptcy under Chapter 11. Income is being accrued. As of May 31, 2005, the value of these securities amounted to \$502,408 which represents 0.3% of net assets.
- (j) A portion of this security with a market value of \$1,065,870 is pledged as collateral for open futures contracts.
- (k) Variable rate demand notes. These securities are payable on demand are secured by letters of credit or other credit support agreements from banks. The interest rates change periodically and the interest rates shown reflect the rate as of May 31, 2005.
- (l) Cost for federal income tax purposes is \$245,255,601.

At May 31, 2005, the Trust held the following open short futures contracts:

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TYPE	CONTRACTS	VALUE	AGGREGATE FACE VALUE	EXPIRATION DATE	UNREALIZED (DEPRECIATION)
U.S. Treasury					
Bond	168	\$19,729,500	\$19,521,201	Sep-2005	\$(208,299)
U.S. Treasury					
Note	245	\$32,847,031	\$32,720,826	Sep-2005	\$(126,205)

					\$ (334,504)

Acronym	Name
AMBAC	Ambac Assurance Corp.
AMT	Alternative Minimum Tax
FGIC	Financial Guaranty Insurance Co.
FHA	Federal Housing Administration
FSA	Financial Security Assurance, Inc.
GNMA	Government National Mortgage Association.
LOC	Letter of Credit
MBIA	MBIA Insurance Corp.
PSFG	Permanent School Fund Guaranteed

At May 31, 2005, the composition of the Trust by revenue source is as follows:

HOLDINGS BY REVENUE SOURCE	% OF NET ASSETS
Health Care	39.4
Tax-Backed	26.2
Utilities	21.8
Transportation	13.7
Housing	13.3
Other	12.1
Education	10.9
Industrials	8.0
Other Revenue	5.5
Resource Recovery	2.2
Short-Term Obligations	2.1
Auction Preferred Shares	(55.7)
Other Assets & Liabilities, Net	0.5

	100.0%

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STATEMENT OF ASSETS AND LIABILITIES

May 31, 2005 (Unaudited)

ASSETS:

Investments, at cost \$245,396,775

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Investments, at value	\$250,835,668
Cash	78,365
Interest receivable	3,758,511
Deferred Trustees' compensation plan	14,653

Total Assets	254,687,197

LIABILITIES:

Investments purchased on a delayed delivery basis	1,722,234
Futures variation margin	310,625
Distributions-- common shares	804,570
Distributions-- preferred shares	20,785
Investment advisory fee	137,076
Pricing and bookkeeping fees	8,894
Custody fee	1,667
Legal fee	28,763
Preferred shares remarketing commissions	1,391
Deferred Trustees' fees	14,653
Other liabilities	2,529

Total Liabilities	3,053,187

AUCTION PREFERRED SHARES (3,600 shares issued and outstanding at \$25,000 per share)	\$ 90,000,000

COMPOSITION OF NET ASSETS

APPLICABLE TO COMMON SHARES:	
Paid-in capital -- common shares	\$207,965,206
Undistributed net investment income	145,706
Accumulated net realized loss	(51,581,291)
Net unrealized appreciation/depreciation on:	
Investments	5,438,893
Futures contracts	(334,504)

Net assets at value applicable to 27,741,654 common shares of beneficial interest outstanding	\$161,634,010
=====	
Net asset value per common share	\$ 5.83
=====	

STATEMENT OF OPERATIONS

For the Period Ended May 31, 2005 (Unaudited)

INVESTMENT INCOME:	
Interest	\$ 7,371,308
Dividends	591

Total Investment Income	7,371,899

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EXPENSES:	
Investment Advisory fee	811,359
Transfer agent fee	30,369
Pricing and bookkeeping fees	63,746
Trustees' fees	6,206
Preferred shares remarketing commissions	111,242
Custody fee	9,266
Other expenses	80,192

Total Expenses	1,112,380
Custody earnings credit	(815)

Net Expenses	1,111,565

Net Investment Income	6,260,334

NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS AND FUTURES CONTRACTS:	
Net realized gain (loss) on:	
Investments	92,848
Futures contracts	(2,206,711)

Net realized loss	(2,113,863)

Net change in unrealized appreciation/depreciation on:	
Investments	6,447,296
Futures contracts	(300,638)

Net change in unrealized appreciation/depreciation	6,146,658

Net Gain	4,032,795

Net Increase in Net Assets from Operations	10,293,129

LESS DISTRIBUTIONS DECLARED TO PREFERRED SHAREHOLDERS:	
From net investment income	(912,896)

Net Increase in Net Assets from Operations Applicable to Common Shares	\$ 9,380,233

See Accompanying Notes to Financial Statements.

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STATEMENT OF CHANGES IN NET ASSETS

	(UN FOR T MA
INCREASE (DECREASE) IN NET ASSETS:	

OPERATIONS:	
Net investment income	\$
Net realized loss on investments and futures contracts	(
Net change in unrealized appreciation (depreciation) on investments and futures contract	-----
Net Increase from Operations	1

LESS DISTRIBUTIONS DECLARED TO PREFERRED SHAREHOLDERS:	
From net investment income	-----
Increase in Net Assets from Operations Applicable to Common Shares	-----

LESS DISTRIBUTIONS DECLARED TO COMMON SHAREHOLDERS:	
From net investment income:	(

SHARE TRANSACTIONS:	
Distributions reinvested	-----
Total Increase (Decrease) in Net Assets	-----
NET ASSETS APPLICABLE TO COMMON SHARES:	
Beginning of period	15
End of period (including undistributed net investment income of \$145,706 and \$428,592, respectively)	\$16

NUMBER OF TRUST SHARES:	
Common Shares:	
Issued for distributions reinvested	
Outstanding at:	
Beginning of period	2
End of period	2

Preferred Shares:	
Outstanding at end of period	-----

See Accompanying Notes to Financial Statements.

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May 31, 2005 (Unaudited)

NOTE 1. ORGANIZATION

Colonial Municipal Income Trust (the "Trust") is a Massachusetts business trust registered under the Investment Company Act of 1940 (the "Act"), as amended, as a non-diversified, closed-end management investment company.

INVESTMENT GOAL

The Trust seeks to provide high current income, generally exempt from federal income taxes, by investing primarily in medium and lower quality bonds and notes issued by or on behalf of state and local government units whose interest is exempt from ordinary federal income tax, other than the possible incidence of any alternative minimum tax. The Trust's secondary goal is to seek total return.

TRUST SHARES

The Trust may issue an unlimited number of common shares. On July 20, 1999, the Trust issued 3,600 Auction Preferred Shares ("APS").

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. The following is a summary of significant accounting policies consistently followed by the Trust in the preparation of its financial statements.

SECURITY VALUATION

Debt securities generally are valued by pricing services approved by the Trust's Board of Trustees, based upon market transactions for normal, institutional-size trading units of similar securities. The services may use various pricing techniques which take into account appropriate factors such as yield, quality, coupon rate, maturity, type of issue, trading characteristics and other data, as well as broker quotes. Debt securities for which quotations are readily available are valued at an over-the-counter or exchange bid quotation. Certain debt securities, which tend to be more thinly traded and of lesser quality, are priced based on fundamental analysis of the financial condition of the issuer and the estimated value of any collateral. Valuations developed through pricing techniques may vary from the actual amounts realized upon sale of the securities, and the potential variation may be greater for those securities valued using fundamental analysis.

Short-term debt obligations maturing within 60 days are valued at amortized cost, which approximates market value.

Investments in other investment companies are valued at net asset value.

Futures contracts are valued at the settlement price established each day by the board of trade or exchange on which they are traded.

Investments for which market quotations are not readily available, or have quotations which management believes are not appropriate, are valued at fair value as determined in good faith under consistently applied procedures

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established by and under the general supervision of the Board of Trustees.

SECURITY TRANSACTIONS

Security transactions are accounted for on the trade date. Cost is determined and gains (losses) are based upon the specific identification method for both financial statement and federal income tax purposes.

FUTURES CONTRACTS

The Trust may invest in municipal and U.S. Treasury futures contracts. The Trust will invest in these instruments to hedge against the effects of changes in the value of portfolio securities due to anticipated changes in interest rates and/or market conditions, for duration management, or when the transactions are economically appropriate to the reduction of risk inherent in the management of the Trust and not for trading purposes. The use of futures contracts involves certain risks, which include: (1) imperfect correlation between the price movement of the instruments and the underlying securities, (2) inability to close out positions due to differing trading hours, or the temporary absence of a liquid market, for either the instrument or the underlying securities, or (3) an inaccurate prediction by Columbia Management Advisors, Inc. of the future direction of interest rates. Any of these risks may involve amounts exceeding the variation margin recorded in the Trust's Statement of Assets and Liabilities at any given time.

Upon entering into a futures contract, the Trust deposits cash or securities with the broker in an amount sufficient to meet the initial margin requirement. Subsequent payments are made or received by the Trust equal to the daily change in the contract value and are recorded as variation margin receivable or payable and offset in unrealized gains or losses. The Trust also identifies portfolio securities as segregated with the custodian in a separate account in an amount equal to the futures contract. The Trust recognizes a realized gain or loss when the contract is closed or expires.

RESTRICTED SECURITIES

Restricted securities are securities that may only be resold upon registration under federal securities laws or in transactions exempt from registration. In some cases, the issuer of restricted securities has agreed to register such securities for resale at the issuer's expense either upon demand by the Trust or in connection with another registered offering of the securities.

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

May 31, 2005 (Unaudited)

Many restricted securities may be resold in the secondary market in transactions exempt from registration. Such restricted securities may be determined to be liquid under criteria established by the Board of Trustees. The Trust will not incur any registration costs upon such resale.

DELAYED DELIVERY SECURITIES

The Trust may trade securities on other than normal settlement terms, including securities purchased or sold on a "when-issued" basis. This may increase the risk if the other party to the transaction fails to deliver and causes the Trust to subsequently invest at less advantageous prices. The Trust identifies cash or

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liquid portfolio securities in an amount equal to the delayed delivery commitment.

INCOME RECOGNITION

Interest income is recorded on the accrual basis. Premium and discount are amortized and accreted, respectively, on all debt securities. Corporate actions and dividend income are recorded on the ex-date.

FEDERAL INCOME TAX STATUS

The Trust intends to qualify each year as a "regulated investment company" under Subchapter M of the Internal Revenue Code, as amended, and will distribute substantially all of its taxable income, if any, for its tax year, and as such will not be subject to federal income taxes. In addition, the Trust intends to distribute in each calendar year substantially all of its net investment income, capital gains and certain other amounts, if any, such that the Trust should not be subject to federal excise tax. Therefore, no federal income or excise tax provision is recorded.

DISTRIBUTIONS TO SHAREHOLDERS

Distributions to common shareholders are recorded on the ex-date. Distributions to Auction Preferred shareholders are recorded daily and payable at the end of each dividend period. Each dividend payment period for the APS is generally seven days. The applicable dividend rate for the APS on May 31, 2005, was 2.810%. For the six months ended May 31, 2005, the Trust declared dividends to Auction Preferred shareholders amounting to \$ 912,896, representing an average dividend rate of 2.03% per APS.

NOTE 3. FEDERAL TAX INFORMATION

The tax character of distributions paid during the year ended November 30, 2004 was as follows:

	NOVEMBER 30, 2004

Distributions paid from:	
Tax-Exempt Income	\$12,603,622
Ordinary Income	52,173
Long-Term Capital Gains	--

Unrealized appreciation and depreciation at May 31, 2005, based on cost of investments for federal income tax purposes, was:

Unrealized appreciation	\$ 17,978,434
Unrealized depreciation	(12,398,367)

Net unrealized appreciation	\$ 5,580,067

The following capital loss carryforwards, determined as of November 30, 2004, may be available to reduce taxable income arising from future net realized gains on investments, if any, to the extent permitted by the Internal Revenue Code:

YEAR OF EXPIRATION	CAPITAL LOSS CARRYFORWARD
-----	-----
2005	\$ 7,196,783
2007	3,490,821
2008	13,036,764

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2009	3,114,307
2010	7,684,792
2011	4,393,912
2012	4,060,511

	\$42,977,890

Capital loss carryforwards of \$4,074 expired during the year ended November 30, 2004 for the Trust. Expired capital loss carryforwards are recorded as a reduction of paid-in capital.

NOTE 4. FEES AND COMPENSATION PAID TO AFFILIATES

INVESTMENT ADVISORY FEE

Columbia Management Advisors, Inc. ("Columbia"), an indirect wholly owned subsidiary of Bank of America Corporation ("BOA"), is the investment advisor to the Trust and provides administrative and other services to the Trust. Columbia receives a monthly investment advisory fee at the annual rate of 0.65% of the Trust's average weekly net assets, including assets applicable to the APS.

PRICING AND BOOKKEEPING FEES

Columbia is responsible for providing pricing and bookkeeping services to the Trust under a pricing and bookkeeping agreement. Under a separate agreement (the "Outsourcing Agreement"), Columbia has delegated those functions to State Street Corporation ("State Street"). As a result, Columbia pays the total fees received to State Street under the Outsourcing Agreement.

Under its pricing and bookkeeping agreement with the Trust, Columbia receives from the Trust an annual flat fee of \$10,000 paid monthly, and in any month that the Trust's average weekly net assets, including assets applicable to APS, exceed \$50 million, an additional monthly fee. The additional fee rate is calculated by taking into account the fees payable to State Street under the Outsourcing Agreement. This rate is applied to the

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

May 31, 2005 (Unaudited)

average weekly net assets, including assets applicable to APS, of the Trust for that month. The Trust also pays additional fees for pricing services based on the number of securities held by the Trust. For the six months ended May 31, 2005, the Trust's annualized effective pricing and bookkeeping fee rate, inclusive of out-of-pocket expenses, was 0.051% of the Trust's average weekly net assets, including assets applicable to APS.

CUSTODY CREDITS

The Trust has an agreement with its custodian bank under which custody fees may be reduced by balance credits. These credits are recorded as a reduction of total expenses on the Statement of Operations. The Trust could have invested a portion of the assets utilized in connection with the expense offset arrangement in an income-producing asset if it had not entered into such an agreement.

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FEES PAID TO OFFICERS AND TRUSTEES

With the exception of one officer, all officers of the Trust are employees of Columbia or its affiliates and receive no compensation from the Trust. The Board of Trustees appointed a Chief Compliance Officer to the Trust in accordance with federal securities regulations. The Trust, along with other affiliated funds, will pay its pro-rata share of the expenses associated with the Office of the Chief Compliance Officer. The Trust's fee for the Office of the Chief Compliance Officer will not exceed \$15,000 per year.

The Trust's Trustees may participate in a deferred compensation plan which may be terminated at any time. Obligations of the plan will be paid solely out of the Trust's assets.

OTHER

Columbia provides certain services to the Trust related to Sarbanes-Oxley compliance. For the six months ended May 31, 2005, the Trust paid \$829 to Columbia for such services. This amount is included in "Other expenses" on the Statement of Operations.

NOTE 5. PORTFOLIO INFORMATION

For the six months ended May 31, 2005, the cost of purchases and proceeds from sales of securities, excluding short-term obligations, were \$ 13,431,764 and 15,220,492 respectively.

NOTE 6. PREFERRED SHARES

The Trust currently has outstanding 3,600 APS. The APS are redeemable at the option of the Trust on any dividend payment date at the redemption price of \$25,000 per share, plus an amount equal to any dividends accumulated on a daily basis unpaid through the redemption date (whether or not such dividends have been declared).

Under the Act, the Trust is required to maintain asset coverage of at least 200% with respect to the APS as of the last business day of each month in which any APS are outstanding. Additionally, the Trust is required to meet more stringent asset coverage requirements under the terms of the APS Agreement and in accordance with the guidelines prescribed by the APS' rating agencies. Should these requirements not be met, or should dividends accrued on the APS not be paid, the Trust may be restricted in its ability to declare dividends to common shareholders or may be required to redeem certain APS. At May 31, 2005, there were no such restrictions on the Trust.

NOTE 7. DISCLOSURE OF SIGNIFICANT RISKS AND CONTINGENCIES

CONCENTRATION OF CREDIT RISK

The Trust holds investments that are insured by private insurers who guarantee the payment of principal and interest in the event of default or that are supported by a letter of credit. Each of the Trust's insurers is rated AAA by Moody's Investor Services, Inc. At May 31, 2005, private insurers who insure greater than 5% of the total investments of the Trust were as follows:

INSURER	% OF TOTAL INVESTMENTS
MBIA Insurance Corp.	11.4%
Financial Guaranty Insurance Corp.	7.0

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GEOGRAPHIC CONCENTRATION

The Trust has greater than 5% of its total investments at May 31, 2005 invested in debt obligations issued by the states of California, Colorado, Florida, Illinois, Minnesota, Pennsylvania and Texas and their respective political subdivisions, agencies and public authorities. The Trust is more susceptible to economic and political factors adversely affecting issuers of the specific state's municipal securities than are municipal bond funds that are not concentrated to the same extent in these issuers.

HIGH-YIELD SECURITIES

Investing in high-yield securities may involve greater credit risk and considerations not typically associated with investing in U.S. government bonds and other higher quality fixed income securities. These securities are non-investment grade securities, often referred to as "junk bonds." Economic downturns may disrupt the high yield market and impair the ability of issuers to repay principal and interest. Also, an increase in interest rates would likely have an adverse impact on the value of such obligations. Moreover, high-yield securities may be less liquid to the extent that there is no established secondary market.

LEGAL PROCEEDINGS

On February 9, 2005, Columbia and Columbia Funds Distributor, Inc. (collectively, the "Columbia Group") entered into an Assurance of Discontinuance with the New York Attorney General ("NYAG") (the "NYAG Settlement") and consented to the entry of a cease-and-desist order by the Securities and Exchange Commission ("SEC") (the "SEC

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

May 31, 2005 (Unaudited)

Order"). The SEC Order and the NYAG Settlement are referred to collectively as the "Settlements". The Settlements contain substantially the same terms and conditions as outlined in the agreements in principle which Columbia Group entered into with the SEC and NYAG in March 2004.

Under the terms of the SEC Order, the Columbia Group has agreed among other things, to: pay \$70 million in disgorgement and \$70 million in civil money penalties; cease and desist from violations of the antifraud provisions and certain other provisions of the federal securities laws; maintain certain compliance and ethics oversight structures; retain an independent consultant to review the Columbia Group's applicable supervisory, compliance, control and other policies and procedures; and retain an independent distribution consultant (see below). The Columbia Funds have also undertaken to implement certain governance measures designed to maintain the independence of their boards of trustees. The NYAG Settlement also, among other things, requires Columbia and its affiliates, Banc of America Capital Management, LLC and BACAP Distributors, LLC to reduce certain Columbia Funds, Nations Funds and other mutual funds management fees collectively by \$32 million per year for five years, for a projected total of \$160 million in management fee reductions.

Pursuant to the procedures set forth in the SEC order, the \$140 million in settlement amounts described above will be distributed in accordance with a distribution plan to be developed by an independent distribution consultant, who

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is acceptable to the SEC staff and the Columbia Funds' independent trustees. The distribution plan must be based on a methodology developed in consultation with the Columbia Group and the Trust's independent trustees and not unacceptable to the staff of the SEC. At this time, the distribution plan is still under development. As such, any gain to the fund or its shareholders can not currently be determined.

As a result of these matters or any adverse publicity or other developments resulting from them, the market price of fund shares could decline.

A copy of the SEC Order is available on the SEC website at <http://www.sec.gov>. A copy of the NYAG Settlement is available as part of the Bank of America Corporation Form 8-K filing on February 10, 2005.

In connection with events described in detail above, various parties have filed suit against certain funds, the Trustees of the Columbia Funds, FleetBoston Financial Corporation and its affiliated entities and/or Bank of America Corporation and its affiliated entities. More than 300 cases including those filed against entities unaffiliated with the funds, their Boards, FleetBoston Financial Corporation and its affiliated entities and/or Bank of America Corporation and its affiliated entities have been transferred to the Federal District Court in Maryland and consolidated in a multi-district proceeding (the "MDL").

The derivative cases purportedly brought on behalf of the Columbia Funds in the MDL have been consolidated under the lead case. The fund derivative plaintiffs allege that the funds were harmed by market timing and late trading activity and seek, among other things, removal of the trustees of the Columbia Funds, removal of the Columbia Group, disgorgement of all management fees and monetary damages.

On March 21, 2005 purported class action plaintiffs filed suit in Massachusetts state court alleging that the conduct, including market timing, entitles Class B shareholders in certain Columbia funds to an exemption from contingent deferred sales charges upon early redemption (the "CDSC Lawsuit"). The CDSC Lawsuit has been removed to federal court in Massachusetts and the federal Judicial Panel has conditionally ordered its transfer to the MDL.

The MDL is ongoing. Accordingly, an estimate of the financial impact of this litigation on any fund, if any, can not currently be made.

On January 11, 2005, a putative class action lawsuit was filed in federal district court in Massachusetts against, among others, the Trustees of the Columbia Funds and Columbia. The lawsuit alleges that defendants violated common law duties to fund shareholders as well as sections of the Investment Company Act of 1940, by failing to ensure that the Trust and other affiliated funds participated in securities class action settlements for which the funds were eligible. Specifically, plaintiffs allege that defendants failed to submit proof of claims in connection with settlements of securities class action lawsuits filed against companies in which the funds held positions.

In 2004, certain Columbia funds, advisers and affiliated entities were named as defendants in certain purported shareholder class and derivative actions making claims, including claims under the Investment Company and the Investment Advisers Acts of 1940 and state law. The suits allege, inter alia, that the fees and expenses paid by the funds are excessive and that the advisers and their affiliates inappropriately used fund assets to distribute the funds and for other improper purpose. On March 2, 2005, actions were consolidated in the Massachusetts federal court as *In re Columbia Entities Litigation*. The plaintiffs filed a consolidated amended complaint on June 9, 2005.

The Trust and the other defendants to these actions, including Columbia and various of its affiliates, certain other mutual funds advised by Columbia and

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its affiliates, and various directors of such funds, have denied these allegations and are contesting the plaintiffs' claims. These proceedings are ongoing, however, based on currently available information, Columbia believes that these lawsuits are without merit, that the likelihood they will have a material adverse impact on any fund is remote, and that the lawsuits are not likely to materially affect its ability to provide investment management services to its clients, including the Trust.

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FINANCIAL HIGHLIGHTS

Selected data for a share outstanding throughout each period is as follows (common shares unless otherwise noted):

	(UNAUDITED)					
	SIX MONTHS ENDED MAY 31, 2005	2004	2003	YEAR ENDED NOVEMBER 30, 2002		2001
NET ASSET VALUE, BEGINNING OF PERIOD	\$ 5.69	\$ 5.85	\$ 5.82	\$ 6.12	\$	
INCOME FROM INVESTMENT OPERATIONS:						
Net investment income	0.23 (a)	0.45 (a)	0.47 (a)	0.50 (a)	(b)	
Net realized and unrealized gain (loss) on investments and futures contracts	0.14	(0.15)	0.02	(0.33)	(b)	
Total from Investment Operations	0.37	0.30	0.49	0.17		
LESS DISTRIBUTIONS DECLARED TO PREFERRED SHAREHOLDERS:						
From net investment income	(0.03)	(0.04)	(0.03)	(0.05)		
Total from Investment Operations Applicable to Common Shareholders	0.34	0.26	0.46	0.12		
LESS DISTRIBUTIONS DECLARED TO COMMON SHAREHOLDERS:						
From net investment income	(0.20)	(0.42)	(0.43)	(0.42)		
In excess of net investment income	--	--	--	--		
Total Distributions Declared to Common Shareholders	(0.20)	(0.42)	(0.43)	(0.42)		
LESS SHARE TRANSACTIONS:						
Commission and offering costs-- preferred shares	--	--	--	--		
NET ASSET VALUE, END OF PERIOD	\$ 5.83	\$ 5.69	\$ 5.85	\$ 5.82	\$	
Market price per share-- common shares	\$ 5.59	\$ 5.66	\$ 5.65	\$ 5.67	\$	
Total return--based on market value -- common shares (e)	2.32% (i)	7.86%	7.35%	7.87%		1

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RATIOS TO AVERAGE NET ASSETS/
SUPPLEMENTAL DATA:

Expenses (f) (g)	1.39% (h)	1.42%	1.39%	1.37%	
Net investment income before preferred stock dividend (f) (g)	7.85% (h)	7.79%	8.17%	8.28% (b)	
Net investment income after preferred stock dividend (f) (g)	6.70% (h)	7.15%	7.61%	7.47% (b)	
Portfolio turnover rate	5% (i)	16%	15%	27%	
Net assets, end of period (000's)-- common shares	\$ 161,634	\$ 157,757	\$ 161,994	\$ 161,044	\$ 169,000

(a) Per share data was calculated using average shares outstanding during the period.

(b) Effective December 1, 2001, the Trust adopted the provision of the AICPA Audit and Accounting Guide for Investment Companies and began accreting market discount on all debt securities. The effect of this change, for the year ended November 30, 2002, was to increase the ratio of net investment income to average net assets from 8.24% to 8.28% and increase the ratio of net investment income (adjusted for dividend payments to preferred shareholders) from 7.43% to 7.47%. The impact to net investment income and net realized and unrealized loss per share was less than \$0.01. Per share data and ratios for periods prior to November 30, 2002, have not been restated to reflect this change in presentation.

(c) The per share net investment income amount does not reflect the period's reclassification of differences between book and tax basis net investment income.

(d) Rounds to less than \$0.01 per share.

(e) Total return at market value assuming all distributions reinvested at prices calculated in accordance with the Dividend Reinvestment Plan.

(f) The benefits derived from custody credits and directed brokerage arrangements, if applicable, had an impact of less than 0.01%.

(g) Ratios reflect average net assets available to common shares only.

(h) Annualized

(i) Not Annualized

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FINANCIAL HIGHLIGHTS (CONTINUED)

Selected data for a share outstanding throughout each period is as follows (common shares unless otherwise noted):

	1998	1997
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NET ASSET VALUE, BEGINNING OF PERIOD	\$	7.41	\$
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INCOME FROM INVESTMENT OPERATIONS:			
Net investment income		0.47	
Net realized and unrealized gain (loss) on investments and futures contracts		0.18	
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Total Income from Investment Operations		0.65	
<hr style="border-top: 1px dashed black;"/>			
LESS DISTRIBUTIONS DECLARED TO COMMON SHAREHOLDERS:			
From net investment income		(0.48)	
In excess of net investment income		(0.01)	
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Total Distributions Declared to Common Shareholders		(0.49)	
<hr style="border-top: 1px dashed black;"/>			
NET ASSET VALUE, END OF PERIOD	\$	7.57	\$
<hr style="border-top: 1px dashed black;"/>			
Market price per share--common shares	\$	8.13	\$
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Total return--based on market value--common shares (b)		14.57%	
<hr style="border-top: 1px dashed black;"/>			
RATIOS TO AVERAGE NET ASSETS/SUPPLEMENTAL DATA:			
Expenses (c)		0.82%	
Net investment income (c)		6.20%	
Portfolio turnover rate		34%	
Net assets, end of period (000's)--common shares	\$	208,931	\$ 20

(a) Rounds to less than \$0.01 per share.

(b) Total return at market value assuming all distributions reinvested at prices calculated in accordance with the Dividend Reinvestment Plan.

(c) The benefits derived from custody credits and directed brokerage arrangement, if applicable, had an impact of less than 0.01%.

ASSET COVERAGE REQUIREMENTS

	TOTAL AMOUNT OUTSTANDING	ASSET COVERAGE PER SHARE*	INVOLUNTARY LIQUIDATION PREFERENCE PER SHARE
<hr style="border-top: 1px dashed black;"/>			
05/31/05**	\$90,000,000	\$69,898	\$25,000
11/30/04	90,000,000	68,821	25,000
11/30/03	90,000,000	69,998	25,000
11/30/02	90,000,000	69,734	25,000
11/30/01	90,000,000	71,967	25,000
11/30/00	90,000,000	71,462	25,000
11/30/99 ***	90,000,000	50,023	25,000

* Calculated by subtracting the Trust's total liabilities from the Trust's total assets and dividing the amount by the number of APS outstanding.

** Unaudited.

*** On July 20, 1999, the Trust began offering Auction Preferred Shares.

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SHAREHOLDER MEETING RESULTS

RESULTS OF THE ANNUAL MEETING OF SHAREHOLDERS

On May 25, 2005, the Annual Meeting of Shareholders of the Trust was held to conduct a vote for or against the approval of the following Items listed on the Trust's Proxy Statement for said Meeting. On March 10, 2005, the record date for the Meeting, the Trust had 27,741,654 shares outstanding. The votes cast were as follows:

PROPOSAL 1.

ELECTION OF TRUSTEES:	FOR	WITHHELD
William E. Mayer	21,942,349	525,434
Anne-Lee Verville	22,019,304	448,479

On March 10, 2005, the record date of the Meeting, the Trust had 3,600 preferred shares outstanding. The votes cast were as follows:

PROPOSAL 2.

ELECTION OF TRUSTEES:	FOR	WITHHELD
Douglas A. Hacker	3,152	34
William E. Mayer	3,152	34
Thomas E. Stitzel	3,152	34
Anne-Lee Verville	3,152	34

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DIVIDEND REINVESTMENT PLAN

COLONIAL MUNICIPAL INCOME TRUST

Shareholders may elect to have all distributions of dividends and capital gains automatically reinvested by Computershare (the "Plan Agent"), as agent under the Trust's Dividend Reinvestment and Cash Purchase Plan (the "Plan"). Pursuant to the Plan, the provisions of which are described below, shareholders not making such an election will receive all such amounts in cash paid by check mailed directly to the shareholder by the Plan Agent, as the dividend paying agent.

If the Trustees of the Trust declare a dividend or determine to make a capital gain distribution payable either in shares of the Trust or in cash, as shareholders may have elected, non-participants in the Plan will receive cash and participants in the Plan will receive the equivalent in shares of the Trust. If the market price of the shares on the payment date for the dividend or distribution is equal to or exceeds their net asset value, participants will be issued shares of the Trust at the higher of net asset value or 95% of the market price. If the net asset value exceeds the market price of Trust shares at such time, or if the Trust declares a dividend or other distribution payable only in cash, the Plan Agent will, as agent for Plan participants, buy Trust shares in

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the open market, on the New York Stock Exchange or elsewhere, for the participants' accounts. If, before the Plan Agent has completed its purchases, the market price exceeds the net asset value of the Trust's shares, the average per share purchase price paid by the Plan Agent may exceed the net asset value of the Trust's shares, resulting in the acquisition of fewer shares than if the dividend or distribution had been paid in shares issued by the Trust.

Participants in the Plan may withdraw from the Plan upon written notice to the Plan Agent. When a participant withdraws from the Plan or upon termination of the Plan as provided below, certificates for whole shares credited to the participant's account under the Plan will be issued and a cash payment will be made for any fraction of a share credited to such account.

Participants in the Plan have the option of making additional cash payments to the Plan Agent semi-annually, for investment in the Trust's shares. Such payments may be made in any amount from \$100 to \$500. State Street will use all funds received from participants (as well as any dividends and distributions received in cash) to purchase Trust shares in the open market semiannually. Interest will not be paid on any uninvested cash payments.

In the case of shareholders such as banks, brokers or nominees holding shares for others who are the beneficial owners of those shares, the Plan Agent will administer the Plan on the basis of the number of shares certified from time to time by the shareholder of record as representing the total amount registered in such shareholder's name and held for the account of beneficial owners who are to participate in the Plan.

There is no charge to Plan participants for reinvesting dividends or distributions. The Plan Agent's fees for the handling of the reinvestment of dividends and distributions will be paid by the Trust. There will be no brokerage charges with respect to shares issued directly by the Trust as a result of dividends or distributions payable either in stock or in cash. However, each participant will pay a pro rata share of brokerage commissions incurred with respect to the Plan Agent's open market purchases in connection with the reinvestment of dividends or distributions as well as from voluntary cash payments. Brokerage charges for purchasing small amounts of stock for individual accounts under the voluntary cash purchase provisions of the Plan are expected to be less than the usual brokerage charges for individual transactions of comparable size, because the Plan Agent will be purchasing shares for all participants in blocks and charging to cash purchase Plan participants a pro rated portion of the lower commissions usually obtainable on such block purchases. The automatic reinvestment of dividends and distributions will not relieve participants of any income tax that may be payable on such dividends or distributions.

The Plan may be amended or terminated on 30 days written notice to the Plan participants. All correspondence concerning the Plan should be directed to Computershare by mail at P.O. Box 403011, Providence, RI 02940-3011, or by phone at 1-800-426-5523.

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BOARD CONSIDERATION AND APPROVAL OF INVESTMENT ADVISORY AGREEMENT

Section 15(c) of the Investment Company Act of 1940 (the "1940 Act") requires that the Board of Trustees/Directors (the "Board") of the Columbia Funds (the "Funds"), including a majority of the Trustees and Directors (collectively, the "Trustees") who are not "interested persons" of the Trusts, as defined in the 1940 Act (the "Independent Trustees"), annually review and approve the terms of the Funds' investment advisory agreements. At a meeting held on October 13, 2004, the Board reviewed and approved the management contracts ("Advisory

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Agreement") with Columbia Management Advisors, Inc. ("CMA") for the Fund.

At meetings held on September 23, 2004 and October 12, 2004, the Advisory Fees and Expenses Committee (the "Committee") of the Board considered the factors described below relating to the selection of CMA and the approval of the Advisory Agreement. At a meeting held on October 13, 2004, the Board, including the Independent Trustees (who were advised by their independent legal counsel), considered these factors and reached the conclusions described below.

NATURE, EXTENT AND QUALITY OF SERVICES

The Board considered information regarding the nature, extent and quality of services that CMA provides to the Fund under the Advisory Agreement. CMA provided the most recent investment adviser registration form ("Form ADV") and code of ethics for CMA to the Board. The Board reviewed information on the status of Securities and Exchange Commission ("SEC") and New York Attorney General ("NYAG") proceedings against CMA and certain of its affiliates, including the agreement in principle entered into with the SEC and the NYAG on March 15, 2004 to settle civil complaints filed by the SEC and the NYAG relating to trading activity in mutual fund shares.¹

The Board evaluated the ability of CMA, including its resources, reputation and other attributes, to attract and retain highly qualified research, advisory and supervisory investment professionals. The Board considered information regarding CMA's compensation program for its personnel involved in the management of the Fund.

Based on these considerations and other factors, including those referenced below, the Board concluded that they were generally satisfied with the nature, extent and quality of the investment advisory services provided to the Fund by CMA.

FUND PERFORMANCE AND EXPENSES

CMA provided the Board with relative performance and expense information for the Fund in a report prepared by Lipper Inc. ("Lipper") an independent provider of investment company data. The Board considered the total return performance information, which included the ranking of the Fund within a performance universe made up of funds with the same Lipper investment classification and objective (the "Performance Universe") by total return for one-year, three-year, five-year, ten-year or life of fund periods, as applicable. They also considered the Fund's performance in comparison to the performance results of a group (the "Performance Peer Group") of funds selected by Lipper based on similarities in fund type (e.g. open-end), investment classification and objective, asset size, load type and 12b-1/service fees and other expense features, and to the performance results of the Fund's benchmark index. The Board reviewed a description of Lipper's methodology for selecting the mutual funds in the Fund's Performance Peer Group and Performance Universe.

The Board considered statistical information regarding the Fund's total expenses and certain components thereof, including management fees (both actual management fees based on expenses for advisory and administrative fees including any reductions for fee waivers and expense reimbursements as well as contractual management fees that are computed for a hypothetical level of assets), actual non-management expenses, and fee waivers/caps and expense reimbursements. They also considered comparisons of these expenses to the expense information for funds within a group (the "Expense Peer Group") selected by Lipper based on similarities in fund type (e.g. open-end), investment classification and objective, asset size, load type and 12b-1/service fees and other expense features (but which, unlike the Performance Peer Group, may include funds with several different investment classifications and objectives) and an expense universe ("Expense Universe") selected by Lipper based on the criteria for

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determining the Expense Peer Group other than asset size. The expense information in the Lipper report took into account all existing fee waivers and expense reimbursements as well as all voluntary advisory fee reductions applicable to certain Funds that were being proposed by management in order to reduce the aggregate advisory fees received from mutual funds advised by CMA and Banc of America Capital Management, LLC ("BACAP") by \$32 million per year for five years as contemplated by the agreement in principle with the NYAG.

The Committee also considered the projected impact on expenses of these Funds resulting from the overall cost reductions that management anticipated would result from the proposed shift to a common group of service providers for transfer agency, fund accounting and custody services for mutual funds advised by Bank of America affiliates.

The Board also considered information in the Lipper report that ranked each Fund based on (i) each Fund's one-year performance and actual management fees, (ii) each Fund's one-year performance and total expenses and (iii) each Fund's 3-year performance and total expenses. Based on these comparisons and expense and performance rankings of the Fund in the Lipper Report, CMA determined an overall score

1 On February 9, 2005, CMA and its affiliate, Columbia Funds Distributor, Inc., entered into settlement agreements with the SEC and the NYAG that contain substantially the terms outlined in the agreements in principle.

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BOARD CONSIDERATION AND APPROVAL OF INVESTMENT ADVISORY AGREEMENT (CONTINUED)

for the Fund. The Committee and the Board also considered projected savings to the Fund that would result from certain modifications in soft dollar arrangements.

The Committee also considered more detailed information relating to certain Funds that were highlighted for additional review based upon the fact that they ranked poorly in terms of overall expense or management fees, maintained poor performance or demonstrated a combination of below average to poor performance while maintaining below average or poor expense rankings. At its September 23, 2004 meeting, the Committee discussed these Funds with management and in executive session. The Committee requested additional information from management regarding the cause(s) of the below-average relative performance of these Funds, any remedial actions management recommended to improve performance and the general standards for review of portfolio manager performance. At its October 12, 2004 meeting, the Committee considered additional information provided by management regarding these Funds. The Board also considered management's proposal to merge or liquidate some of these Funds.

Based on these considerations and other factors, the Board concluded that the overall performance and expense results supported by the approval of the Advisory Agreements for each Fund.

INVESTMENT ADVISORY FEE RATES

The Board reviewed and considered the proposed contractual investment advisory fee rates (the "Advisory Agreement Rates") payable by the Funds to CMA for investment advisory services. In addition, the Board reviewed and considered the existing and proposed fee waiver and reimbursement arrangements applicable to

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the Advisory Agreement Rates and considered the Advisory Agreement Rates after taking the fee waivers and reimbursements into account (the "Net Advisory Rates"). At previous meetings, the Committee had separately considered management's proposal to reduce annual investment advisory fees for certain Funds under the NYAG agreement in principle and the impact of these reductions on each affected Fund. Additionally, the Board considered information comparing the Advisory Agreement Rates and Net Advisory Rates (both on a stand-alone basis and on a combined basis with the Funds' administration fee rates) with those of the other funds in the Expense Peer Group. The Board concluded that the Advisory Agreement Rates and Net Advisory Rates represented reasonable compensation to CMA, in light of the nature, extent and quality of the services provided to the Funds, the fees paid and expenses borne by comparable funds and the costs that CMA incurs in providing these services to the Funds.

PROFITABILITY

The Board considered a detailed profitability analysis of CMA based on 2003 financial statements, adjusted to take into account advisory fee reductions implemented in November 2003 and proposed reductions under the NYAG proposed settlement. The Board concluded that, in light of the costs of providing investment management and other services to the Funds, the profits and other ancillary benefits that CMA and its affiliates received for providing these services to the Funds were not unreasonable.

ECONOMIES OF SCALE

In evaluating potential economies of scale, the Board considered CMA's proposal to implement a standardized breakpoint schedule for combined advisory and administrative fees for the majority of the funds of the same general asset type within the Columbia Funds complex (other than index and closed-end funds). The Board noted that the standardization of the breakpoints would not result in a fee increase for any Fund. The Board concluded that any actual or potential economies of scale are, or will be, shared fairly with Fund shareholders, including most particularly through Advisory Agreement Rate breakpoints at current and reasonably foreseeable asset levels.

INFORMATION ABOUT SERVICES TO OTHER CLIENTS

In evaluating the proposed fee reductions under the NYAG agreement in principle, the Board considered information regarding the advisory fee rates charged by BACAP for the Nations Funds. Members of the Committee and the Board had also separately reviewed advisory fee rates for variable insurance product funds advised by CMA. This information assisted the Board in assessing the reasonableness of fees paid under the Advisory Agreements in light of the nature, extent and quality of services provided under those agreements.

OTHER BENEFITS TO CMA

The Board considered information regarding potential "fall-out" or ancillary benefits received by CMA and its affiliates as a result of their relationship with the Funds. These benefits could include benefits directly attributable to the relationship of CMA with the Funds (such as soft dollar credits) and benefits potentially derived from an increase in the business of CMA as a result of their relationship with the Funds (such as the ability to market to shareholders other financial products offered by CMA and its affiliates).

OTHER FACTORS AND BROADER REVIEW

The Board reviews detailed materials provided by CMA annually as part of the approval process under Section 15(c) of the 1940 Act. The Board also regularly reviews and assesses the quality of the services that the Funds receive throughout the year. In this regard, the Board reviews information provided by

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CMA at their regular meetings, including, among other things, a detailed portfolio review, and detailed fund performance reports. In addition, the Board interviews the heads of each investment area at each regular meeting of the Board and selected portfolio managers of the Funds at various times throughout the year. After considering the above-described factors and based on the deliberations and their evaluation of the information provided to them, the Board concluded that re-approval of the Advisory Agreements for each of the Funds was in the best interest of the Funds and their shareholders. Accordingly, the Board unanimously approved the Advisory Agreements.

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TRANSFER AGENT

IMPORTANT INFORMATION ABOUT THIS REPORT

The Transfer Agent for Colonial Municipal Income Trust is:

Computershare
P.O. Box 43010
Providence, RI 02940-3010

The trust mails one shareholder report to each shareholder address. Shareholders can order additional reports by calling 800-730-6001. In addition, representatives at that number can provide shareholders information about the trust.

Financial advisors who want additional information about the trust may speak to a representative at 800-426-3750.

A description of the trust's proxy voting policies and procedures is available (i) at www.columbiamanagement.com; (ii) on the Securities and Exchange Commission's website at www.sec.gov, and (iii) without charge, upon request, by calling 800-730-6001. Information regarding how the trust voted proxies relating to portfolio securities during the 12-month period ended June 30, 2004 is available from the SEC's website. Information regarding how the trust voted proxies relating to portfolio securities is also available at www.columbiamanagement.com.

The trust files a complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. The trust's Form N-Q is available on the SEC's website at www.sec.gov and may be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330.

Annual Certifications -- As required, on June 13, 2005, the trust submitted to the New York Stock Exchange ("NYSE") the annual certification of the trust's Chief Executive Officer certifying that he is not aware of any violation of the NYSE's Corporate Governance listing standards. The trust also has included the certifications of the trust's Chief Executive Officer and Chief Financial Officer required by Section 302 of the Sarbanes-Oxley Act of 2002 as exhibits to the trust's Form N-CSR filed with the Securities and Exchange Commission for the annual period.

This report has been prepared for shareholders of Colonial Municipal Income Trust.

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COLONIAL MUNICIPAL INCOME TRUST

SEMIANNUAL REPORT

SHC-44/87269-0605 (07/05) 05/6539

ITEM 2. CODE OF ETHICS.

Not applicable at this time.

ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.

Not applicable at this time.

ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

Not applicable at this time.

ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS.

Not applicable.

ITEM 6. SCHEDULE OF INVESTMENTS

The registrant's "Schedule I - Investments in securities of unaffiliated issuers" (as set forth in 17 CFR 210.12-12) is included in Item 1 of this Form N-CSR.

ITEM 7. DISCLOSURE OF PROXY VOTING POLICIES AND PROCEDURES FOR CLOSED-END MANAGEMENT INVESTMENT COMPANIES.

Not applicable.

ITEM 8. PORTFOLIO MANAGERS OF CLOSED-END MANAGEMENT INVESTMENT COMPANIES.

Not applicable.

ITEM 9. PURCHASES OF EQUITY SECURITIES BY CLOSED-END MANAGEMENT INVESTMENT COMPANY AND AFFILIATED PURCHASERS.

Period	Registrant Purchases of Equity Securities*		
	(a)	(b)	(c)
Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	
12/01/04 through 12/31/04	10,540	\$5.62	10,540
01/01/05 through 01/31/05	0	\$0.00	0
02/01/05 through 02/28/05	0	\$0.00	0

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03/01/05 through 03/31/05	10,187	\$5.78	10,187
04/01/05 through 04/30/05	9,658	\$5.53	9,658
05/01/05 through 05/31/05	9,341	\$5.73	9,341

Total	39,726	\$5.67	39,726

* Includes shares purchased by the Dividend Reinvestment Agent pursuant to the Registrant's Dividend Reinvestment Plan.

ITEM 10. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

There have not been any material changes to the procedures by which shareholders may recommend nominees to the registrant's board of directors, since those procedures were last disclosed in response to the requirements of Item 7(d)(2)(ii)(G) of Schedule 14A or this Item.

ITEM 11. CONTROLS AND PROCEDURES.

(a) The registrant's principal executive officer and principal financial officers, based on their evaluation of the registrant's disclosure controls and procedures as of a date within 90 days of the filing of this report, have concluded that such controls and procedures are adequately designed to ensure that information required to be disclosed by the registrant in Form N-CSR is accumulated and communicated to the registrant's management, including the principal executive officer and principal financial officer, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

(b) There were no changes in the registrant's internal control over financial reporting that occurred during the registrant's second fiscal quarter of the period covered by

this report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

ITEM 12. EXHIBITS.

(a)(1) Code of ethics required to be disclosed under Item 2 of Form N-CSR: Not applicable at this time.

(a)(2) Certifications pursuant to Rule 30a-2(a) under the Investment Company Act of 1940 (17 CFR 270.30a-2(a)) attached hereto as Exhibit 99.CERT.

(a)(3) Not applicable.

(b) Certification pursuant to Rule 30a-2(b) under the Investment Company Act of 1940 (17 CFR 270.30a-2(b)) attached hereto as Exhibit 99.906CERT.

SIGNATURES

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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.

(registrant) Colonial Municipal Income Trust

By (Signature and Title) /S/ Christopher L. Wilson

Christopher L. Wilson, President

Date July 28, 2005

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

By (Signature and Title) /S/ Christopher L. Wilson

Christopher L. Wilson, President

Date July 28, 2005

By (Signature and Title) /S/ J. Kevin Connaughton

J. Kevin Connaughton, Treasurer

Date July 28, 2005
