

ALLIANCEBERNSTEIN NATIONAL MUNICIPAL INCOME FUND

Form N-Q

March 27, 2017

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

**WASHINGTON, D.C. 20549**

**FORM N-Q**

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED  
MANAGEMENT INVESTMENT COMPANIES**

**Investment Company Act file number: 811-10573**

**ALLIANCEBERNSTEIN NATIONAL MUNICIPAL  
INCOME FUND, INC.**

**(Exact name of registrant as specified in charter)**

**1345 Avenue of the Americas, New York, New York 10105**

**(Address of principal executive offices) (Zip code)**

**Joseph J. Mantineo**

**AllianceBernstein L.P.**

**1345 Avenue of the Americas**

**New York, New York 10105**

**(Name and address of agent for service)**

**Registrant's telephone number, including area code: (800) 221-5672**

**Date of fiscal year end: October 31, 2017**

**Date of reporting period: January 31, 2017**



**ITEM 1. SCHEDULE OF INVESTMENTS.**

## AllianceBernstein National Municipal Income Fund

## Portfolio of Investments

January 31, 2017 (unaudited)

	Principal Amount (000)	U.S. \$ Value
<b>MUNICIPAL OBLIGATIONS - 161.3%</b>		
<b>Long-Term Municipal Bonds - 161.3%</b>		
<b>Alabama - 1.5%</b>		
Alabama Public School & College Authority		
Series 2009A		
5.00%, 5/01/29 (Pre-refunded/ETM)	\$ 3,000	\$ 3,250,260
County of Jefferson AL		
(County of Jefferson AL Sch Warrants)		
Series 2004A		
5.25%, 1/01/18-1/01/23	3,100	3,105,789
		6,356,049
<b>Arizona - 1.1%</b>		
Salt Verde Financial Corp.		
(Citigroup, Inc.)		
Series 2007		
5.25%, 12/01/22-12/01/23	4,150	4,743,439
<b>Arkansas - 0.5%</b>		
Pulaski County Public Facilities Board		
(Baptist Health)		
Series 2014		
5.00%, 12/01/42	2,000	2,176,620
<b>California - 24.9%</b>		
Anaheim Public Financing Authority		
(City of Anaheim CA Lease)		
Series 2014A		
5.00%, 5/01/32-5/01/39	5,500	6,166,925
Bay Area Toll Authority		
Series 2013S		
5.00%, 4/01/32	5,720	6,549,228
California Econ Recovery		
Series 2009A		
5.25%, 7/01/21 (Pre-refunded/ETM)	4,860	5,331,225
California Pollution Control Financing Authority		
(Poseidon Resources Channelside LP)		
Series 2012		
5.00%, 7/01/37-11/21/45 (a)	7,000	7,178,230
City of Los Angeles Department of Airports		

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(Los Angeles Intl Airport)		
Series 2009A		
5.25%, 5/15/29	5,700	6,204,792
County of San Bernardino CA COP		
Series 2009A		
5.25%, 8/01/26	1,455	1,567,661
Los Angeles Community College District/CA		
Series 2008F-1		
5.00%, 8/01/28 (Pre-refunded/ETM)	5,800	6,142,374
Los Angeles County Metropolitan Transportation Authority		
(Los Angeles County Metropolitan Transportation Authority Sales Tax)		
Series 2013B		
5.00%, 7/01/34	1,770	2,012,614
Los Angeles Department of Water & Power		
Series 2013A		
5.00%, 7/01/30 (Pre-refunded/ETM)	90	105,584

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	Principal Amount (000)	U.S. \$ Value
<b>Los Angeles Department of Water &amp; Power PWR</b>		
Series 2013A		
5.00%, 7/01/30	\$ 6,165	\$ 7,127,911
<b>Series 2013B</b>		
5.00%, 7/01/30	10,000	11,685,100
<b>Los Angeles Department of Water &amp; Power WTR</b>		
<b>Series 2013B</b>		
5.00%, 7/01/32	3,840	4,464,614
<b>San Bernardino County Transportation Authority</b>		
<b>Series 2015-2</b>		
5.00%, 3/01/32-3/01/34 (b)	11,340	13,035,585
<b>State of California</b>		
<b>Series 2013</b>		
5.00%, 11/01/30	5,800	6,651,962
<b>University of California</b>		
<b>Series 2012G</b>		
5.00%, 5/15/31	7,000	7,946,190
<b>Series 2013A</b>		
5.00%, 5/15/30-5/15/32	9,855	11,420,645
		103,590,640
<b>Colorado - 2.0%</b>		
<b>City &amp; County of Denver CO Airport System Revenue</b>		
<b>(Denver Intl Airport)</b>		
<b>Series 2013B</b>		
5.25%, 11/15/31	6,680	7,688,881
<b>Colorado Health Facilities Authority</b>		
<b>(Evangelical Lutheran Good Samaritan Obligated Group)</b>		
<b>Series 2006</b>		
5.25%, 6/01/19-6/01/23	705	706,492
		8,395,373
<b>Connecticut - 9.7%</b>		
<b>State of Connecticut</b>		
<b>Series 2013C</b>		
5.00%, 7/15/27	7,165	8,175,408
<b>Series 2013E</b>		
5.00%, 8/15/29	4,800	5,438,688
<b>Series 2015F</b>		
5.00%, 11/15/32	5,000	5,586,700
<b>State of Connecticut Special Tax Revenue</b>		
<b>Series 2011A</b>		
5.00%, 12/01/28	5,000	5,679,500
<b>Series 2012</b>		
5.00%, 1/01/29	13,855	15,698,269
		40,578,565
<b>District of Columbia - 1.7%</b>		
<b>District of Columbia</b>		
<b>Series 2013A</b>		
5.00%, 6/01/29	5,000	5,774,700

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	Principal Amount (000)	U.S. \$ Value
Metropolitan Washington Airports Authority		
Series 2016A		
5.00%, 10/01/35	\$ 1,000	\$ 1,118,540
		6,893,240
<b>Florida - 11.6%</b>		
Alachua County Health Facilities Authority		
(Shands Teaching Hospital and Clinics Obligated Group)		
Series 2014A		
5.00%, 12/01/44	4,560	4,857,312
Brevard County Health Facilities Authority		
(Health First, Inc. Obligated Group)		
Series 2014		
5.00%, 4/01/33	1,000	1,079,120
City of Orlando FL		
Series 2014A		
5.00%, 11/01/44 (Pre-refunded/ETM)	7,720	9,228,488
5.25%, 11/01/33 (Pre-refunded/ETM)	5,620	6,812,171
County of Miami-Dade FL Aviation Revenue		
Series 2014A		
5.00%, 10/01/33	1,000	1,088,070
Florida Higher Educational Facilities Financial Authority		
(Nova Southeastern University, Inc.)		
Series 2016		
5.00%, 4/01/33	2,075	2,255,981
Florida Ports Financing Commission		
Series 2011A		
5.00%, 10/01/25-10/01/27	4,205	4,773,308
Halifax Hospital Medical Center		
(Halifax Hospital Medical Center Obligated Group)		
Series 2015		
5.00%, 6/01/35	2,655	2,864,745
Miami Beach Health Facilities Authority		
(Mount Sinai Medical Center of Florida, Inc.)		
Series 2014		
5.00%, 11/15/39	9,250	9,686,322
South Florida Water Management District COP		
Series 2016		
5.00%, 10/01/33	5,000	5,667,100
		48,312,617
<b>Georgia - 1.3%</b>		
City of Atlanta Department of Aviation		
(Hartsfield Jackson Atlanta Intl Airport)		
Series 2014B		
5.00%, 1/01/31-1/01/32	4,675	5,332,862

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**Hawaii - 2.8%**

State of Hawaii		
Series 2015E		
4.00%, 10/01/34-10/01/35	3,500	3,643,320
State of Hawaii Airports System Revenue		
Series 2010A		
5.00%, 7/01/34	5,000	5,497,350



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	Principal Amount (000)	U.S. \$ Value
Series 2015A		
5.00%, 7/01/45	\$ 2,500	\$ 2,675,150
		11,815,820
<b>Illinois - 10.2%</b>		
Chicago O Hare International Airport		
Series 2016B		
5.00%, 1/01/41	5,000	5,430,100
Series 2016C		
5.00%, 1/01/36-1/01/38	5,350	5,834,169
Illinois Finance Authority		
(Illinois Institute of Technology)		
Series 2006A		
5.00%, 4/01/31	1,250	1,220,188
Illinois Finance Authority		
(OSF Healthcare System Obligated Group)		
Series 2015A		
5.00%, 11/15/45	4,500	4,799,340
Illinois State Toll Highway Authority		
Series 2015B		
5.00%, 1/01/33-1/01/40	8,800	9,751,812
Series 2016A		
5.00%, 12/01/32	2,025	2,277,193
State of Illinois		
Series 2012		
5.00%, 3/01/31	1,000	1,003,070
Series 2014		
5.00%, 4/01/30-2/01/39	12,070	12,036,390
		42,352,262
<b>Indiana - 0.7%</b>		
Indiana Finance Authority		
(I-69 Development Partners LLC)		
Series 2014		
5.00%, 9/01/46	250	252,978
5.25%, 9/01/34	1,500	1,540,485
Indiana Finance Authority		
(WVB East End Partners LLC)		
Series 2013A		
5.00%, 7/01/44	1,250	1,293,575
		3,087,038
<b>Kentucky - 2.3%</b>		
Kentucky Economic Development Finance Authority		
(Next Generation Kentucky Information Highway)		
Series 2015A		
4.25%, 7/01/35	1,000	968,800

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Kentucky Municipal Power Agency

NATL Series 2015A

5.00%, 9/01/30

2,500

2,799,325

Kentucky Turnpike Authority

Series 2013A

5.00%, 7/01/29

5,000

5,726,550

9,494,675

**Louisiana - 1.9%**

City of New Orleans LA

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	Principal Amount (000)	U.S. \$ Value
AGC Series 2007A		
5.00%, 12/01/22 (Pre-refunded/ETM)	\$ 5,875	\$ 6,070,637
Louisiana Agricultural Finance Authority		
(Louisiana Agricultural Finance Authority State Lease)		
Series 2007		
5.25%, 9/15/17	1,200	1,220,256
Louisiana Local Government Environmental Facilities & Community Development Auth		
Series 2009A		
5.00%, 4/01/26 (Pre-refunded/ETM)	535	578,116
		7,869,009
<b>Maryland - 1.7%</b>		
Maryland Health & Higher Educational Facilities Authority		
(Meritus Medical Center, Inc.)		
Series 2015		
5.00%, 7/01/45	6,725	7,186,201
<b>Massachusetts - 4.2%</b>		
Massachusetts School Building Authority		
(Massachusetts School Building Authority Sales Tax)		
Series 2011B		
5.00%, 10/15/32	13,000	14,734,590
Series 2012B		
5.00%, 8/15/30	2,480	2,852,446
		17,587,036
<b>Michigan - 8.9%</b>		
Detroit City School District		
Series 2012A		
5.00%, 5/01/26-5/01/27	6,045	6,616,977
Michigan Finance Authority		
(Great Lakes Water Authority Water Supply System)		
AGM Series 2014D-1		
5.00%, 7/01/35	1,250	1,356,987
Michigan Finance Authority		
(Henry Ford Health System Obligated Group)		
Series 2016		
4.00%, 11/15/36	2,815	2,758,250
Michigan Finance Authority		
(Public Lighting Authority)		
Series 2014B		
5.00%, 7/01/34	2,250	2,415,375
Michigan Strategic Fund		
(Detroit Renewable Energy Obligated Group)		
Series 2013		
8.50%, 12/01/30 (a)	3,735	3,731,265

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Plymouth Educational Center Charter School

Series 2005

5.125%, 11/01/23 (c)	2,140	1,991,099
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Wayne State University

Series 2009A

5.00%, 11/15/29 (Pre-refunded/ETM)	7,840	8,614,435
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	Principal Amount (000)	U.S. \$ Value
5.00%, 11/15/29	\$ 8,660	\$ 9,379,300
		36,863,688
<b>Minnesota - 0.7%</b>		
City of Minneapolis MN		
(Fairview Health Services Obligated Group)		
Series 2015A		
5.00%, 11/15/33	2,700	3,038,607
<b>Missouri - 0.5%</b>		
City of Kansas City MO		
Series 2008C		
5.00%, 4/01/28 (Pre-refunded/ETM)	2,000	2,091,860
<b>New Jersey - 8.5%</b>		
New Jersey Economic Development Authority		
(New Jersey Economic Development Authority State Lease)		
Series 2014U		
5.00%, 6/15/30-6/15/34	7,500	7,570,100
New Jersey Economic Development Authority		
(NYNJ Link Borrower LLC)		
Series 2013		
5.125%, 1/01/34	1,000	1,066,070
New Jersey Health Care Facilities Financing Authority		
(RWJ Barnabas Health Obligated Group)		
Series 2014		
5.00%, 7/01/44	6,450	6,894,082
New Jersey Transportation Trust Fund Authority		
(New Jersey Transportation Fed Hwy Grant)		
Series 2016		
5.00%, 6/15/29	1,100	1,160,533
New Jersey Turnpike Authority		
Series 2012B		
5.00%, 1/01/29	6,500	7,322,965
Series 2013A		
5.00%, 1/01/31	5,000	5,604,650
Series 2016A		
5.00%, 1/01/34	5,000	5,643,250
		35,261,650
<b>New York - 28.8%</b>		
City of New York NY		
Series 2012B		
5.00%, 8/01/30	5,070	5,784,008
Series 2012I		
5.00%, 8/01/28	8,780	10,070,221
Metropolitan Transportation Authority		
Series 2012D		

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5.00%, 11/15/29 Series 2012F	4,000	4,586,240
5.00%, 11/15/27 Series 2013A	1,575	1,813,203
5.00%, 11/15/29 Series 2014B	1,830	2,079,612
5.25%, 11/15/34	4,000	4,624,360

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	Principal Amount (000)	U.S. \$ Value
Series 2014C		
5.00%, 11/15/32	\$ 1,000	\$ 1,144,590
Metropolitan Transportation Authority		
(Metropolitan Transportation Authority Ded Tax)		
Series 2016A		
5.25%, 11/15/35 (b)	14,260	16,803,271
New York City Municipal Water Finance Authority		
Series 2011HH		
5.00%, 6/15/26	5,000	5,668,900
Series 2013D		
5.00%, 6/15/34	3,600	4,099,320
New York City NY Transitional		
Series 2007B		
5.00%, 8/01/34-8/01/37 (b)	10,000	11,371,120
New York City Transitional Finance Authority Future Tax Secured Revenue		
Series 2007B		
5.00%, 11/01/24 (Pre-refunded/ETM)	3,040	3,070,765
5.00%, 11/01/24	2,485	2,508,483
New York State Dormitory Authority		
Series 2012D		
5.00%, 2/15/29 (Pre-refunded/ETM)	1,135	1,302,538
New York State Dormitory Authority		
(State of New York Pers Income Tax)		
Series 2012B		
5.00%, 3/15/32	7,600	8,628,204
Series 2012D		
5.00%, 2/15/29	6,865	7,814,704
New York State Environmental Facilities Corp.		
(New York NY Mun Wtr Fin Auth)		
5.00%, 6/15/24-6/15/27 (b)	7,000	7,369,670
Port Authority of New York & New Jersey		
Series 2013-178		
5.00%, 12/01/32	4,400	4,980,096
Series 2014-186		
5.00%, 10/15/44	8,000	8,769,520
Ulster County Industrial Development Agency		
(Kingston Regional Senior Living Corp.)		
Series 2007A		
6.00%, 9/15/27	1,775	1,786,502
Utility Debt Securitization Authority		
Series 2013T		
5.00%, 12/15/30	5,000	5,835,550
		120,110,877
<b>North Carolina - 2.3%</b>		
County of Iredell NC COP		
AGM Series 2008		
5.25%, 6/01/22 (Pre-refunded/ETM)	1,080	1,139,929
North Carolina Medical Care Commission		
(Vidant Health Obligated Group)		

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Series 2015		
5.00%, 6/01/45	4,445	4,806,023
University of North Carolina at Greensboro		
Series 2014		
5.00%, 4/01/33	3,145	3,541,018
		9,486,970



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	Principal Amount (000)	U.S. \$ Value
<b>Ohio - 0.0%</b>		
Columbiana County Port Authority		
(Apex Environmental LLC)		
Series 2004		
Zero Coupon, 8/01/25 (d)	\$ 1,840	\$ 17,480
Series 2014		
Zero Coupon, 8/01/25 (d)	248	2,353
		19,833
<b>Oklahoma - 0.4%</b>		
Tulsa Airports Improvement Trust		
BAM Series 2015A		
5.00%, 6/01/45	1,700	1,833,841
<b>Oregon - 1.4%</b>		
Oregon State Lottery		
Series 2011A		
5.25%, 4/01/25 (Pre-refunded/ETM)	4,305	4,920,098
5.25%, 4/01/25	695	793,697
		5,713,795
<b>Pennsylvania - 9.1%</b>		
Allegheny County Industrial Development Authority		
(Residential Resources, Inc./PA)		
Series 2006		
5.00%, 9/01/21	500	501,005
Butler County Hospital Authority		
(Butler Health System Obligated Group)		
Series 2015		
5.00%, 7/01/35-7/01/39	3,510	3,742,780
Montgomery County Industrial Development Authority/PA		
Series 2010		
5.25%, 8/01/33 (Pre-refunded/ETM)	3,480	3,930,277
Montour School District		
AGM Series 2015B		
5.00%, 4/01/34-4/01/35	6,520	7,259,631
Pennsylvania Economic Development Financing Authority		
(PA Bridges Finco LP)		
Series 2015		
5.00%, 12/31/34-6/30/42	9,270	9,788,056
Pennsylvania Turnpike Commission		
Series 2014A		
5.00%, 12/01/31-12/01/33	6,355	7,105,918
Philadelphia Authority for Industrial Development		
(LLPCS Foundation)		
Series 2005A		
5.25%, 7/01/24 (d)(e)(f)	1,150	11,500
School District of Philadelphia (The)		
Series 2016F		

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5.00%, 9/01/35

5,000

5,272,250

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	Principal Amount (000)	U.S. \$ Value
Wilkes-Barre Finance Authority		
(Wilkes University)		
Series 2007		
5.00%, 3/01/22	\$ 400	\$ 401,296
		38,012,713
<b>South Carolina - 1.3%</b>		
South Carolina Ports Authority		
Series 2015		
5.00%, 7/01/45	5,000	5,361,350
<b>Tennessee - 1.9%</b>		
Chattanooga-Hamilton County Hospital Authority		
(Erlanger Medical Center)		
Series 2014		
5.00%, 10/01/44	7,500	7,764,900
<b>Texas - 16.6%</b>		
Alvin Independent School District/TX		
Series 2009B		
5.00%, 2/15/28 (Pre-refunded/ETM)	960	1,034,467
Arlington Higher Education Finance Corp.		
(Lifeschool of Dallas)		
Series 2014A		
5.00%, 8/15/39	4,805	5,362,813
Arlington Higher Education Finance Corp.		
(Uplift Education)		
Series 2016A		
5.00%, 12/01/36	1,740	1,854,666
Austin Community College District Public Facility Corp.		
Series 2015		
5.00%, 8/01/33	5,000	5,621,250
Bexar County Health Facilities Development Corp.		
Series 2007		
5.00%, 7/01/27 (Pre-refunded/ETM)	70	71,168
Bexar County Health Facilities Development Corp.		
(Army Retirement Residence Obligated Group)		
Series 2007		
5.00%, 7/01/27	335	336,387
Central Texas Regional Mobility Authority		
Series 2016		
5.00%, 1/01/40	3,500	3,768,240
City of Austin TX Water & Wastewater System Revenue		
Series 2013A		
5.00%, 11/15/28-11/15/29	8,075	9,330,852
City of Houston TX Combined Utility System Revenue		
Series 2011D		
5.00%, 11/15/26	6,000	6,840,540
Dallas Independent School District		
Series 2008		

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6.00%, 2/15/28 (Pre-refunded/ETM)	2,500	2,630,025
Dripping Springs Independent School District/TX Series 2008		
5.125%, 2/15/28 (Pre-refunded/ETM)	4,715	4,721,884
Fort Bend Independent School District Series 2009		
5.00%, 2/15/27	7,560	8,245,163
Love Field Airport Modernization Corp. Series 2015		

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	Principal Amount (000)	U.S. \$ Value
5.00%, 11/01/31 North Texas Tollway Authority Series 2015B	\$ 1,000	\$ 1,110,510
5.00%, 1/01/40 Texas Private Activity Bond Surface Transportation Corp. (NTE Mobility Partners LLC) Series 2009	5,000	5,492,400
6.875%, 12/31/39 Texas Private Activity Bond Surface Transportation Corp. (NTE Mobility Partners Segments 3 LLC) Series 2013	1,720	1,948,622
6.75%, 6/30/43 University of Texas System (The) Series 2009A	3,000	3,356,970
5.25%, 8/15/22 (Pre-refunded/ETM)	6,825	7,253,405
		68,979,362
<b>Washington - 2.6%</b>		
FYI Properties (FYI Properties WA State Lease) Series 2009		
5.00%, 6/01/27	3,885	4,188,341
5.125%, 6/01/28 Port of Seattle WA Series 2015A	5,200	5,615,844
5.00%, 4/01/40	1,000	1,117,080
		10,921,265
<b>Wisconsin - 0.2%</b>		
State of Wisconsin Series 2003-3		
5.00%, 11/01/26	725	727,364
Total Municipal Obligations (cost \$642,134,851)		671,959,521
	<b>Shares</b>	
<b>SHORT-TERM INVESTMENTS - 0.5%</b>		
<b>Investment Companies - 0.5%</b>		
AB Fixed Income Shares, Inc. - Government Money Market Portfolio - Class AB, 0.41% (g)(h) (cost \$2,123,023)	2,123,023	2,123,023
<b>Total Investments - 161.8%</b> (cost \$644,257,874) (i)		674,082,544
Other assets less liabilities - (39.7)%		(165,411,069)
Preferred Shares at liquidation value - (22.1)%		(92,125,000)
<b>Net Assets Applicable to Common Shareholders 100.0% (j)</b>		<b>\$ 416,546,475</b>



**INTEREST RATE SWAPS**

Swap Counterparty	Notional Amount (000)	Termination Date	Rate Type		Unrealized Appreciation/ (Depreciation)
			Payments made by the Fund	Payments received by the Fund	
Goldman Sachs Bank USA	\$ 84,000	9/01/17	0.638%	SIFMA*	\$ 93,744

\* Variable interest rate based on the Securities Industry & Financial Markets Association (SIFMA) Municipal Swap Index.

- (a) Security is exempt from registration under Rule 144A of the Securities Act of 1933. These securities are considered restricted, but liquid and may be resold in transactions exempt from registration, normally to qualified institutional buyers. At January 31, 2017, the aggregate market value of these securities amounted to \$10,909,495 or 2.6% of net assets.
- (b) Security represents the underlying municipal obligation of an inverse floating rate obligation held by the Fund (see Note I).
- (c) Restricted and illiquid security.

Restricted & Illiquid Securities	Acquisition Date	Cost	Market Value	Percentage of Net Assets
Plymouth Educational Center Charter School Series 2005 5.125%, 11/01/23	11/30/05	\$ 2,126,110	\$ 1,991,099	0.48%

- (d) Illiquid security.
- (e) Non-income producing security.
- (f) Defaulted.
- (g) To obtain a copy of the fund's financial statements, please go to the Securities and Exchange Commission's website at [www.sec.gov](http://www.sec.gov), or call AB at (800) 227-4618.
- (h) Investment in affiliated money market mutual fund. The rate shown represents the 7-day yield as of period end.
- (i) As of January 31, 2017, the cost basis of investment securities owned was substantially identical for both book and tax purposes. Gross unrealized appreciation of investments was \$34,037,738 and gross unrealized depreciation of investments was \$(4,213,068), resulting in net unrealized appreciation of \$29,824,670.
- (j) Portfolio percentages are calculated based on net assets applicable to common shareholders.  
As of January 31, 2017, the Fund's percentages of investments in municipal bonds that are insured and in insured municipal bonds that have been pre-refunded or escrowed to maturity are 3.0% and 1.1%, respectively.

**Glossary:**

AGC	-	Assured Guaranty Corporation
AGM	-	Assured Guaranty Municipal
BAM	-	Build American Mutual
COP	-	Certificate of Participation
ETM	-	Escrowed to Maturity
NATL	-	National Interstate Corporation
OSF	-	Order of St. Francis

**AllianceBernstein National Municipal Income Fund****January 31, 2017 (unaudited)**

In accordance with U.S. GAAP regarding fair value measurements, fair value is defined as the price that the Fund would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date. U.S. GAAP establishes a framework for measuring fair value, and a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability (including those valued based on their market values). Inputs may be observable or unobservable and refer broadly to the assumptions that market participants would use in pricing the asset or liability. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Portfolio. Unobservable inputs reflect the Fund's own assumptions about the assumptions that market participants would use in pricing the asset or liability based on the best information available in the circumstances. Each investment is assigned a level based upon the observability of the inputs which are significant to the overall valuation. The three-tier hierarchy of inputs is summarized below.

Level 1 quoted prices in active markets for identical investments

Level 2 other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)

Level 3 significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments)

The following table summarizes the valuation of the Fund's investments by the above fair value hierarchy levels as of January 31, 2017:

<b>Investments in Securities:</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Assets:</b>				
Local Governments - Municipal Bonds	\$ 0	\$ 644,395,556	\$ 27,563,965	\$ 671,959,521
Short-Term Investments	2,123,023	0	0	2,123,023
<b>Total Investments in Securities</b>	<b>2,123,023</b>	<b>644,395,556</b>	<b>27,563,965</b>	<b>674,082,544</b>
<b>Other Financial Instruments (a):</b>				
<b>Assets:</b>				
Interest Rate Swaps	0	93,744	0	93,744
<b>Liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total (b)</b>	<b>\$ 2,123,023</b>	<b>\$ 644,489,300</b>	<b>\$ 27,563,965</b>	<b>\$ 674,176,288</b>

(a) Other financial instruments are derivative instruments, such as futures, forwards and swaps, which are valued at the unrealized appreciation/(depreciation) on the instrument.

(b) There were no transfers between any levels during the reporting period.

The Fund recognizes all transfers between levels of the fair value hierarchy assuming the financial instruments were transferred at the beginning of the reporting period.

The following is a reconciliation of investments in which significant unobservable inputs (Level 3) were used in determining fair value.

	<b>Long-Term Municipal Bonds</b>	<b>Total</b>
<b>Balance as of 10/31/16</b>	<b>\$ 28,275,588</b>	<b>\$ 28,275,588</b>
Accrued discounts/(premiums)	(24,908)	(24,908)
Realized gain (loss)	2,372	2,372
Change in unrealized appreciation/depreciation	(699,272)	(699,272)
Purchases	70,185	70,185
Sales	(60,000)	(60,000)



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Transfers in to Level 3	0	0
Transfers out of Level 3	0	0
<b>Balance as of 1/31/17</b>	<b>\$ 27,563,965</b>	<b>\$ 27,563,965</b>
Net change in unrealized appreciation/depreciation from Investments held as of 1/31/17	\$ (699,273)	\$ (699,273)

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As of January 31, 2017, all Level 3 securities were priced by third party vendors.

The Adviser established the Valuation Committee (the Committee) to oversee the pricing and valuation of all securities held in the Fund. The Committee operates under pricing and valuation policies and procedures established by the Adviser and approved by the Board, including pricing policies which set forth the mechanisms and processes to be employed on a daily basis to implement these policies and procedures. In particular, the pricing policies describe how to determine market quotations for securities and other instruments. The Committee's responsibilities include: 1) fair value and liquidity determinations (and oversight of any third parties to whom any responsibility for fair value and liquidity determinations is delegated), and 2) regular monitoring of the Adviser's pricing and valuation policies and procedures and modification or enhancement of these policies and procedures (or recommendation of the modification of these policies and procedures) as the Committee believes appropriate.

The Committee is also responsible for monitoring the implementation of the pricing policies by the Adviser's Pricing Group (the Pricing Group) and a third party which performs certain pricing functions in accordance with the pricing policies. The Pricing Group is responsible for the oversight of the third party on a day-to-day basis. The Committee and the Pricing Group perform a series of activities to provide reasonable assurance of the accuracy of prices including: 1) periodic vendor due diligence meetings, review of methodologies, new developments and process at vendors, 2) daily compare of security valuation versus prior day for all securities that exceeded established thresholds, and 3) daily review of unpriced, stale, and variance reports with exceptions reviewed by senior management and the Committee.

In addition, several processes outside of the pricing process are used to monitor valuation issues including: 1) performance and performance attribution reports are monitored for anomalous impacts based upon benchmark performance, and 2) Fund managers review all portfolios for performance and analytics (which are generated using the Adviser's prices).

A summary of the Fund's transactions in shares of the AB Fixed Income Shares, Inc. - Government Money Market Portfolio for the nine months ended January 31, 2017 is as follows:

Market Value October 31, 2016 (000)	Purchases at Cost (000)	Sales Proceeds (000)	Market Value January 31, 2016 (000)	Dividend Income (000)
\$5,721	\$15,181	\$18,779	\$2,123	\$3

**ITEM 2. CONTROLS AND PROCEDURES.**

(a) The registrant's principal executive officer and principal financial officer have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended) are effective at the reasonable assurance level based on their evaluation of these controls and procedures as of a date within 90 days of the filing date of this document.

(b) There were no changes in the registrant's internal controls over financial reporting that occurred during the last fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

**ITEM 3. EXHIBITS.**

The following exhibits are attached to this Form N-Q:

<b>EXHIBIT NO.</b>	<b>DESCRIPTION OF EXHIBIT</b>
3 (a) (1)	Certification of Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
3 (a) (2)	Certification of Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

**SIGNATURES**

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): AllianceBernstein National Municipal Income Fund, Inc.

By: /s/ Robert M. Keith  
Robert M. Keith  
President

Date: March 27, 2017

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

By: /s/ Robert M. Keith  
Robert M. Keith  
President

Date: March 27, 2017

By: /s/ Joseph J. Mantineo  
Joseph J. Mantineo  
Treasurer and Chief Financial Officer

Date: March 27, 2017