

BLACKROCK INCOME TRUST INC
Form N-CSR
November 10, 2008

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 811-05542

Name of Fund: BlackRock Income Trust, Inc. (BKT)

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

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

Date of fiscal year end: 08/31/2008

Date of reporting period: 11/01/2007 08/31/2008

Item 1□ Report to Stockholders

EQUITIES FIXED INCOME REAL ESTATE LIQUIDITY ALTERNATIVES BLACKROCK SOLUTIONS

Annual Report

AUGUST 31, 2008

[BlackRock Core Bond Trust \(BHK\)](#)

[BlackRock High Income Shares \(HIS\)](#)

[BlackRock High Yield Trust \(BHY\)](#)

[BlackRock Income Opportunity Trust, Inc. \(BNA\)](#)

[BlackRock Income Trust, Inc. \(BKT\)](#)

[BlackRock Limited Duration Income Trust \(BLW\)](#)

[BlackRock Strategic Bond Trust \(BHD\)](#)

NOT FDIC INSURED
MAY LOSE VALUE
NO BANK GUARANTEE

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A Letter to Shareholders

Dear Shareholder

It has been a tumultuous year for investors, marked by almost daily headlines related to the beleaguered housing market, rising food and energy prices, and the escalating credit crisis. The news took an extraordinarily heavy tone shortly after the close of this reporting period as the credit crisis boiled over and triggered unprecedented failures and consolidation in the financial sector, stoking fears of a market and economic collapse and prompting the largest government rescue plan since the Great Depression.

Through it all, the Federal Reserve Board (the Fed) has been aggressive in its attempts to restore order in financial markets. Key moves included slashing the target federal funds rate 325 basis points (3.25%) between September 2007 and April 2008 and providing numerous cash injections and lending programs. As the credit crisis took an extreme turn for the worse in September, the Fed, in concert with five other global central banks, cut interest rates by 50 basis points in a rare move intended to stave off worldwide economic damage from the intensifying financial market turmoil. The U.S. economy managed to grow at a slow-but-positive pace through the second quarter of the year, though the recent events almost certainly portend a global economic recession.

Against this backdrop, U.S. stocks experienced intense volatility (steep declines and quick recoveries), generally posting losses for the current reporting period. Small-cap stocks fared significantly better than their larger counterparts. Non-U.S. markets followed the U.S. on the way down and, notably, decelerated at a faster pace than domestic equities—a stark reversal of recent years trends, when international stocks generally outpaced U.S. stocks.

Treasury securities also traded in a volatile fashion, but rallied overall (yields fell and prices correspondingly rose), as the broader flight-to-quality theme persisted. The yield on 10-year Treasury issues, which fell to 3.34% in March, climbed to the 4.20% range in mid-June as investors temporarily shifted out of Treasury issues in favor of riskier assets (such as stocks and other high-quality fixed income sectors), then declined again to 3.83% by period-end when credit fears resurfaced. Tax-exempt issues posted positive returns, but problems among municipal bond insurers and the collapse in the market for auction rate securities pressured the group throughout the course of the past year. Economic and financial market distress also dampened the performance of high yield issues, which were very volatile due to the macro factors noted above.

Overall, severe market instability resulted in mixed results for the major benchmark indexes:

Total returns as of August 31, 2008	6-month	12-month
U.S. equities (S&P 500 Index)	(2.57)%	(11.14)%
Small cap U.S. equities (Russell 2000 Index)	8.53	(5.48)
International equities (MSCI Europe, Australasia, Far East Index)	(10.18)	(14.41)
Fixed income (Lehman Brothers U.S. Aggregate Index)	0.18	5.86
Tax-exempt fixed income (Lehman Brothers Municipal Bond Index)	5.12	4.48
High yield bonds (Lehman Brothers U.S. Corporate High Yield 2% Issuer Capped Index)	0.74	(0.66)

Past performance is no guarantee of future results. Index performance shown for illustrative purposes only. You cannot invest directly in an index. Through periods of market turbulence, as ever, BlackRock's full resources are dedicated to the management of our clients' assets. For our most current views on the economy and financial markets, we invite you to visit www.blackrock.com/funds. As always, we thank you for entrusting BlackRock with your investments, and we look forward to continuing to serve you in the months and years ahead.

Sincerely,

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Rob Kapito
President, BlackRock Advisors, LLC

THIS PAGE NOT PART OF YOUR FUND REPORT

AUGUST 31, 2008

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Trust Summary as of August 31, 2008

BlackRock Core Bond Trust

Investment Objective

BlackRock Core Bond Trust (BHK) (the Trust) seeks to provide high current income with the potential for capital appreciation.

Performance

For the 12 months ended August 31, 2008, the Trust returned (0.44)% based on market price and 1.87% based on net asset value (NAV). For the same period, the closed-end Lipper Corporate Debt Funds BBB-Rated category posted an average return of 0.76% on a NAV basis. All returns reflect reinvestment of dividends. The Trust s allocation to mortgage-backed securities (MBS) which comprised 43% of net assets as of August 31, 2008, benefited performance as MBS outperformed corporate bonds. Conversely, allocations to high yield and preferred securities detracted from performance. The Trust s lower leverage position versus its peers (about 24% of the portfolio as of August 31, 2008) also hurt performance.

The views expressed reflect the opinions of BlackRock as of the date of this report and are subject to change based on changes in market, economic or other conditions. These views are not intended to be a forecast of future events and are no guarantee of future results.

Trust Information

Symbol on New York Stock Exchange:	BHK
Initial Offering Date:	November 27, 2001
Yield on Closing Market Price as of August 31, 2008 (\$11.51): ¹	6.46%
Current Monthly Distribution per Share: ²	\$0.062
Current Annualized Distribution per Share: ²	\$0.744
Leverage as of August 31, 2008: ³	24%

- 1 Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.
- 2 The distribution is not constant and is subject to change.
- 3 As a percentage of total managed assets, which is the total assets of the Trust (including any assets attributable to any borrowing that may be outstanding) minus the sum of accrued liabilities (other than debt representing financial leverage).

The table below summarizes the changes in the Trust s market price and net asset value per share:

	8/31/08	10/31/07	Change	High	Low
Market Price	\$ 11.51	\$ 12.23	(5.89)%	\$ 12.68	\$ 11.06
Net Asset Value	\$ 12.81	\$ 13.63	(6.02)%	\$ 13.77	\$ 12.67

The following unaudited charts show the portfolio composition of the Trust s long-term investments and credit quality allocations of the Trust s corporate bond investments:

Portfolio Composition

8/31/08 10/31/07

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Corporate Bonds	47%	42%
U.S. Government Agency Mortgage-Backed Securities	18	38
Non-Government Agency Mortgage-Backed Securities	13	9
Asset-Backed Securities	9	4
U.S. Government Obligations	8	4
Preferred Securities	2	2
U.S. Government Agency Mortgage-Backed Securities- Collateralized Mortgage Obligations	2	1
Foreign Government Obligations	1	

Credit Quality Allocations⁴

Credit Rating	8/31/08	10/31/07
AAA/Aaa	7%	6%
AA/Aa	18	24
A/A	26	21
BBB/Baa	26	20
BB/Ba	5	7
B/B	13	16
CCC/Caa	4	6
Not Rated	1	

4 Using the higher of Standard & Poor's (S&P's) or Moody's Investors Service (Moody's) ratings.

Trust Summary as of August 31, 2008

BlackRock High Income Shares

Investment Objective

BlackRock High Income Shares (HIS) (the Trust) seeks to provide the highest current income and to a lesser extent capital appreciation, by investing in a diversified portfolio of below investment grade securities.

Performance

For the 12 months ended August 31, 2008, the Trust returned (11.04)% based on market price and (3.17)% based on NAV. For the same period, the closed-end Lipper High Current Yield Funds (Leveraged) category posted an average return of (14.03)% on a NAV basis. All returns reflect reinvestment of dividends. Amid considerable volatility in credit markets, the Trust's relative performance was aided by conservative positioning, with higher-than-normal credit quality, defensive sector positioning, an allocation to bank loans, and higher-than-normal cash balances. The Trust had much lower leverage (18% as of August 31, 2008) than most of its peers, which also aided relative performance. The Trust's discount to NAV, which widened from 13.4% to 15.7% during the period, accounts for the difference between performance based on price and performance based on NAV.

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Trust Information

Symbol on New York Stock Exchange:	HIS
Initial Offering Date:	August 10, 1988
Yield on Closing Market Price as of August 31, 2008 (\$1.88): ¹	11.62%
Current Monthly Distribution per Share: ²	\$0.0182
Current Annualized Distribution per Share: ²	\$0.2184
Leverage as of August 31, 2008: ³	18%

- Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.
- The distribution is not constant and is subject to change.
- As a percentage of total managed assets, which is the total assets of the Trust (including any assets attributable to any borrowing that may be outstanding) minus the sum of accrued liabilities (other than debt representing financial leverage).

The table below summarizes the changes in the Trust's market price and net asset value per share:

	8/31/08	12/31/07	Change	High	Low
Market Price	\$ 1.88	\$ 2.14	(12.15)%	\$ 2.28	\$ 1.84
Net Asset Value	\$ 2.23	\$ 2.47	(9.72)%	\$ 2.47	\$ 2.22

The following unaudited charts show the portfolio composition of the Trust's long-term investments and credit quality allocations of the Trust's corporate bond investments:

Portfolio Composition

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	8/31/08	12/31/07
Corporate Bonds	86%	93%
Floating Rate Loan Interests	11	5
Preferred Securities	3	2

Credit Quality Allocations⁴

Credit Rating	8/31/08	12/31/07
BBB/Baa	4%	1%
BB/Ba	23	21
B/B	52	54
CCC/Caa	16	21
Not Rated	5	3

4 Using the higher of S&P's or Moody's ratings.

Trust Summary as of August 31, 2008

BlackRock High Yield Trust

Investment Objective

BlackRock High Yield Trust (BHY) (the Trust) seeks to provide high current income and to a lesser extent to seek capital appreciation by investing in a diversified portfolio of below investment grade securities.

Performance

For the 12 months ended August 31, 2008, the Trust returned (11.03)% based on market price and (3.16)% based on NAV. For the same period, the closed-end Lipper High Current Yield Funds (Leveraged) category posted an average return of (14.03)% on a NAV basis. All returns reflect reinvestment of dividends. Amid considerable volatility in credit markets, the Trust's relative performance was aided by conservative positioning, with higher-than-normal credit quality, defensive sector positioning, an allocation to bank loans, and higher-than-normal cash balances. The Trust had much lower leverage (12% as of August 31, 2008) than most of its peers, which also aided relative performance. The Trust's discount to NAV, which widened from 12.5% to 12.9% during the period, accounts for the difference between performance based on price and performance based on NAV.

The views expressed reflect the opinions of BlackRock as of the date of this report and are subject to change based on changes in market, economic or other conditions. These views are not intended to be a forecast of future events and are no guarantee of future results.

Trust Information

Symbol on New York Stock Exchange:	BHY
Initial Offering Date:	December 23, 1998
Yield on Closing Market Price as of August 31, 2008 (\$5.96): ¹	10.27%
Current Monthly Distribution per Share: ²	\$0.051
Current Annualized Distribution per Share: ²	\$0.612
Leverage as of August 31, 2008: ³	12%

- Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.
- The distribution is not constant and is subject to change.
- As a percentage of total managed assets, which is the total assets of the Trust (including any assets attributable to any borrowing that may be outstanding) minus the sum of accrued liabilities (other than debt representing financial leverage).

The table below summarizes the changes in the Trust's market price and net asset value per share:

	8/31/08	10/31/07	Change	High	Low
Market Price	\$ 5.96	\$ 6.92	(13.87)%	\$ 7.21	\$ 5.65
Net Asset Value	\$ 6.84	\$ 7.91	(13.53)%	\$ 7.91	\$ 6.82

The following unaudited charts show the ten largest industries and credit quality allocations of the Trust's corporate bond investments:

Ten Largest Industries⁴

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	8/31/08	10/31/07
Media	13%	17%
Oil, Gas & Consumable Fuels	11	8
Wireless Telecommunications Services	6	5
Hotels, Restaurants & Leisure	6	6
Diversified Telecommunications Services	6	4
Independent Power Producers & Energy Traders	5	6
Metals & Mining	4	3
Diversified Financial Services	4	
Specialty Retail	3	4
Chemicals	3	5

- 4 For Trust compliance purposes, the Trust's industry classifications refer to any one or more of the industry sub-classifications used by one or more widely recognized market indexes or rating group indexes, and/or as defined by Trust management. This definition may not apply for purposes of this report, which may combine sector and industry sub-classification for reporting ease.

Credit Quality Allocations⁴

Credit Rating	8/31/08	10/31/07
BBB/Baa	6%	4%
BB/Ba	24	21
B	52	51
CCC/Caa	15	21
Not Rated	3	3

- 4 Using the higher of S&P's or Moody's ratings.

Trust Summary as of August 31, 2008

BlackRock Income Opportunity Trust

Investment Objective

BlackRock Income Opportunity Trust (BNA) (the Trust) seeks to provide current income and capital appreciation in a portfolio of primarily U.S. dollar-denominated securities.

Performance

For the 12 months ended August 31, 2008, the Trust returned 4.76% based on market price and 1.94% based on NAV. For the same period, the closed-end Lipper Corporate Debt Funds BBB-Rated category posted an average return of 0.76% on a NAV basis. All returns reflect reinvestment of dividends. The Trust's relative performance was aided by holdings in U.S. government agency mortgage-backed securities. Conversely, holdings in investment-grade financials, non-agency mortgage securities, high yield bonds and preferred securities detracted from results. The Trust had much lower leverage (22% as of August 31, 2008) than its peers, which also hurt performance. The Trust's discount to NAV, which narrowed modestly during the period, accounts for the difference between performance based on price and performance based on NAV.

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Trust Information

Symbol on New York Stock Exchange:	BNA
Initial Offering Date:	December 20, 1991
Yield on Closing Market Price as of August 31, 2008 (\$9.82): ¹	6.23%
Current Monthly Distribution per Share: ²	\$0.051
Current Annualized Distribution per Share: ²	\$0.612
Leverage as of August 31, 2008: ³	22%

¹ Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.

² The distribution rate is not constant and is subject to change.

³ As a percentage of total managed assets, which is the total assets of the Trust (including any assets attributable to any borrowing that may be outstanding) minus the sum of accrued liabilities (other than debt representing financial leverage).

The table below summarizes the changes in the Trust's market price and net asset value per share:

	8/31/08	10/31/07	Change	High	Low
Market Price	\$ 9.82	\$ 10.19	(3.63)%	\$ 10.50	\$ 9.06
Net Asset Value	\$ 10.35	\$ 11.02	(6.08)%	\$ 11.16	\$ 10.20

The following unaudited charts show the portfolio composition of the Trust's long-term investments and credit quality allocations of the Trust's corporate bond investments:

Portfolio Composition

8/31/08 10/31/07

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Corporate Bonds	42%	38%
U.S. Government Agency Mortgage Backed Securities	15	34
Non-U.S. Government Agency Mortgage Backed Securities	14	9
U.S. Government Obligations	11	4
Asset-Backed Securities	10	7
U.S. Government and Agency Mortgage-Backed Securities - Collateralized		
Mortgage Obligations	3	5
Capital Trusts	4	
Foreign Government Obligations	1	
Trust Preferred		2
Municipal Bonds		1

Credit Quality Allocations⁴

Credit Rating	8/31/08	10/31/07
AAA/Aaa	8%	8%
AA/Aa	18	21
A/A	28	20
BBB/Baa	26	22
BB/Ba	5	6
B/B	12	17
CCC/Caa	3	6

4 Using the higher of S&P's or Moody's rating's.

Trust Summary as of August 31, 2008

BlackRock Income Trust Inc.

Investment Objective

BlackRock Income Trust Inc. (BKT) (the Trust) seeks to provide high monthly income while preserving capital by investing in a portfolio of mortgage-backed securities.

Performance

For the 12 months ended August 31, 2008, the Trust returned 6.59% based on market price and 11.98% based on NAV. For the same period, the closed-end Lipper U.S. Mortgage Funds category posted an average return of 1.41% on a NAV basis. All returns reflect reinvestment of dividends. The primary driver behind the Trust's relative outperformance was its large allocation to U.S. government agency mortgage-backed securities (MBS). Meanwhile, small allocations to non-agency MBS and other structured securities detracted from results. The Trust had much lower leverage during the period than its peers, which also hurt performance. The Trust's discount to NAV, which widened modestly during the period, accounts for the difference between performance based on price and performance based on NAV.

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Trust Information

Symbol on New York Stock Exchange:	BKT
Initial Offering Date:	July 22, 1988
Yield on Closing Market Price as of August 31, 2008 (\$6.07): ¹	4.74%
Current Monthly Distribution per Share: ²	\$0.024
Current Annualized Distribution per Share: ²	\$0.288

- Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.
- The distribution rate is not constant and is subject to change.

The table below summarizes the changes in the Trust's market price and net asset value per share:

	8/31/08	10/31/07	Change	High	Low
Market Price	\$ 6.07	\$ 5.81	4.48%	\$ 6.20	\$ 5.23
Net Asset Value	\$ 6.94	\$ 6.53	6.28%	\$ 7.05	\$ 6.35

The following unaudited chart shows the portfolio composition of the Trust's long-term investments:

Portfolio Composition

	8/31/08	10/31/07
U.S. Government Agency Mortgage-Backed Securities	46%	51%
U.S. Government Agency Mortgage-Backed Securities Collateralized Mortgage Obligations	28	25
Non U.S. Government Agency Mortgage Backed Securities	18	12

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U.S. Government and Agency Obligations	6	9
Asset-Backed Securities	2	2
Corporate Bonds		1

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ANNUAL REPORT

AUGUST 31, 2008

Trust Summary as of August 31, 2008

BlackRock Limited Duration Income Trust

Investment Objective

BlackRock Limited Duration Income Trust (BLW) (the Trust) seeks to provide current income and capital appreciation.

Performance

For the 12 months ended August 31, 2008, the Trust returned (7.37)% based on market price and 0.58% based on NAV. For the same period, the closed-end Lipper High Current Yield Funds (Leveraged) category posted an average return of (14.03)% on a NAV basis. All returns reflect reinvestment of dividends. The Trust's allocations to high yield loans (58% of net assets as of August 31, 2008) and mortgage securities (21% as of August 31, 2008) benefited relative performance, as those sectors outperformed high yield bonds. The Trust was modestly leveraged (9% as of August 31, 2008) relative to its peers, which also aided relative performance. The Trust's discount to NAV, which widened from 9.9% to 12.8% during the period, accounts for the difference between performance based on price and performance based on NAV.

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Trust Information

Symbol on New York Stock Exchange:	BLW
Initial Offering Date:	July 30, 2003
Yield on Closing Market Price as of August 31, 2008 (\$14.57): ¹	8.65%
Current Monthly Distribution per Share: ²	\$0.105
Current Annualized Distribution per Share: ²	\$1.260
Leverage as of August 31, 2008: ³	9%

¹ Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.

² The distribution is not constant and is subject to change.

³ As a percentage of total managed assets, which is the total assets of the Trust (including any assets attributable to any borrowing that may be outstanding) minus the sum of accrued liabilities (other than debt representing financial leverage).

The table below summarizes the Trust's market price and net asset value per share:

	8/31/08	10/31/07	Change	High	Low
Market Price	\$ 14.57	\$ 16.68	(12.65)%	\$ 16.99	\$ 13.60
Net Asset Value	\$ 16.71	\$ 18.52	(9.77)%	\$ 18.52	\$ 16.59

The following unaudited charts show the portfolio composition of the Trust's long-term investments and credit quality allocations of the Trust's corporate bond investments:

Portfolio Composition

8/31/08 10/31/07

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Floating Rate Loan Interests	46%	42%
Corporate Bonds	32	37
U.S. Government Agency Mortgage Backed Securities	16	16
U.S. Government and Agency Obligations	4	3
Foreign Government Obligations	2	2

Credit Quality Allocations⁴

Credit Rating	8/31/08	10/31/07
AAA/Aaa	7%	1%
A/A		4
BBB/Baa	14	8
BB/Ba	17	23
B/B	44	43
CCC/Caa	13	18
Not Rated	5	3

4 Using the higher of S&P's or Moody's rating's.

Trust Summary as of August 31, 2008

BlackRock Strategic Bond Trust

Investment Objective

BlackRock Strategic Bond Trust (BHD) (the Trust) seeks total return through high current income and capital appreciation.

Performance

For the 12 months ended August 31, 2008, the Trust returned (2.53)% based on market price and 1.49% based on NAV. For the same period, the closed-end Lipper General Bond Funds category posted an average return of 2.15% on a NAV basis. All returns reflect reinvestment of dividends. The Trust's allocation to high yield loans (5% of net assets as of August 31, 2008) hurt relative performance as the Trust is in a general bond fund category and high yield bonds underperformed investment-grade bonds. The Trust's discount to NAV, which widened modestly during the period, accounts for the difference between performance based on price and performance based on NAV.

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Trust Information

Symbol on New York Stock Exchange:	BHD
Initial Offering Date:	February 26, 2002
Yield on Closing Market Price as of August 31, 2008 (\$10.85): ¹	8.52%
Current Monthly Distribution per Share: ²	\$0.077
Current Annualized Distribution per Share: ²	\$0.924
Leverage as of August 31, 2008: ³	2%

¹ Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.

² The distribution is not constant and is subject to change.

³ As a percentage of total management assets, which is the total assets of the Trust (including any assets attributable to any borrowing that maybe outstanding) minus the sum of accrued liabilities (other than debt representing financial leverage).

The table below summarizes the changes in the Trust's market price and net asset value per share:

	8/31/08	10/31/07	Change	High	Low
Market Price	\$ 10.85	\$ 11.88	(8.67)%	\$ 12.12	\$ 10.48
Net Asset Value	\$ 12.76	\$ 13.80	(7.54)%	\$ 13.82	\$ 12.72

The following unaudited charts show the ten largest industries and credit quality allocations of the Trust's corporate bond investments:

Ten Largest Industries³

8/31/08 10/31/07

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Media	15%	22%
Diversified Telecommunications Services	10	8
Aerospace & Defense	7	8
Oil, Gas & Consumable Fuels	7	6
Wireless Telecommunications Services	5	3
Commercial Services & Supplies	4	5
Diversified Financial Services	4	2
Electric Utilities	3	4
Independent Power Producers & Energy Traders	3	
Specialty Retail	3	4
Hotels, Restaurants & Leisure		2

³ For Trust compliance purposes, the Trust's industry classifications refer to any one or more of the industry sub-classifications used by one or more widely recognized market indexes or ratings group indexes, and/or as defined by Trust management. This definition may not apply for purposes of this report, which may combine sector and industry sub-classification for reporting ease.

Credit Quality Allocations⁴

Credit Rating	8/31/08	10/31/07
AAA/Aaa	%	1%
AA/Aa	4	4
A	18	17
BBB/Baa	18	15
BB/Ba	14	12
B	36	37
CCC/Caa	8	12
Not Rated	2	2

⁴ Using the higher of S&P's or Moody's rating's.

The Benefits and Risks of Leveraging

The Trusts may utilize leverage through borrowings or issuance of short-term debt securities. The concept of leveraging is based on the premise that the cost of assets to be obtained from leverage will be based on short-term interest rates, which normally will be lower than the income earned by each Trust on its longer-term portfolio investments. To the extent that the total assets of each Trust (including the assets obtained from leverage) are invested in higher-yielding portfolio investments, each Trust's shareholders will benefit from the incremental yield.

Leverage creates risks for shareholders including the likelihood of greater NAV and market price volatility. In addition, there is the risk that fluctuations in interest rates on borrowings may reduce each Trust's yield and negatively impact its NAV and market price. If the income derived from securities purchased with assets received from leverage exceeds the cost of leverage, the Trust's net income will be greater than if leverage had not been used. Conversely, if the income from the securities purchased is not sufficient to cover the cost of leverage, the Trust's net income will be less than if leverage had not been used, and therefore the amount available for distribution to shareholders will be reduced.

Under the Investment Company Act of 1940, the Trusts are permitted to borrow through a credit facility and the issuance of short-term debt securities up to 33¹/₃% of total managed assets. As of August 31, 2008, the Trusts had outstanding leverage from short-term debt securities or credit facility borrowings as a percentage of total managed assets as follows:

	Percent of Leverage
BlackRock Core Bond Trust	24%
BlackRock High Income Shares	18%
BlackRock High Yield Trust	12%
BlackRock Income Opportunity Trust	22%
BlackRock Limited Duration Income Trust, Inc.	9%
BlackRock Strategic Bond Trust	2%

Swap Agreements

The Trusts may invest in swap agreements, which are over-the-counter contracts in which one party agrees to make periodic payments based on the change in market value of a specified bond, basket of bonds, or index in return for periodic payments based on a fixed or variable interest rate or the change in market value of a different bond, basket of bonds or index. Swap agreements may be used to obtain exposure to a bond or market without owning or taking physical custody of securities. Swap agreements involve the risk that the party with whom the Trusts have entered into a swap will default on its obligation to pay the Trusts and the risk that the Trusts will not be able to meet their obligations to pay the other party to the agreement.

Schedule of Investments August 31, 2008

BlackRock Core Bond Trust (BHK)
(Percentages shown are based on Net Assets)

Asset-Backed Securities		Par (000)	Value
American Express Issuance Trust Series 2008-2 Class A, 4.02%, 1/18/11	USD	2,580	\$ 2,584,864
Bank of America Credit Card Trust Series 2008-A9 Class A9, 4.07%, 7/16/12		2,485	2,492,806
Chase Issuance Trust:			
Series 2007-A17 Class A, 5.12%, 10/15/14		2,300	2,294,002
Series 2008-A9 Class A9, 4.26%, 5/15/13		2,525	2,499,894
Chase Manhattan Auto Owner Trust Series 2005-B Class A4, 4.88%, 6/15/12		2,469	2,482,893
Citibank Credit Card Issuance Trust Series 2006-A2 Class A2, 4.85%, 2/10/11		2,825	2,841,499
Citibank Omni Master Trust Series 2007-A9A Class A9, 3.571%, 12/23/13 (a)		2,720	2,720,638
Daimler Chrysler Auto Trust Series 2006-A Class A3, 5%, 5/08/10		878	883,046
Ford Credit Auto Owner Trust Series 2006-A Class A4, 5.07%, 12/15/10		2,850	2,839,728
Harley-Davidson Motorcycle Trust Series 2005-2 Class A2, 4.07%, 2/15/12		1,524	1,526,441
Home Equity Asset Trust Series 2007-2 Class 2A1, 2.582%, 7/25/37 (a)		842	771,735
JPMorgan Mortgage Acquisition Corp. Series 2007-CH5 Class A3, 2.582%, 6/25/37 (a)		3,635	3,118,721
MBNA Credit Card Master Note Trust Series 2006-A1 Class A1, 4.90%, 7/15/11		2,825	2,842,981
SLM Student Loan Trust (a):			
Series 2005-5 Class A1, 2.80%, 1/25/18		289	288,343
Series 2008-5 Class A2, 3.90%, 10/25/16		3,200	3,203,840
Series 2008-5 Class A3, 4.10%, 1/25/18		810	827,018
Series 2008-5 Class A4, 4.50%, 7/25/23		2,180	2,244,572
Small Business Administration Class 1:			
Series 2003-P10B, 5.136%, 8/10/13		888	882,117
Series 2004-P10B, 4.754%, 8/10/14		519	500,854
Sterling Bank Trust Series 2004-2 Class Note, 2.081%, 3/30/30 (b)		7,226	270,967
Sterling Coofs Trust Series 1, 2.362%, 4/15/29 (b)		9,987	808,315
USAA Auto Owner Trust Series 2006-1 Class A4, 5.04%, 12/15/11		2,725	2,751,427
Total Asset-Backed Securities 12.0%			41,676,701

Corporate Bonds

Aerospace & Defense 1.2%

CHC Helicopter Corp., 7.375%, 5/01/14	405	421,200
DRS Technologies, Inc.:		
6.875%, 11/01/13	70	70,875
7.625%, 2/01/18	80	84,200
Hexcel Corp., 6.75%, 2/01/15	140	135,800
Honeywell International, Inc., 5.70%, 3/15/37	975	907,664
Northrop-Grumman Corp., 7.875%, 3/01/26	960	1,122,810
TransDigm, Inc., 7.75%, 7/15/14	120	116,700

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United Technologies Corp., 4.875%, 5/01/15	1,125	1,129,653
		3,988,902

Air Freight & Logistics 0.5%

Park-Ohio Industries, Inc., 8.375%, 11/15/14	120	99,000
United Parcel Service, Inc., 6.20%, 1/15/38	1,650	1,660,996
		1,759,996

Airlines 0.0%

American Airlines, Inc. Series 99-1, 7.324%, 4/15/11	115	104,650
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Auto Components 0.1%

Lear Corp., 8.75%, 12/01/16	250	188,125
Metaldyne Corp., 10%, 11/01/13	250	67,500
		255,625

Corporate Bonds	Par (000)	Value
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Automobiles 0.2%

Ford Capital BV, 9.50%, 6/01/10	USD	600	\$	499,500
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Building Products 0.1%

CPG International I, Inc., 10.50%, 7/01/13	200	154,000
Momentive Performance Materials, Inc., 11.50%, 12/01/16	405	315,900
		469,900

Capital Markets 2.7%

The Goldman Sachs Group, Inc., 6.75%, 10/01/37	975	857,857
Lehman Brothers Holdings, Inc.:		
4.476%, 9/15/22 (a)	525	485,881
Series MTN, 7%, 9/27/27	1,250	1,114,613
Morgan Stanley:		
3.041%, 1/09/12 (a)	1,340	1,213,564
6.25%, 8/28/17	1,700	1,547,328
6.25%, 8/09/26	525	448,993
Series F, 5.55%, 4/27/17	1,375	1,207,063
UBS AG Series DPNT, 5.875%, 12/20/17 (d)	2,575	2,510,275
		9,385,574

Chemicals 0.7%

American Pacific Corp., 9%, 2/01/15	250	242,500	
Ames True Temper, Inc., 6.791%, 1/15/12 (a)	650	520,000	
Huntsman LLC, 11.50%, 7/15/12	66	68,970	
Ineos Group Holdings Plc, 7.875%, 2/15/16 (e)	EUR	285	257,137
Innophos, Inc., 8.875%, 8/15/14	USD	885	907,125
Key Plastics LLC, 11.75%, 3/15/13 (e)	515	180,250	
Terra Capital, Inc. Series B, 7%, 2/01/17	80	77,800	
		2,253,782	

Commercial Banks 2.8%

DEPFA ACS Bank, 5.125%, 3/16/37 (e)	3,775	3,583,702
HBOS Treasury Services Plc, 3.75%, 9/30/08 (e)	825	824,073
HSBC Bank USA NA, 5.875%, 11/01/34	775	679,165
HSBC Finance Corp., 6.50%, 5/02/36	300	276,934

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SunTrust Bank Series CD, 4.415%, 6/15/09	1,265	1,271,321
SunTrust Banks, Inc., 4%, 10/15/08	995	994,955
Wachovia Bank NA, 6.60%, 1/15/38	1,925	1,508,139
Wells Fargo & Co., 4.875%, 1/12/11	435	442,144

9,580,433

Commercial Services & Supplies 0.7%

DI Finance Series B, 9.50%, 2/15/13	598	593,515
Sally Holdings LLC, 10.50%, 11/15/16	281	282,405
Waste Services, Inc., 9.50%, 4/15/14	590	595,900
West Corp., 11%, 10/15/16	1,100	860,750

2,332,570

Communications Equipment 0.2%

Nortel Networks Ltd., 7.041%, 7/15/11 (a)	670	621,425
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Computers & Peripherals 0.9%

International Business Machines Corp., 5.70%, 9/14/17 (d)	3,125	3,186,759
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Consumer Finance 0.1%

SLM Corp. Series A, 3.10%, 1/27/14 (a)	550	436,128
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Containers & Packaging 0.7%

Berry Plastics Holding Corp., 8.875%, 9/15/14	95	78,850
Crown Americas LLC, 7.75%, 11/15/15	150	153,750
Impress Holdings BV, 5.916%, 9/15/13 (a)(e)	300	270,000
Owens-Brockway Glass Container, Inc., 8.25%, 5/15/13	1,500	1,545,000
Pregis Corp., 12.375%, 10/15/13	545	520,475

2,568,075

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock Core Bond Trust (BHK)
 (Percentages shown are based on Net Assets)

Corporate Bonds	Par (000)	Value
Diversified Financial Services 7.1%		
Bank of America Corp.:		
6%, 9/01/17	USD 1,590	\$ 1,513,550
5.75%, 12/01/17	1,355	1,264,028
Bank of America NA, 6.10%, 6/15/17 (h)	1,975	1,894,600
Citigroup, Inc.:		
3.625%, 2/09/09 (f)	3,950	3,943,348
4.25%, 7/29/09 (d)	1,020	1,019,253
4.125%, 2/22/10 (f)(h)	4,790	4,745,031
6.875%, 2/15/98	525	454,043
Ford Motor Credit Co. LLC:		
5.538%, 1/13/12 (a)	125	92,288
7.80%, 6/01/12	340	252,506
General Electric Capital Corp.:		
6.15%, 8/07/37 (d)	6,855	6,500,836
5.875%, 1/14/38	1,525	1,373,163
JPMorgan Chase & Co. 6%, 1/15/18	125	121,048
Structured Asset Repackaged Trust, 3.761%, 1/21/10	1,510	1,462,908
		24,636,602
Diversified Telecommunication Services 5.9%		
AT&T, Inc.:		
6.45%, 6/15/34	780	745,271
6.50%, 9/01/37 (d)	2,875	2,767,090
6.30%, 1/15/38	600	565,778
Bellsouth Telecommunications, Inc., 6.027%, 12/15/95 (g)	1,700	844,274
Cincinnati Bell, Inc., 7.25%, 7/15/13	210	201,863
Comcast Cable Holdings LLC, 7.875%, 8/01/13	10	10,882
Deutsche Telekom International Finance BV, 5.75%, 3/23/16 (d)	3,000	2,882,088
Qwest Communications International, Inc. 7.50%, 2/15/14	180	163,800
Qwest Corp., 6.026%, 6/15/13 (a)	470	434,750
Telecom Italia Capital SA:		
4.95%, 9/30/14	1,075	974,160
6%, 9/30/34	1,550	1,263,092
Telefonica Emisiones SAU, 7.045%, 6/20/36	1,975	2,005,496
Telefonica Europe BV, 7.75%, 9/15/10	725	764,287
Verizon Communications, Inc., 6.40%, 2/15/38 (h)	2,125	1,977,215
Verizon Global Funding Corp., 7.75%, 12/01/30	70	74,485
Verizon Maryland, Inc. Series B, 5.125%, 6/15/33	125	96,769
Verizon New Jersey, Inc.:		
5.875%, 1/17/12	335	340,621
7.85%, 11/15/29	230	239,239
Verizon Virginia, Inc. Series A, 4.625%, 3/15/13 (d)(e)	3,150	3,031,941
Wind Acquisition Finance SA, 10.75%, 12/01/15 (e)	350	358,750
Windstream Corp.:		
8.125%, 8/01/13	500	495,000
8.625%, 8/01/16	230	227,700
		20,464,551
Electric Utilities 3.7%		
Duke Energy Carolinas LLC:		
6.10%, 6/01/37	315	299,916

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6%, 1/15/38	825	798,632
E.ON International Finance BV, 6.65%, 4/30/38 (e)	1,525	1,547,073
EDP Finance BV, 6%, 2/02/18 (e)	1,125	1,115,850
Edison Mission Energy, 7.50%, 6/15/13	115	115,288
Elwood Energy LLC, 8.159%, 7/05/26	116	109,396
Florida Power & Light Co., 4.95%, 6/01/35	950	816,975
Florida Power Corp., 6.40%, 6/15/38	875	890,389
Midwest Generation LLC Series B, 8.56%, 1/02/16	75	77,574
PacifiCorp., 6.25%, 10/15/37	575	558,607
Progress Energy Florida, Inc., 6.35%, 9/15/37	1,325	1,339,408
Public Service Co. of Colorado, 6.25%, 9/01/37	1,200	1,205,120

Corporate Bonds	Par (000)	Value
Electric Utilities (concluded)		
Southern California Edison Co.:		
5.625%, 2/01/36	USD 625	\$ 592,984
Series 05-E, 5.35%, 7/15/35	125	114,091
Series 08-A, 5.95%, 2/01/38	1,075	1,066,372
The Toledo Edison Co., 6.15%, 5/15/37	350	303,055
Virginia Electric and Power Co. Series A, 6%, 5/15/37	2,000	1,890,772
		12,841,502
Electrical Equipment 0.3%		
Superior Essex Communications LLC, 9%, 4/15/12	945	987,525
Electronic Equipment & Instruments 0.3%		
Sanmina-SCI Corp., 8.125%, 3/01/16	1,190	1,073,975
Energy Equipment & Services 0.6%		
Compagnie Generale de Geophysique-Veritas:		
7.50%, 5/15/15	55	54,725
7.75%, 5/15/17	90	89,550
Grant Prideco, Inc. Series B, 6.125%, 8/15/15	80	77,755
North American Energy Partners, Inc., 8.75%, 12/01/11	85	84,575
Transocean, Inc., 6.80%, 3/15/38	1,100	1,097,461
Weatherford International, Inc., 6.80%, 6/15/37	625	619,455
		2,023,521
Food & Staples Retailing 1.4%		
CVS Caremark Corp., 6.25%, 6/01/27	775	736,402
The Pantry, Inc., 7.75%, 2/15/14	1,000	835,000
Rite Aid Corp., 7.50%, 3/01/17	695	576,850
Wal-Mart Stores, Inc.:		
6.50%, 8/15/37	1,900	1,945,089
6.20%, 4/15/38	850	840,835
		4,934,176
Food Products 0.4%		
Kraft Foods, Inc., 7%, 8/11/37	1,455	1,447,751
Gas Utilities 0.2%		
El Paso Natural Gas Co.:		
8.625%, 1/15/22	265	291,788
8.375%, 6/15/32	225	248,850
Targa Resources, Inc., 8.50%, 11/01/13	320	304,000
		844,638

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Health Care Equipment & Supplies 0.6%

Biomet, Inc.:		
10.375%, 10/15/17 (i)	340	358,700
11.625%, 10/15/17	340	357,425
DJO Finance LLC, 10.875%, 11/15/14	1,380	1,383,450
		2,099,575

Health Care Providers & Services 0.5%

Tenet Healthcare Corp., 6.50%, 6/01/12	1,020	986,850
UnitedHealth Group, Inc., 5.80%, 3/15/36	870	705,586
WellPoint, Inc., 5.95%, 12/15/34	85	73,243
		1,765,679

Hotels, Restaurants & Leisure 1.5%

American Real Estate Partners LP:		
8.125%, 6/01/12	3,165	2,947,406
7.125%, 2/15/13	320	279,600
Circus and Eldorado Joint Venture, 10.125%, 3/01/12	1,000	915,000
Gaylord Entertainment Co., 6.75%, 11/15/14	150	130,875
Greektown Holdings, LLC, 10.75%, 12/01/13 (e)(j)	315	237,825
Harrah s Operating Co., Inc., 10.75%, 2/01/18 (e)(i)	880	519,774
Seneca Gaming Corp. Series B, 7.25%, 5/01/12	260	232,050
Wynn Las Vegas LLC, 6.625%, 12/01/14	40	36,450
		5,298,980

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock Core Bond Trust (BHK)
 (Percentages shown are based on Net Assets)

Corporate Bonds		Par (000)	Value
Household Durables 0.7%			
Belvoir Land LLC Series A-1, 5.27%, 12/15/47	USD	350	\$ 256,498
Irwin Land LLC:			
Series A-1, 5.03%, 12/15/25		525	457,044
Series A-2, 5.40%, 12/15/47		1,500	1,211,730
Ohana Military Communities LLC Series 04I, 6.193%, 4/01/49		350	322,063
			2,247,335
Household Products 0.3%			
Kimberly-Clark, Corp., 6.625%, 8/01/37		850	895,861
IT Services 0.4%			
iPayment, Inc., 9.75%, 5/15/14		240	201,000
iPayment Investors LP, 12.75%, 7/15/14 (e)(i)		904	897,607
SunGard Data Systems, Inc., 9.125%, 8/15/13		205	208,075
			1,306,682
Independent Power Producers & Energy Traders 0.1%			
NRG Energy, Inc.:			
7.25%, 2/01/14		50	49,312
7.375%, 2/01/16		285	281,437
			330,749
Industrial Conglomerates 0.6%			
Sequa Corp. (e):			
11.75%, 12/01/15		690	607,200
13.50%, 12/01/15 (i)		1,644	1,338,995
			1,946,195
Insurance 2.6%			
Berkshire Hathaway Finance Corp., 4.75%, 5/15/12		1,075	1,093,455
Chubb Corp., 6%, 5/11/37		1,100	974,401
Hartford Life Global Funding Trusts, 2.946%, 9/15/09 (a)		925	921,618
MetLife, Inc., 5.70%, 6/15/35		1,525	1,315,315
Metropolitan Life Global Funding I, 4.25%, 7/30/09 (e)		1,150	1,140,706
Monument Global Funding Ltd., 2.646%, 6/16/10 (a)		1,810	1,795,071
New York Life Global Funding, 3.875%, 1/15/09 (e)		850	851,380
Prudential Financial, Inc.:			
5.70%, 12/14/36		675	548,496
Series D, 5.90%, 3/17/36		500	420,500
			9,060,942
Machinery 0.3%			
AGY Holding Corp., 11%, 11/15/14		360	334,800
Accuride Corp., 8.50%, 2/01/15		265	170,925
Sunstate Equipment Co. LLC, 10.50%, 4/01/13 (e)		950	693,500

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1,199,225

Marine 0.3%

Nakilat, Inc. Series A, 6.067%, 12/31/33 (e)	1,050	916,828
Navios Maritime Holdings, Inc., 9.50%, 12/15/14	141	134,655
		1,051,483

Media 6.0%

Affinion Group, Inc., 10.125%, 10/15/13	695	684,575
CMP Susquehanna Corp., 9.875%, 5/15/14	645	403,125
Cablevision Systems Corp. Series B, 7.133%, 4/01/09 (a)	180	180,900
Charter Communications Holdings I, LLC, 11%, 10/01/15	175	134,313
Charter Communications Holdings II, LLC, 10.25%, 9/15/10	1,450	1,391,350
Comcast Cable Holdings LLC, 7.125%, 2/15/28	200	194,967
Comcast Corp.:		
6.50%, 1/15/17	1,750	1,765,076
6.50%, 11/15/35	625	588,010
6.45%, 3/15/37	790	728,613
6.95%, 8/15/37	25	24,397
DirecTV Holdings LLC, 8.375%, 3/15/13	125	129,375
EchoStar DBS Corp.:		
5.75%, 10/01/08	175	175,000
7%, 10/01/13	43	40,850
7.125%, 2/01/16	75	69,000

Corporate Bonds	Par (000)	Value
Media (concluded)		
Network Communications, Inc., 10.75%, 12/01/13	USD 155	\$ 111,406
News America Holdings, Inc.:		
7.70%, 10/30/25	825	885,343
8.45%, 8/01/34	625	710,362
News America, Inc., 7.625%, 11/30/28	985	1,045,827
Nielsen Finance LLC, 10%, 8/01/14	965	977,062
R.H. Donnelley Corp., 11.75%, 5/15/15 (e)	1,720	1,264,200
Rainbow National Services LLC (e):		
8.75%, 9/01/12	200	204,000
10.375%, 9/01/14	943	1,003,116
TCI Communications, Inc., 7.875%, 2/15/26	610	641,780
TL Acquisitions, Inc., 10.50%, 1/15/15 (b)	1,000	855,000
Time Warner Cable, Inc., 7.30%, 7/01/38	2,525	2,537,188
Time Warner Cos., Inc.:		
7.57%, 2/01/24 (d)	3,040	3,078,912
6.95%, 1/15/28	70	66,515
6.625%, 5/15/29	90	82,319
Time Warner, Inc.:		
7.625%, 4/15/31	205	205,128
7.70%, 5/01/32	85	85,746
Windstream Regatta Holdings, Inc., 11%, 12/01/17 (e)	823	477,340
		20,740,795

Metals & Mining 1.5%

AK Steel Corp., 7.75%, 6/15/12	995	1,017,388
Falconbridge Ltd.:		
6%, 10/15/15	825	782,225
6.20%, 6/15/35	1,250	1,021,918
Freeport-McMoRan Copper & Gold, Inc.:		
5.883%, 4/01/15 (a)	490	491,294
8.375%, 4/01/17	790	837,400
Teck Cominco Ltd., 6.125%, 10/01/35	1,430	1,156,347

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5,306,572

Multi-Utilities 0.6%

DTE Energy Co., 6.35%, 6/01/16	725	722,112
Energy East Corp., 6.75%, 7/15/36	1,500	1,433,321

2,155,433

Oil, Gas & Consumable Fuels 5.5%

Amerada Hess Corp., 7.125%, 3/15/33	425	453,535
Anadarko Petroleum Corp., 6.45%, 9/15/36	2,350	2,159,901
Berry Petroleum Co., 8.25%, 11/01/16	140	133,700
Burlington Resources Finance Co., 7.40%, 12/01/31	875	1,000,894
Canadian Natural Resources, Ltd.:		
6.25%, 3/15/38	375	345,397
6.75%, 2/01/39	1,025	1,008,277
Chaparral Energy, Inc., 8.50%, 12/01/15	320	278,400
Chesapeake Energy Corp., 6.375%, 6/15/15	150	139,500
Compton Petroleum Finance Corp., 7.625%, 12/01/13	115	107,956
Conoco Funding Co., 7.25%, 10/15/31	125	144,044
ConocoPhillips Canada Funding Co., 5.95%, 10/15/36	535	534,959
ConocoPhillips Holding Co., 6.95%, 4/15/29	650	711,039
Devon Energy Corp., 7.95%, 4/15/32	625	723,520
EXCO Resources, Inc., 7.25%, 1/15/11	130	128,700
EnCana Corp.:		
6.50%, 8/15/34	670	639,512
6.625%, 8/15/37	700	666,086
6.50%, 2/01/38	325	304,522
Encore Acquisition Co., 6%, 7/15/15	40	34,900
MidAmerican Energy Co., 5.80%, 10/15/36	700	635,538
MidAmerican Energy Holdings Co.:		
5.95%, 5/15/37	800	741,258
6.50%, 9/15/37	1,525	1,521,396

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock Core Bond Trust (BHK)
 (Percentages shown are based on Net Assets)

Corporate Bonds		Par (000)	Value
Oil, Gas & Consumable Fuels (concluded)			
Nexen, Inc., 6.40%, 5/15/37	USD	550	\$ 493,311
OPTI Canada, Inc., 8.25%, 12/15/14		450	449,437
Pemex Project Funding Master Trust, 9.375%, 12/02/08		833	846,578
Sabine Pass LNG LP, 7.50%, 11/30/16		330	288,750
Suncor Energy, Inc., 6.50%, 6/15/38		645	617,336
TransCanada PipeLines Ltd., 5.85%, 3/15/36		550	472,153
Valero Energy Corp., 6.625%, 6/15/37		495	436,762
Whiting Petroleum Corp.:			
7.25%, 5/01/12		40	38,600
7.25%, 5/01/13		335	321,600
XTO Energy, Inc.:			
6.75%, 8/01/37		1,925	1,815,643
6.375%, 6/15/38		900	811,318
			19,004,522
Paper & Forest Products 0.5%			
Bowater, Inc., 5.776%, 3/15/10 (a)		80	65,600
Domtar Corp., 7.125%, 8/15/15		60	57,900
NewPage Corp., 10%, 5/01/12		1,625	1,576,250
			1,699,750
Pharmaceuticals 1.9%			
Bristol-Myers Squibb Co., 5.875%, 11/15/36		340	321,443
Eli Lilly & Co., 5.55%, 3/15/37 (d)		2,275	2,167,056
Schering-Plough Corp., 6.55%, 9/15/37		1,125	1,073,429
Teva Pharmaceutical Finance LLC, 6.15%, 2/01/36		1,445	1,301,207
Wyeth:			
6%, 2/15/36		675	663,386
5.95%, 4/01/37		925	888,195
			6,414,716
Professional Services 0.0%			
FTI Consulting, Inc., 7.75%, 10/01/16		100	103,750
Real Estate Investment Trusts (REITs) 0.1%			
AvalonBay Communities, Inc., 6.625%, 9/15/11		350	354,416
Road & Rail 0.1%			
Canadian National Railway Co., 6.25%, 8/01/34		350	350,064
Semiconductors & Semiconductor Equipment 0.1%			
Amkor Technology, Inc.:			
7.75%, 5/15/13		80	75,000
9.25%, 6/01/16		85	82,025
Freescale Semiconductor, Inc.:			
8.875%, 12/15/14		120	97,200
9.125%, 12/15/14 (i)		290	226,200
			480,425

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Software 0.7%

BMS Holdings, Inc., 10.595%, 2/15/12 (a)(e)(i)	107	64,117
Oracle Corp., 5.75%, 4/15/18 (d)	2,225	2,231,343
		2,295,460

Specialty Retail 0.9%

AutoNation, Inc.:		
4.791%, 4/15/13 (a)	150	123,750
7%, 4/15/14	150	129,750
General Nutrition Centers, Inc.:		
7.199%, 3/15/14 (h)	500	411,745
10.75%, 3/15/15	400	347,000
Lazy Days R.V. Center, Inc., 11.75%, 5/15/12	314	157,000
Michaels Stores, Inc.:		
10%, 11/01/14	380	285,000
11.375%, 11/01/16	110	70,400
Sonic Automotive, Inc. Series B, 8.625%, 8/15/13	2,100	1,617,000
		3,141,645

Corporate Bonds		Par (000)		Value
Textiles, Apparel & Luxury Goods 0.0%				
Quiksilver, Inc., 6.875%, 4/15/15	USD	175	\$	140,438
Wireless Telecommunication Services 1.8%				
Cricket Communications, Inc., 9.375%, 11/01/14		100		99,125
Digicel Group Ltd. (e):				
8.875%, 1/15/15		240		225,312
9.125%, 1/15/15 (i)		560		506,100
MetroPCS Wireless, Inc., 9.25%, 11/01/14		80		79,300
Nordic Telephone Co. Holdings ApS, 8.875%, 5/01/16 (e)		770		741,125
Rogers Communications, Inc., 7.50%, 8/15/38		1,150		1,180,882
Sprint Capital Corp., 6.875%, 11/15/28		915		777,750
Vodafone Group Plc, 7.75%, 2/15/10 (d)		2,504		2,619,850
				6,229,444
Total Corporate Bonds 58.4%				202,317,696

Foreign Government Obligations

Bundesrepublik Deutschland Series 07, 4.25%, 7/04/39	EUR	1,290		1,792,363
France Government Bond, 3.15%, 7/25/32		584		1,012,228
Israel Government AID Bond:				
5.50%, 4/26/24	USD	825		886,652
5.50%, 9/18/33		845		915,864
Total Foreign Government Obligations 1.3%				4,607,107

Non-Government Agency Mortgage-Backed Securities

Collateralized Mortgage Obligations 4.3%

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American Home Mortgage Assets Series 2006-6 Class A1A, 2.662%, 12/25/46 (a)	354	215,452
Bear Stearns Adjustable Rate Mortgage Series 2004-8 Class 14A1, 5.473%, 11/25/34 (a)	784	722,161
Citigroup Mortgage Loan Trust, Inc. Series 2005-4 Class A, 5.344%, 8/25/35 (a)	718	630,949
Countrywide Alternative Loan Trust:		
Series 2005-64CB Class 1A15, 5.50%, 12/25/35	1,600	1,111,486
Series 2006-01A0 Class 1A1, 4.039%, 8/25/46 (a)	367	231,107
Series 2006-0A19 Class A1, 2.651%, 2/20/47 (a)	532	329,143
Series 2006-0A21 Class A1, 2.661%, 3/20/47 (a)	979	609,134
Countrywide Home Loan Mortgage Pass-Through Trust Series 2006-0A5 Class 2A1, 2.672%, 4/25/46 (a)	424	257,664
Deutsche Alt-A Securities, Inc. Alternate Loan Trust:		
Series 2003-3 Class 2A1, 5.50%, 10/25/33	1,300	1,076,968
Series 2006-0A1 Class A1, 2.672%, 2/25/47 (a)	518	328,640
GSR Mortgage Loan Trust (a):		
Series 2005-AR4 Class 6A1, 5.25%, 7/25/35	717	655,080
Series 2006-0A1 Class 2A1, 2.662%, 8/25/46	1,096	756,121
Harborview Mortgage Loan Trust Series 2006-9 Class 2A1A, 2.676%, 11/19/36 (a)	733	447,191
Homebanc Mortgage Trust Series 2006-2 Class A1, 2.652%, 12/25/36 (a)	1,099	730,074
Maryland Insurance Backed Securities Trust Series 2006-1A, 5.55%, 12/10/65	2,500	1,750,000
Merrill Lynch Mortgage Investors, Inc. Series 2006-A3 Class 3A1, 5.823%, 5/25/36 (a)(k)	1,045	678,964
Structured Asset Securities Corp. Series 2002-AL1 Class A2, 3.45%, 2/25/32	2,096	1,738,939
WaMu Mortgage Pass Through Certificates (a):		
Series 2005-AR10 Class 1A3, 4.834%, 9/25/35	1,800	1,589,221
Series 2007-0A4 Class 1A, 3.849%, 5/25/47	501	300,468
Series 2007-0A5 Class 1A, 3.829%, 6/25/47	860	583,748
		14,742,510

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock Core Bond Trust (BHK)
(Percentages shown are based on Net Assets)

Non-Government Agency Mortgage-Backed Securities	Par (000)	Value
Commercial Mortgage-Backed Securities 12.7%		
Banc of America Commercial Mortgage, Inc. Series 2005-1 Class 4A, 4.988%, 11/10/42 (a)	USD 2,180	\$ 2,142,973
CS First Boston Mortgage Securities Corp. Series 2002-CP5 Class A2, 4.94%, 12/15/35	2,720	2,643,455
Citigroup Commercial Mortgage Trust Series 2008-C7 Class A4, 6.299%, 12/10/49 (a)	1,370	1,283,135
Citigroup/Deutsche Bank Commercial Mortgage Trust Series 2007-CD5 Class A4, 5.886%, 11/15/44 (a)	2,500	2,284,573
Commercial Mortgage Pass-Through Certificates Series 2004-LB3A Class A3, 5.09%, 7/10/37 (a)	960	950,534
First Union National Bank Commercial Mortgage: Series 2001-C3 Class A3, 6.423%, 8/15/33	2,910	2,965,044
Series 2001-C4 Class A2, 6.223%, 12/12/33	2,265	2,298,385
GMAC Commercial Mortgage Securities, Inc. Class A2: Series 1999-C3, 7.179%, 8/15/36 (a)	1,302	1,321,719
Series 2002-C3, 4.93%, 7/10/39	2,350	2,279,239
Heller Financial Commercial Mortgage Asset Series 1999-PH1 Class A2, 6.847%, 5/15/31 (a)	819	819,520
JPMorgan Chase Commercial Mortgage Securities Corp.: Series 2001-C1 Class A3, 5.857%, 10/12/35	2,140	2,150,813
Series 2004-CB8 Class A1A, 4.158%, 1/12/39	976	914,922
Series 2004-CBX Class A4, 4.529%, 1/12/37	2,180	2,118,693
Series 2006-LDP9 Class A3, 5.336%, 5/15/47	960	866,961
JPMorgan Commercial Mortgage Finance Corp. Series 2000-C10 Class A2, 7.371%, 8/15/32 (a)	1,621	1,660,008
LB-UBS Commercial Mortgage Trust (a): Series 2007-C6 Class A4, 5.858%, 7/15/40	1,816	1,660,552
Series 2007-C7 Class A3, 5.866%, 9/15/45	5,000	4,563,787
Merrill Lynch Mortgage Trust Series 2007-C1 Class AM, 6.022%, 6/12/50 (a)(k)	925	792,051
Morgan Stanley Capital I: Series 2005-HQ6 Class A4A, 4.989%, 8/13/42	1,475	1,376,293
Series 2007-IQ16 Class A4, 5.809%, 12/12/49	618	561,011
Series 2007-T27 Class A4, 5.804%, 6/13/42 (a)	995	903,414
Series 2008-T29 Class A4, 6.458%, 1/11/43 (a)	1,370	1,293,780
Salomon Brothers Mortgage Securities VII, Inc. Series 2000-C1 Class A2, 7.52%, 12/18/09 (a)	3,265	3,335,013
Wachovia Bank Commercial Mortgage Trust (a): Series 2005-C21 Class A3, 5.274%, 10/15/44	910	906,421
Series 2006-C25 Class A4, 5.926%, 5/15/43	1,190	1,119,525
Series 2007-C33 Class A4, 6.10%, 2/15/51	995	920,108
		44,131,929
Total Non-Government Agency Mortgage-Backed Securities 17.0%		58,874,439

U.S. Government Agency Mortgage-Backed Securities

Fannie Mae Guaranteed Pass Through Certificates: 5.00%, 3/01/21 7/01/36 (l)	7,344	7,120,308
5.50%, 9/15/23 9/15/38 (h)(l)	60,991	60,374,119

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6.00%, 8/01/29 3/01/38	8,406	8,497,446
7.00%, 1/01/31 7/01/32	214	225,617
Freddie Mac Mortgage Participation Certificates:		
5.00%, 8/01/33	70	67,454
5.50%, 11/01/34 5/01/36 (d)	4,502	4,451,684
6.00%, 2/01/13 12/01/18 (h)	2,113	2,164,347
6.277%, 5/01/32	47	47,367
7.00%, 9/01/31	19	20,397
Ginnie Mae MBS Certificates:		
5.50%, 8/15/33 (d)	190	190,620
6.50%, 10/18/37 (l)	200	204,750
Total U.S. Government Agency Mortgage-Backed Securities 24.1%		83,364,109

U.S. Government Agency Mortgage-Backed Securities Collateralized Mortgage Obligations	Par (000)	Value
Fannie Mae Trust:		
Series 378 Class 5, 5%, 7/01/36 (b)	USD 3,984	\$ 1,000,476
Series 2004-90 Class JH, 1.828%, 11/25/34 (a)(b)	20,628	1,912,141
Series 2005-5 Class PK, 5%, 12/25/34	2,250	2,268,900
Freddie Mac Multiclass Certificates:		
Series 2579 Class HI, 5%, 8/15/17(b)	1,736	200,646
Series 2611 Class QI, 5.50%, 9/15/32 (b)	5,107	890,595
Series 2684 Class SP, 4.986%, 1/15/33 (a)(b)	395	64,189
Series 2825 Class VP, 5.50%, 6/15/15	1,189	1,215,251
Series 3208 Class PS, 4.586%, 8/15/36 (a)(b)	1,942	227,571
Series 3316 Class SB, 4.729%, 8/15/35 (a)(b)	354	47,849
Total U.S. Government Agency Mortgage-Backed Securities Collateralized Mortgage Obligations 2.3%		7,827,618

U.S. Government Obligations

Federal Housing Administration, Hebre Home Hospital, 6.25%, 9/01/28	1,007	1,028,029
Resolution Funding Corp. (m):		
6.196%, 7/15/18	525	343,762
6.30%, 10/15/18	525	338,152
U.S. Treasury Bonds, 6.125%, 11/15/27	1,345	1,634,071
U.S. Treasury Inflation Indexed Bonds:		
2.375%, 1/15/27 (d)	1,534	1,587,066
1.75%, 1/15/28	4,727	4,429,269
U.S. Treasury Notes:		
4%, 8/15/18 (d)	17,125	17,385,882
5%, 5/15/37	545	595,540
4.375%, 2/15/38 (d)	8,115	8,057,310
4.50%, 5/15/38	3,000	3,034,686
Total U.S. Government Obligations 11.1%		38,433,767

Preferred Securities

Capital Trusts

Capital Markets 0.1%

Credit Suisse Guernsey Ltd., 5.86% (a)(c)	494	400,876
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Commercial Banks 1.9%

BAC Capital Trust XI, 6.625%, 5/23/36	545	482,819
Barclays Bank Plc, 7.434% (a)(c)(e)	1,975	1,745,051
Credit Agricole SA, 6.637% (a)(c)(e)	250	199,461
RBS Capital Trust IV, 3.496% (a)(c)(d)	475	349,518
Royal Bank of Scotland Group Plc, Series MTN, 7.64% (c)(d)	2,200	1,858,461
Wachovia Corp. Series K, 7.98% (a)(c)(d)	2,550	1,915,790

6,551,100

Diversified Financial Services 2.4%

Bank of America Corp. (a)(c):		
Series K, 8%	1,360	1,212,010
Series M, 8.125%	1,050	947,919
Citigroup, Inc. 8.30%, 12/21/57 (a)(h)	2,225	2,008,454
JPMorgan Chase & Co., 7.90% (a)(c)	1,925	1,748,863
JPMorgan Chase Capital XXV, 6.80%, 10/01/37 (d)	2,780	2,373,050

8,290,296

Electric Utilities 0.2%

PECO Energy Capital Trust IV, 5.75%, 6/15/33	790	657,741
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Insurance 1.4%

The Allstate Corp., 6.50%, 5/15/57 (a)	1,950	1,591,512
American International Group, Inc., 8.175%, 5/15/58 (a)(e)	1,230	950,030
Lincoln National Corp., 6.05%, 4/20/67 (a)	675	529,291
Progressive Corp., 6.70%, 6/15/37 (a)	605	495,684
The Travelers Cos., Inc., 6.25%, 3/15/67 (a)	675	574,860
ZFS Finance (USA) Trust V, 6.50%, 5/09/67 (a)(e)	675	581,494

4,722,871

Total Capital Trusts 6.0%

20,622,884

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock Core Bond Trust (BHK)
(Percentages shown are based on Net Assets)

Preferred Stocks	Shares	Value
Diversified Financial Services 0.1%		
Citigroup, Inc. Series AA, 8.125%	25,500	\$ 506,940
Total Preferred Stocks 0.1%		506,940
Total Preferred Securities 6.1%		21,129,824

Other Interests (n)	Beneficial Interest (000)	
Health Care Providers & Services 0.0%		
Critical Care Systems International, Inc. (o)	USD 2	637
Total Other Interests 0.0%		637
Total Long-Term Investments (Cost \$478,486,079) 132.3%		458,231,898

Short-Term Securities	Par (000)	
U.S. Government & Agency Obligations 0.9%		
Federal Home Loan Bank, 2.60%, 9/02/08 (p)	USD 400	400,000
U.S. Treasury Bills, 1.79%, 9/25/08 (p)	2,600	2,597,126
Total Short-Term Securities (Cost \$2,997,126) 0.9%		2,997,126

Options Purchased	Contracts (q)	
Call Swaptions Purchased		
Receive a fixed rate of 5.12% and pay a floating rate based on 3-month LIBOR, expiring November 2010	11	398,475
Receive a fixed rate of 5.39% and pay a floating rate based on 3-month LIBOR, expiring March 2012	6	410,758
Receive a fixed rate of 5.47% and pay a floating rate based on 3-month LIBOR, expiring May 2012	11	729,814
Receive a fixed rate of 6.025% and pay a floating rate based on 3-month LIBOR, expiring June 2012	7	680,542

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2,219,589

Put Swaptions Purchased

Pay a fixed rate of 5.12% and receive a floating rate based on 3-month LIBOR, expiring November 2010	11	230,549
Pay a fixed rate of 5.39% and receive a floating rate based on 3-month LIBOR, expiring March 2012	6	272,026
Pay a fixed rate of 5.47% and receive a floating rate based 3-month LIBOR, expiring May 2012	11	443,363
Pay a fixed rate of 6.025% and receive a floating rate based on 3-month LIBOR, expiring June 2012	7	201,169
		1,147,107

Total Options Purchased

(Cost \$2,586,423) 1.0% 3,366,696

Total Investments Before TBA Sale Commitments and Options Written (Cost \$484,069,628*) 134.2%

464,595,720

TBA Sale Commitments

**Par
(000)**

Fannie Mae Guaranteed Pass Through Certificates:			
5.00%, 3/01/21 7/01/36	USD	(4,100)	(3,945,389)
5.50%, 9/15/23 9/15/38		(9,900)	(9,787,754)
6.00%, 8/01/29 3/01/38		(2,700)	(2,729,257)
Freddie Mac Mortgage Participation Certificates,			
5.50%, 11/01/34 5/01/36		(4,500)	(4,441,955)
Ginnie Mae MBS Certificates, 5.50%, 8/15/33		(100)	(99,531)

Total TBA Sale Commitments

(Proceeds \$20,649,320) (6.1)% (21,003,886)

Options Written

Contracts

Value

Call Option Written

30-Year U.S. Treasury Bonds, expiring November 2008 at \$118 100 \$ (181,250)

Call Swaptions Written (q)

Pay a fixed rate of 4.58% and receive a floating rate based on 3-month LIBOR, expiring May 2009	9	(219,870)
Pay a fixed rate of 4.94% and receive floating rate based on 3-month LIBOR, expiring December 2008	14	(524,986)
Pay a fixed rate of 5.01% and receive a floating rate based on 3-month LIBOR, expiring November 2008	4	(162,520)
Pay a fixed rate of 5.05% and receive a floating rate based on 3-month LIBOR, expiring May 2011	10	(494,250)
Pay a fixed rate of 5.08% and receive a floating rate based on 3-month LIBOR, expiring May 2011	6	(307,544)
Pay a fixed rate of 5.0825% and receive a floating rate based on 3-month LIBOR, expiring July, 2010	3	(121,990)
Pay a fixed rate of 5.325% and receive a floating rate based on 3-month LIBOR, expiring July 2013	8	(322,972)
Pay a fixed rate of 5.485% and receive a floating rate based on 3-month LIBOR, expiring October 2009	4	(308,709)

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Pay a fixed rate of 5.67% and receive a floating rate based on 3-month LIBOR, expiring January 2010	11	(899,151)
		(3,361,992)
Put Swaptions Written (q)		
Receive a fixed rate of 3.10% and pay a floating rate based on 3-month LIBOR, expiring October 2008	20	(127,745)
Receive a fixed rate of 4.58% and pay a floating rate based on 3-month LIBOR, expiring May 2009	9	(287,325)
Receive a fixed rate of 4.94% and pay a floating rate based on 3-month LIBOR, expiring December 2008	14	(131,320)
Receive a fixed rate of 5.01% and pay a floating rate based on 3-month LIBOR, expiring November 2008	4	(19,310)
Receive a fixed rate of 5.05% and pay a floating rate based on 3-month LIBOR, expiring May 2011	10	(468,630)
Receive a fixed rate of 5.08% and pay a floating rate based on 3-month LIBOR, expiring May 2011	6	(277,904)
Receive a fixed rate of 5.0825% and pay a floating rate based on 3-month LIBOR, expiring July, 2010	3	(91,080)
Receive a fixed rate of 5.325% and pay a floating rate based on 3-month LIBOR, expiring July 2013	8	(248,470)
Receive a fixed rate of 5.485% and pay a floating rate based on 3-month LIBOR, expiring October 2009	4	(68,612)
Receive a fixed rate of 5.67% and pay a floating rate based on 3-month LIBOR, expiring January 2010	12	(163,565)
		(1,883,961)
Total Options Written (Premiums Received \$5,724,085) (1.5)%		(5,427,203)
Total Investments, Net of TBA Sale Commitments and Options Written 126.6%		438,164,631
Liabilities in Excess of Other Assets (26.6)%		(91,988,005)
Net Assets 100.0%		\$ 346,176,626

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock Core Bond Trust (BHK)

* The cost and unrealized appreciation (depreciation) of investments as of August 31, 2008, as computed for federal income tax purposes, were as follows:

Aggregate cost	\$ 484,079,937
Gross unrealized appreciation	\$ 4,718,525
Gross unrealized depreciation	(24,202,742)
Net unrealized depreciation	\$ (19,484,217)

- (a) Variable rate security. Rate shown is as of report date. Maturity shown is the final maturity date.
 (b) Represents the interest only portion of a mortgage-backed security and has either a nominal or a notional amount of principal.
 (c) Security is perpetual in nature and has no stated maturity date.
 (d) All or a portion of the security has been pledged as collateral for reverse repurchase agreements.
 (e) Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration to qualified institutional investors.
 (f) All or a portion of the security has been pledged as collateral in connection with open financial futures contracts.
 (g) Represents a step bond. Rate shown reflects the effective yield at the time of purchase.
 (h) All or a portion of the security has been pledged as collateral in connection with swaps.
 (i) Represents a payment-in-kind security which may pay interest/dividends in additional par/shares.
 (j) Non-income producing security; issuer filed for bankruptcy or is in default of interest payments.
 (k) Investments in companies considered to be an affiliate of the Trust, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, were as follows:

Affiliate	Purchase Cost	Sale Cost	Realized Gain	Income
Merrill Lynch Mortgage Investors, Inc. Series 2006-A3 Class 3A1, 5.823%, 5/25/36	\$ 720,827			\$ 1,014
Merrill Lynch Mortgage Trust Series 2007-C1 Class AM, 6.022%, 6/12/50				\$ 53,024

- (l) Represents or includes a to-be-announced transaction. The Trust has committed to purchasing securities for which all specific information is not available at this time.
 (m) Represents a zero-coupon bond. Rate shown reflects the effective yield at the time of purchase.
 (n) Other interests represent beneficial interest in liquidation trusts and other reorganization entities and are non-income producing.
 (o) Security is fair valued.
 (p) Rate shown is the yield to maturity as of the date of purchase.
 (q) One contract represents a notional amount of \$1,000,000.

For Trust compliance purposes, the Trust's industry classifications refer to any one or more of the industry sub-classifications used by one or more widely recognized market indexes or ratings group indexes, and/or as defined by Trust management. This definition may not apply for purposes of this report, which may combine industry subclassifications for reporting ease. These industry classifications are unaudited.

Reverse repurchase agreements outstanding as of August 31, 2008 were as follows:

Counterparty

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	Interest Rate	Trade Date	Maturity Date	Net Closing Amount	Face Amount
Credit Suisse Securities LLC	2.60%	8/14/08	Open	\$ 14,179,559	\$ 14,161,150
Lehman Brothers International	2.10%	7/12/08	Open	1,466,454	1,459,219
Lehman Brothers International	2.75%	7/13/08	Open	23,076,597	22,934,688
Lehman Brothers International	2.00%	8/07/08	Open	7,893,079	7,881,694
Lehman Brothers International	2.40%	8/12/08	9/11/08	46,298,649	46,237,000
Lehman Brothers International	2.15%	8/15/08	Open	6,669,957	6,662,794
Lehman Brothers International	2.03%	8/26/08	Open	8,357,047	8,353,750
Total				\$ 107,941,342	\$ 107,690,295

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock Core Bond Trust (BHK)

Foreign currency exchange contracts as of August 31, 2008 were as follows:

Currency Purchased		Currency Sold	Settlement Date	Unrealized Appreciation
USD	5,479,338	EUR 3,501,040	10/23/08	\$ 358,360
USD	1,081,352	EUR 683,500	10/23/08	81,595
USD	964,232	EUR 611,500	10/23/08	69,789
EUR	224,000	USD 326,786	10/23/08	859
Total				\$ 510,603

Financial futures contracts purchased as of August 31, 2008 were as follows:

Contracts	Issue	Expiration Date	Face Value	Unrealized Appreciation (Depreciation)
968	30-Year U.S. Treasury Bond	September 2008	\$ 110,702,598	\$ 3,702,902
224	30-Year U.S. Treasury Bond	December 2008	\$ 26,388,643	(110,643)
Total				\$ 3,592,259

Financial futures contracts sold as of August 31, 2008 were as follows:

Contracts	Issue	Expiration Date	Face Value	Unrealized Depreciation
164	2-Year U.S. Treasury Bond	September 2008	\$ 34,479,811	\$ (441,939)
253	2-Year U.S. Treasury Bond	December 2008	\$ 53,664,638	(42,518)
1,512	5-Year U.S. Treasury Bond	September 2008	\$ 167,884,772	(2,144,353)
588	5-Year U.S. Treasury Bond	December 2008	\$ 65,565,600	(253,650)
Total				\$ (2,882,460)

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Swaps outstanding as of August 31, 2008 were as follows:

		Notional Amount (000)		Unrealized Appreciation (Depreciation)
Receive a fixed rate of 4.88% and pay a floating rate based on 3-month LIBOR Broker, Lehman Brothers Special Financing Expires August 2009	USD	40,200	\$	729,889
Receive a fixed rate of 4.7709% and pay a floating rate based on 3-month LIBOR Broker, Lehman Brothers Special Financing Expires August 2009	USD	27,800		475,478
Receive a fixed rate of 4.62377% and pay a floating rate based on 3-month LIBOR Broker, Credit Suisse First Boston Expires September 2009	USD	50,000		813,357
Receive a fixed rate of 5% and pay a floating rate based on 3-month LIBOR Broker, Deutsche Bank AG London Expires November 2010	USD	4,600		153,324
Pay a fixed rate of 4.922% and receive a floating rate based on 3-month LIBOR Broker, Lehman Brothers Special Financing Expires March 2011	USD	13,500		(451,813)
Receive a fixed rate of 5.496% and pay a floating rate based on 3-month LIBOR Broker, Bank of America NA Expires July 2011	USD	25,100		1,288,037
Receive a fixed rate of 4.95% and pay a floating rate based on 3-month LIBOR Broker, UBS Warburg Expires November 2011	USD	2,200		82,144
Receive a fixed rate of 5.025% and pay a floating rate based on 3-month LIBOR Broker, Deutsche Bank AG London Expires November 2011	USD	3,000		118,177
Pay a fixed rate of 5.0016% and receive a floating rate based on 3-month LIBOR Broker, UBS Warburg Expires January 2012	USD	8,300		(327,056)
Pay a fixed rate of 5.58875% and receive a floating rate based on 3-month LIBOR Broker, Goldman Sachs & Co. Expires July 2012	USD	42,000		(2,610,056)
Receive a fixed rate of 5.07625% and pay a floating rate based on 3-month LIBOR Broker, Citibank NA Expires August 2012	USD	82,500		3,644,976
Receive a fixed rate of 5.10531% and pay a floating rate based on 3-month LIBOR Broker, Goldman Sachs & Co. Expires August 2012	USD	19,500		882,193
Receive a fixed rate of 5.0565% and pay a floating rate based on 3-month LIBOR Broker, Bank of America NA Expires August 2012	USD	49,300		2,115,995

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock Core Bond Trust (BHK)

		Notional Amount (000)	Unrealized Appreciation (Depreciation)
Receive a fixed rate of 4.9034% and pay a floating rate based on 3-month LIBOR Broker, Barclay Bank PLC Expires September 2012	USD	30,000	\$ 1,129,706
Receive a fixed rate of 4.856% and pay a floating rate based on 3-month LIBOR Broker, Deutsche Bank AG London Expires October 2012	USD	9,400	339,537
Receive a fixed rate of 4.32% and pay a floating rate based on 3-month LIBOR Broker, Citibank NA Expires November 2012	USD	10,500	161,228
Receive a fixed rate of 4.25% and pay a floating rate based on 3-month LIBOR Broker, Goldman Sachs & Co. Expires November 2012	USD	2,625	33,138
Pay a fixed rate of 4.2424% and receive a floating rate based on 3-month LIBOR Broker, Lehman Brothers Special Financing Expires December 2012	USD	45,000	(586,230)
Receive a fixed rate of 3.66375% and pay a floating rate based on 3-month LIBOR Broker, Citibank NA Expires April 2013	USD	7,300	(98,928)
Receive a fixed rate of 5.29375% and pay a floating rate based on 6-month British Pound Sterling LIBOR Broker, Deutsche Bank AG London Expires April 2013	GBP	2,000	(12,234)
Receive a fixed rate of 5.14% and pay a floating rate based on 6-month British Pound Sterling LIBOR Broker, Deutsche Bank AG London Expires April 2013	GBP	2,000	(23,647)
Receive a fixed rate of 4.2825% and pay a floating rate based on 3-month LIBOR Broker, Credit Suisse First Boston Expires July 2013	USD	82,500	973,111
Receive a fixed rate of 4.2125% and pay a floating rate based on 3-month LIBOR Broker, Morgan Stanley Capital Services Expires August 2013	USD	13,200	109,287
Pay a fixed rate of 4.51% and receive a floating rate based on 3-month LIBOR Broker, Citibank NA Expires October 2014	USD	41,200	(718,403)
Receive a fixed rate of 5.005% and pay a floating rate based on 3-month LIBOR Broker, JPMorgan Chase Expires October 2014	USD	9,500	421,059
Pay a fixed rate of 4.5% and receive a floating rate based on 3-month LIBOR Broker, JPMorgan Chase Expires May 2015	USD	2,800	(41,936)
Receive a fixed rate of 4.725% and pay a floating rate based on 3-month LIBOR			

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		Notional Amount (000)	Unrealized Appreciation (Depreciation)
Broker, Morgan Stanley Capital Services Expires August 2015	USD	6,200	173,326
Receive a fixed rate of 4.87% and pay a floating rate based on 3-month LIBOR Broker, Goldman Sachs & Co. Expires January 2016	USD	5,000	\$ 178,409
Receive a fixed rate of 5.723% and pay a floating rate based on 3-month LIBOR Broker, JPMorgan Chase Expires July 2016	USD	4,800	439,916
Pay a fixed rate of 5.155% and receive a floating rate based on 3-month LIBOR Broker, Citibank NA Expires September 2017	USD	10,900	(577,741)
Pay a fixed rate of 5.04015% and receive a floating rate based on 3-month LIBOR Broker, Deutsche Bank AG London Expires September 2017	USD	12,500	(560,294)
Pay a fixed rate of 5.3075% and receive a floating rate based on 3-month LIBOR Broker, Barclay Bank PLC Expires October 2017	USD	13,800	(897,403)
Pay a fixed rate of 5.115% and receive a floating rate based on 3-month LIBOR Broker, Lehman Brothers Special Financing Expires March 2018	USD	6,600	(330,034)
Receive a fixed rate of 4.311% and pay a floating rate based on 3-month LIBOR Broker, Deutsche Bank AG London Expires May 2018	USD	6,600	(90,312)
Receive a fixed rate of 4.7058% and pay a floating rate based on 3-month LIBOR Broker, UBS Warburg Expires July 2018	USD	8,700	148,211
Pay a fixed rate of 4.52165% and receive a floating rate based on 3-month LIBOR Broker, Goldman Sachs & Co. Expires July 2018	USD	12,300	(27,080)
Receive a fixed rate of 5.411% and pay a floating rate based on 3-month LIBOR Broker, JPMorgan Chase Expires August 2022	USD	8,545	656,068
Pay a fixed rate of 5.365% and receive a floating rate based on 3-month LIBOR Broker, Bank of America NA Expires September 2027	USD	8,000	(591,485)
Pay a fixed rate of 5.0605% and receive a floating rate based on 3-month LIBOR Broker, Goldman Sachs & Co. Expires November 2037	USD	6,200	(224,788)
Pay a fixed rate of 5.06276% and receive a floating rate based on 3-month LIBOR Broker, Citibank NA Expires December 2037	USD	1,300	(47,544)
Pay a fixed rate of 5.0639% and receive a floating rate based on 3-month LIBOR Broker, Lehman Brothers Special Financing Expires December 2037	USD	1,300	(47,770)

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See Notes to Financial Statements.

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AUGUST 31, 2008

Schedule of Investments (concluded)

BlackRock Core Bond Trust (BHK)

		Notional Amount (000)		Unrealized Appreciation (Depreciation)
Pay a fixed rate of 4.785% and receive a floating rate based on 3-month LIBOR Broker, Citibank NA Expires January 2038	USD	2,000	\$	14,638
Pay a fixed rate of 4.601% and receive a floating rate based on 3-month LIBOR Broker, Lehman Brothers Special Financing Expires January 2038	USD	5,000		181,923
Pay a fixed rate of 4.8375% and receive a floating rate based on the 3-month LIBOR Broker, Morgan Stanley Capital Services Expires January 2038	USD	6,000		(5,900)
Receive a fixed rate of 5.29750% and pay a floating rate based on 3-month LIBOR Broker, Citibank NA Expires February 2038	USD	700		51,907
Receive a fixed rate of 5.1575% and pay a floating rate based on 3-month LIBOR Broker, Citibank NA Expires June 2038	USD	1,000		51,774
Total			\$	7,096,154

Currency Abbreviations:

EUR Euro

GBP British Pound

USD U.S. Dollar

See Notes to Financial Statements.

ANNUAL REPORT

AUGUST 31, 2008

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Schedule of Investments August 31, 2008

BlackRock High Income Shares (HIS)
 (Percentages shown are based on Net Assets)

Corporate Bonds		Par (000)	Value
Aerospace & Defense 1.7%			
CHC Helicopter Corp., 7.375%, 5/01/14	USD	679	\$ 707,200
DRS Technologies, Inc.:			
6.875%, 11/01/13		170	172,125
7.625%, 2/01/18		170	178,925
Hawker Beechcraft Acquisitions Co. LLC, 8.875%, 4/01/15		140	139,300
Hexcel Corp., 6.75%, 2/01/15		405	392,850
L-3 Communications Corp., 5.875%, 1/15/15		140	131,950
TransDigm, Inc., 7.75%, 7/15/14		300	291,750
			2,014,100
Airlines 0.2%			
American Airlines, Inc. Series 99-1, 7.324%, 4/15/11		280	254,800
Auto Components 2.5%			
Allison Transmission, Inc.(a):			
11%, 11/01/15		265	243,800
11.25%, 11/01/15 (b)		695	611,600
The Goodyear Tire & Rubber Co.:			
7.857%, 8/15/11		420	422,100
8.625%, 12/01/11		682	702,460
Lear Corp., 8.75%, 12/01/16		370	278,425
Meritor Automotive Inc., 6.80%, 2/15/09		22	21,670
Metaldyne Corp., 10%, 11/01/13		935	252,450
Stanadyne Corp. Series 1, 10%, 8/15/14		525	493,500
			3,026,005
Automobiles 1.0%			
Ford Capital BV, 9.50%, 6/01/10		1,330	1,107,225
Ford Motor Co., 8.90%, 1/15/32		300	159,000
			1,266,225
Building Products 1.4%			
CPG International I, Inc., 10.50%, 7/01/13		540	415,800
Momentive Performance Materials, Inc., 11.50%, 12/01/16		945	737,100
Ply Gem Industries, Inc., 11.75%, 6/15/13 (a)		635	577,850
			1,730,750
Chemicals 3.2%			
American Pacific Corp., 9%, 2/01/15		400	388,000
Ames True Temper, Inc., 6.791%, 1/15/12 (c)		1,070	856,000
Hexion U.S. Finance Corp.:			
7.304%, 11/15/14 (c)		275	209,688
9.75%, 11/15/14		250	208,125
Innophos, Inc., 8.875%, 8/15/14		1,170	1,199,250
Key Plastics LLC, 11.75%, 3/15/13 (a)		205	71,750
MacDermid, Inc., 9.50%, 4/15/17 (a)		755	690,825
Terra Capital, Inc. Series B, 7%, 2/01/17		265	257,713

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3,881,351

Commercial Services & Supplies 3.3%

ARAMARK Corp., 8.50%, 2/01/15	85	85,637
Casella Waste Systems, Inc., 9.75%, 2/01/13	400	396,000
DI Finance Series B, 9.50%, 2/15/13	904	897,220
Sally Holdings LLC:		
9.25%, 11/15/14	90	91,013
10.50%, 11/15/16	529	531,645
Waste Services, Inc., 9.50%, 4/15/14	800	808,000
West Corp.:		
9.50%, 10/15/14	375	319,688
11%, 10/15/16	1,195	935,087
		4,064,290

Communications Equipment 0.4%

Nortel Networks Ltd., 7.041%, 7/15/11 (c)	555	514,762
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Construction Materials 1.2%

Nortek Holdings, Inc., 10%, 12/01/13 (a)	1,580	1,477,300
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Corporate Bonds

	Par (000)	Value
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Containers & Packaging 5.5%

Berry Plastics Holding Corp., 6.651%, 9/15/14 (c)	USD	300	\$	225,000
Crown Americas LLC, 7.75%, 11/15/15		255		261,375
Graphic Packaging International Corp., 9.50%, 8/15/13		65		61,100
Impress Holdings BV, 5.916%, 9/15/13 (a)(c)		775		697,500
Jefferson Smurfit Corp. US, 7.50%, 6/01/13		1,000		830,000
Owens-Brockway Glass Container, Inc., 8.25%, 5/15/13		2,600		2,678,000
Pregis Corp., 12.375%, 10/15/13		1,034		987,470
Smurfit-Stone Container Enterprises, Inc., 8%, 3/15/17		1,140		912,000
				6,652,445

Diversified Financial Services 4.0%

Axcan Intermediate Holdings, Inc., 12.75%, 3/01/16 (a)		240		241,200
FCE Bank Plc, 7.125%, 1/16/12	EUR	1,100		1,345,966
Ford Motor Credit Co LLC:				
8.625%, 11/01/10	USD	140		116,957
5.538%, 1/13/12 (c)		290		214,108
7.80%, 6/01/12		1,500		1,113,998
GMAC LLC:				
6.875%, 8/28/12		710		416,518
5.011%, 12/01/14 (c)		560		294,082
6.75%, 12/01/14		405		219,901
8%, 11/01/31		675		364,061
Leucadia National Corp., 8.125%, 9/15/15		600		603,750
				4,930,541

Diversified Telecommunication Services 5.9%

Broadview Networks Holdings, Inc., 11.375%, 9/01/12		440		378,400
Cincinnati Bell, Inc., 7.25%, 7/15/13		2,085		2,004,206
Qwest Capital Funding, Inc., 7%, 8/03/09		230		229,713
Qwest Communications International, Inc., 7.50%, 2/15/14		1,280		1,164,800
Qwest Corp., 6.026%, 6/15/13 (c)		850		786,250
Wind Acquisition Finance SA, 10.75%, 12/01/15 (a)		1,100		1,127,500
Windstream Corp.:				
8.125%, 8/01/13		855		846,450
8.625%, 8/01/16		645		638,550

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7,175,869

Electric Utilities 1.5%

Edison Mission Energy, 7.50%, 6/15/13	35	35,087
Elwood Energy LLC, 8.159%, 7/05/26	453	427,327
Homer City Funding LLC Series B, 8.734%, 10/01/26	150	162,499
NSG Holdings LLC, 7.75%, 12/15/25 (a)	565	542,400
Salton Sea Funding Corp. Series E, 8.30%, 5/30/11	619	657,639

1,824,952

Electrical Equipment 1.0%

Coleman Cable, Inc., 9.875%, 10/01/12	400	372,000
Superior Essex Communications LLC, 9%, 4/15/12	830	867,350

1,239,350

Electronic Equipment & Instruments 0.8%

NXP BV, 5.541%, 10/15/13 (c)	440	342,100
Sanmina-SCI Corp., 8.125%, 3/01/16	725	654,313

996,413

Energy Equipment & Services 1.6%

Compagnie Generale de Geophysique-Veritas: 7.50%, 5/15/15	135	134,325
7.75%, 5/15/17	220	218,900
Grant Prideco, Inc. Series B, 6.125%, 8/15/15	100	97,193
North American Energy Partners, Inc., 8.75%, 12/01/11	1,560	1,552,200

2,002,618

Food & Staples Retailing 0.3%

Rite Aid Corp., 7.50%, 3/01/17	445	369,350
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Food Products 0.4%

Del Monte Corp., 8.625%, 12/15/12	475	479,750
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See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock High Income Shares (HIS)
(Percentages shown are based on Net Assets)

Corporate Bonds		Par (000)	Value
Gas Utilities 0.3%			
El Paso Natural Gas Co., 8.375%, 6/15/32	USD	50	\$ 55,300
Targa Resources, Inc., 8.50%, 11/01/13		345	327,750
			383,050
Health Care Equipment & Supplies 3.0%			
Biomet, Inc.:			
10.375%, 10/15/17 (b)		120	126,600
11.625%, 10/15/17		120	126,150
Catalent Pharma Solutions, Inc., 9.50%, 4/15/15 (b)		610	509,350
DJO Finance LLC, 10.875%, 11/15/14		2,400	2,406,000
Hologic, Inc., 2%, 12/15/37 (d)(e)		395	322,419
			3,490,519
Health Care Providers & Services 1.9%			
Community Health Systems, Inc.			
8.875%, 7/15/15		250	252,500
Tenet Healthcare Corp.:			
6.375%, 12/01/11		125	120,625
6.50%, 6/01/12		1,735	1,678,613
United Surgical Partners International, Inc.,			
8.875%, 5/01/17		346	297,560
			2,349,298
Hotels, Restaurants & Leisure 5.2%			
American Real Estate Partners LP, 7.125%, 2/15/13		735	642,206
Caesars Entertainment, Inc., 7.875%, 3/15/10		500	426,250
Gaylord Entertainment Co.:			
8%, 11/15/13		1,000	917,500
6.75%, 11/15/14		450	392,625
Great Canadian Gaming Corp., 7.25%, 2/15/15 (a)		1,390	1,310,075
Greektown Holdings, LLC, 10.75%, 12/01/13 (a)(f)(g)		649	489,995
Harrah s Operating Co., Inc., 10.75%, 2/01/18 (a)(b)		1,470	868,258
Seneca Gaming Corp. Series B, 7.25%, 5/01/12		630	562,275
Travelport LLC, 7.436%, 9/01/14 (c)		170	133,875
Tropicana Entertainment LLC, 9.625%, 12/15/14 (f)(g)		215	68,800
Virgin River Casino Corp., 9%, 1/15/12		585	410,963
Wynn Las Vegas LLC, 6.625%, 12/01/14		100	91,125
			6,313,947
Household Durables 0.6%			
Jarden Corp., 7.50%, 5/01/17		690	614,100
The Yankee Candle Co., Inc., 9.75%, 2/15/17		100	63,500
			677,600
IT Services 2.1%			
First Data Corp., 9.875%, 9/24/15 (a)		575	495,937
iPayment, Inc., 9.75%, 5/15/14		335	280,562

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iPayment Investors LP, 12.75%, 7/15/14 (a)(b)	1,507	1,496,148
SunGard Data Systems, Inc., 9.125%, 8/15/13	310	314,650
		2,587,297

Independent Power Producers & Energy Traders 3.4%

AES Red Oak LLC Series B, 9.20%, 11/30/29	1,250	1,256,250
Energy Future Holding Corp., 11.25%, 11/01/17 (a)(b)	1,600	1,576,000
NRG Energy, Inc.:		
7.25%, 2/01/14	100	98,625
7.375%, 2/01/16	570	562,875
Texas Competitive Electric Holdings Co. LLC (a):		
10.50%, 11/01/16 (b)	430	410,650
Series B, 10.25%, 11/01/15	290	289,275
		4,193,675

Industrial Conglomerates 1.8%

Sequa Corp.(a):		
11.75%, 12/01/15	1,150	1,012,000
13.50%, 12/01/15 (b)	1,499	1,221,634
		2,233,634

Corporate Bonds		Par (000)		Value
Insurance 0.8%				
Alliant Holdings I, Inc., 11%, 5/01/15 (a)	USD	800	\$	712,000
USI Holdings Corp., 6.679%, 11/15/14 (a)(c)		310		247,225
				959,225

Leisure Equipment & Products 0.3%

Easton-Bell Sports, Inc., 8.375%, 10/01/12		430		365,500
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Machinery 2.6%

AGY Holding Corp., 11%, 11/15/14		890		827,700
Accuride Corp., 8.50%, 2/01/15		340		219,300
RBS Global, Inc., 8.875%, 9/01/16		370		345,025
Sunstate Equipment Co. LLC, 10.50%, 4/01/13 (a)		1,720		1,255,600
Terex Corp.:				
7.375%, 1/15/14		175		172,375
8%, 11/15/17		330		325,875
				3,145,875

Marine 0.2%

Navios Maritime Holdings, Inc., 9.50%, 12/15/14		254		242,570
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Media 13.6%

Affinion Group, Inc., 10.125%, 10/15/13		1,045		1,029,325
CMP Susquehanna Corp., 9.875%, 5/15/14		865		540,625
Cablevision Systems Corp. Series B, 7.133%, 4/01/09 (c)		750		753,750
Charter Communications Holdings I, LLC, 11%, 10/01/15		455		347,313
Charter Communications Holdings II, LLC, 10.25%, 9/15/10		2,860		2,743,025
Charter Communications Operating, LLC, 8.375%, 4/30/14 (a)		500		481,875
Dex Media West LLC, 9.875%, 8/15/13		1,183		910,910
DirecTV Holdings LLC:				
8.375%, 3/15/13		300		310,500
7.625%, 5/15/16 (a)		640		638,400

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EchoStar DBS Corp.:		
7%, 10/01/13	192	182,400
7.125%, 2/01/16	325	299,000
Harland Clarke Holdings Corp.:		
7.554%, 5/15/15 (c)	160	112,800
9.50%, 5/15/15	190	149,150
Network Communications, Inc., 10.75%, 12/01/13	830	596,562
Nielsen Finance LLC, 10%, 8/01/14	1,780	1,802,250
ProtoStar I Ltd., 12.50%, 10/15/12 (a)(c)(d)	1,382	1,340,759
R.H. Donnelley Corp., 11.75%, 5/15/15 (a)	870	639,450
Rainbow National Services LLC, 10.375%, 9/01/14 (a)	1,653	1,758,379
Sinclair Broadcast Group, Inc. Class A, 4.875%, 7/15/18 (e)	225	206,156
TL Acquisitions, Inc., 10.50%, 1/15/15 (a)	1,570	1,342,350
Virgin Media, Inc., 6.50%, 11/15/16 (a)(d)	195	178,913
Windstream Regatta Holdings, Inc., 11%, 12/01/17 (a)	304	176,320

16,540,212

Metals & Mining 4.3%

AK Steel Corp., 7.75%, 6/15/12	415	424,338
Aleris International, Inc.:		
9%, 12/15/14	200	156,000
10%, 12/15/16	680	474,300
FMG Finance Property Ltd. (a):		
10%, 9/01/13	240	256,800
10.625%, 9/01/16	735	823,200
Freeport-McMoRan Copper & Gold, Inc.:		
5.883%, 4/01/15 (c)	430	431,135
8.375%, 4/01/17	1,720	1,823,200
Ryerson, Inc. (a):		
10.176%, 11/01/14 (c)	180	171,900
12%, 11/01/15	125	122,500
Steel Dynamics, Inc., 7.375%, 11/01/12	230	227,700
Vedanta Resources Plc, 9.50%, 7/18/18 (a)	295	294,586

5,205,659

Multiline Retail 0.3%

Neiman Marcus Group, Inc., 9%, 10/15/15 (b)	345	335,512
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See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock High Income Shares (HIS)
(Percentages shown are based on Net Assets)

Corporate Bonds	Par (000)	Value
Oil, Gas & Consumable Fuels 7.8%		
Atlas Energy Resources LLC, 10.75%, 2/01/18 (a)	USD 575	\$ 577,875
Berry Petroleum Co., 8.25%, 11/01/16	275	262,625
Chaparral Energy, Inc., 8.50%, 12/01/15	100	87,000
Chesapeake Energy Corp.:		
6.375%, 6/15/15	350	325,500
6.625%, 1/15/16	235	220,312
7.25%, 12/15/18	650	633,750
2.25%, 12/15/38 (d)	375	351,563
Compton Petroleum Finance Corp., 7.625%, 12/01/13	245	229,994
Connacher Oil and Gas Ltd., 10.25%, 12/15/15 (a)	605	624,662
Corral Finans AB, 7.713%, 4/15/10 (a)(b)	928	858,692
Denbury Resources, Inc., 7.50%, 12/15/15	75	73,219
EXCO Resources, Inc., 7.25%, 1/15/11	1,115	1,103,850
Encore Acquisition Co., 6%, 7/15/15	130	113,425
Forest Oil Corp., 7.25%, 6/15/19	1,035	952,200
OPTI Canada, Inc., 8.25%, 12/15/14	980	978,775
Petrohawk Energy Corp., 7.875%, 6/01/15 (a)	300	279,750
Sabine Pass LNG LP, 7.50%, 11/30/16	210	183,750
SandRidge Energy, Inc., 8%, 6/01/18 (a)	455	426,563
Whiting Petroleum Corp.:		
7.25%, 5/01/12	150	144,750
7.25%, 5/01/13	1,155	1,108,800
		9,537,055
Paper & Forest Products 2.6%		
Abitibi-Consolidated, Inc., 8.85%, 8/01/30	80	29,600
Bowater, Inc.:		
9%, 8/01/09	270	251,100
5.776%, 3/15/10 (c)	350	287,000
Domtar Corp.:		
7.875%, 10/15/11	100	102,750
7.125%, 8/15/15	160	154,400
NewPage Corp.:		
10%, 5/01/12	1,260	1,222,200
12%, 5/01/13	435	406,725
Norske Skog Canada Ltd., 7.375%, 3/01/14	175	122,937
Verso Paper Holdings LLC Series B:		
6.551%, 8/01/14 (c)	130	115,700
9.125%, 8/01/14	465	437,100
		3,129,512
Pharmaceuticals 0.5%		
Angiotech Pharmaceuticals, Inc., 6.56%, 12/01/13 (c)	630	557,550
Professional Services 0.2%		
FTI Consulting, Inc., 7.75%, 10/01/16	275	285,312
Real Estate Management & Development 0.9%		
Realogy Corp.:		
10.50%, 4/15/14	680	401,200
11%, 4/15/14 (b)	1,045	491,150

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12.375%, 4/15/15	325	149,500
		1,041,850

Semiconductors & Semiconductor Equipment 0.9%

Amkor Technology, Inc.:		
7.75%, 5/15/13	160	150,000
9.25%, 6/01/16	155	149,575
Freescale Semiconductor, Inc.:		
8.875%, 12/15/14	160	129,600
9.125%, 12/15/14 (b)	360	280,800
Spansion, Inc., 5.935%, 6/01/13 (a)(c)	550	382,250
		1,092,225

Software 0.1%

BMS Holdings, Inc., 10.595%, 2/15/12 (a)(b)(c)	198	118,705
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Corporate Bonds	Par (000)	Value
Specialty Retail 5.7%		
Asbury Automotive Group, Inc., 7.625%, 3/15/17	USD 240	\$ 171,600
AutoNation, Inc.:		
4.791%, 4/15/13 (c)	360	297,000
7%, 4/15/14	360	311,400
General Nutrition Centers, Inc.:		
7.199%, 3/15/14 (b)(c)	800	658,791
10.75%, 3/15/15	990	858,825
Group 1 Automotive, Inc., 2.25%, 6/15/36 (e)	470	280,238
Lazy Days R.V. Center, Inc., 11.75%, 5/15/12	2,307	1,153,500
Michaels Stores, Inc.:		
10%, 11/01/14	680	510,000
11.375%, 11/01/16	490	313,600
Rent-A-Center, Inc. Series B, 7.50%, 5/01/10	1,910	1,871,800
United Auto Group, Inc., 7.75%, 12/15/16	710	575,988
		7,002,742

Textiles, Apparel & Luxury Goods 0.2%

Quiksilver, Inc., 6.875%, 4/15/15	350	280,875
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Wireless Telecommunication Services 8.0%

American Tower Corp., 7.125%, 10/15/12	1,000	1,020,000
Centennial Communications Corp.:		
8.541%, 1/01/13 (c)	650	646,750
8.125%, 2/01/14	645	654,675
Cricket Communications, Inc.:		
10.875%, 11/01/14	540	535,275
10%, 7/15/15 (a)	40	40,200
Digicel Group Ltd. (a):		
8.875%, 1/15/15	590	553,892
9.125%, 1/15/15 (b)	1,320	1,192,950
FiberTower Corp., 9%, 11/15/12 (d)	300	198,000
iPCS, Inc., 4.926%, 5/01/13 (c)	280	248,500
MetroPCS Wireless, Inc., 9.25%, 11/01/14	1,415	1,402,619
Nordic Telephone Co. Holdings ApS, 8.875%, 5/01/16 (a)	1,980	1,905,750
Rural Cellular Corp., 8.25%, 3/15/12	350	364,438
Sprint Capital Corp., 7.625%, 1/30/11	1,025	1,025,000
		9,788,049

Total Corporate Bonds 103.2%		125,758,319
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Floating Rate Loan Interests**Auto Components 0.6%**

Dana Corp. Term Advance, 6.75%, 1/31/15	724	665,302
Delphi Automotive Systems:		
Initial Tranche C, 8.50%, 12/31/08	136	112,596
Subsequent Tranche C Term Loan, 8.50%, 12/31/08	14	11,467
		789,365

Automobiles 0.5%

Ford Motor Term Loan, 5.47%, 12/16/13	425	328,978
General Motors Corp. Term Secured Loan, 5.163%, 11/29/13	374	276,154
		605,132

Building Products 2.1%

Building Material Corp. of America Term Loan Advance, 5.438% - 5.5625%, 2/24/14	249	213,943
CPG International, I Inc. Term Loan B, 7.85%, 2/28/11	1,500	1,470,000
Stile Acquisition (Masonite International):		
Canadian Term Loan, 4.63% - 5.046%, 4/06/13	498	424,086
U.S. Term Loan, 4.63% - 5.046%, 4/06/13	500	426,070
		2,534,099

Chemicals 1.1%

PQ Corp. Second Lien Loan, 9.30%, 7/30/15	1,500	1,297,500
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See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock High Income Shares (HIS)
(Percentages shown are based on Net Assets)

Floating Rate Loan Interests	Par (000)	Value
Health Care Providers & Services 1.2%		
Community Health Systems, Inc. Term Loan B, 5.06%, 6/18/14	USD 714	\$ 674,347
Rotech Healthcare, Inc. Term Loan, 9.676%, 9/26/11 (b)	808	764,352
		1,438,699
Hotels, Restaurants & Leisure 0.9%		
Travelport, Inc. Term Loan, 9.793%, 3/27/12 (b)	1,834	1,127,704
Household Products 0.2%		
Spectrum Brands, Inc.:		
Dollar Term Loan B, 6.669% - 6.804%, 3/30/13	271	232,982
Letter of Credit, 2.31375%, 3/30/13	13	11,765
		244,747
Independent Power Producers & Energy Traders 1.6%		
Calpine Corp. First Priority Term Loan, 5.685%, 3/29/14	300	278,625
Texas Competitive Electric Holdings Co., LLC (TXU):		
Initial Tranche Term Loan B-2, 5.963% - 6.303%, 10/10/14	249	231,821
Initial Tranche Term Loan B-3, 5.963% - 6.303%, 10/10/14	1,489	1,384,538
		1,894,984
Machinery 0.8%		
Navistar International Transportation Corp.:		
Revolving Credit, 5.686%, 6/30/12	245	225,706
Term Loan, 6.292%, 6/30/12	680	626,450
Rexnord Corp. Loan, 9.676%, 3/01/13 (b)	186	148,673
		1,000,829
Media 3.1%		
Cengage (Thomson Learning, Inc.) Tranche 1 Incremental Term Loan 2, 7.50%, 7/05/14	750	742,500
HMH Publishing (Education Media):		
Mezzanine Term Loan, 5.50% - 6.46375%, 11/14/14	2,586	2,068,985
Tranche A Term Loan B, 6.46375%, 11/14/14	1,098	985,890
		3,797,375
Oil, Gas & Consumable Fuels 0.8%		
Turbo Beta Limited Dollar Facility, 14.50%, 3/15/18 (h)	1,003	983,338
Paper & Forest Products 0.3%		
Verso Paper Holdings LLC:		
Term Loan, 9.03313%, 2/01/13	421	394,800
Total Floating Rate Loan Interests 13.2%		16,108,572

Common Stocks (g)	Shares	
Containers & Packaging 0.2%		
Owens-Illinois, Inc.	4,745	211,627
Machinery 0.0%		
Goss Holdings Inc. Class B (h)	64,467	1
Wireless Telecommunication Services 0.0%		
Crown Castle International Corp.	495	18,513
Total Common Stocks 0.2%		230,141

Preferred Securities	Par (000)	Value
Capital Trusts		
Diversified Financial Services 1.1%		
Citigroup, Inc., 8.40% (c)(i)	USD 1,210	\$ 1,027,314
JPMorgan Chase & Co., 7.90% (c)(i)	350	317,975
Total Capital Trusts 1.1%		1,345,289

Preferred Stocks	Shares	
Containers & Packaging 0.4%		
Smurfit-Stone Container Corp., 7% (b)(d)	30,000	525,000
Independent Power Producers & Energy Traders 0.8%		
NTG Energy, Inc., 4%	500	954,375
Media 0.2%		
Emmis Communications Corp. Class A, 6.25% (d)	10,300	260,075
Wireless Telecommunication Services 0.5%		
Crown Castle International Corp., 6.25% (d)	10,000	547,500
Total Preferred Stocks 1.9%		2,286,950
Total Preferred Securities 3.0%		3,632,239

Other Interests (j)	Beneficial Interest (000)

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Health Care Providers & Services 0.0%			
Critical Care Systems International, Inc. (h)	USD	5	1,591
Total Other Interests 0.0%			1,591
Total Long-Term Investments (Cost \$161,390,640) 119.6%			145,730,862
<hr/>			
Short-Term Securities		Par (000)	
U.S. Government & Agency Obligations 1.3%			
Federal Home Loan Bank, 2.60%, 9/02/08 (k)		1,600	1,600,000
Total Short-Term Securities (Cost \$1,600,000) 1.3%			1,600,000
Total Investments (Cost \$162,990,640*) 120.9%			147,330,862
Liabilities in Excess of Other Assets (20.9)%			(25,522,519)
Net Assets 100.0%			\$ 121,808,343

See Notes to Financial Statements.

ANNUAL REPORT

AUGUST 31, 2008

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Schedule of Investments (concluded)

BlackRock High Income Shares (HIS)

* The cost and unrealized appreciation (depreciation) of investments as of August 31, 2008, as computed for federal income tax purposes, were as follows:

Aggregate cost	\$ 163,361,591
Gross unrealized appreciation	\$ 1,367,022
Gross unrealized depreciation	(17,397,751)
Net unrealized depreciation	\$ (16,030,729)

- (a) Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration to qualified institutional investors.
- (b) Represents a payment-in-kind security which may pay interest/dividends in additional par/shares.
- (c) Variable rate security. Rate shown is as of report date.
- (d) Convertible security.
- (e) Represents a step bond. Rate shown reflects the effective yield at time of purchase.
- (f) Issuer filed for bankruptcy or is in default of interest payments.
- (g) Non-income producing security.
- (h) Security is fair valued.
- (i) Security is perpetual in nature and has no stated maturity date.
- (j) Other interests represent beneficial interest in liquidation trusts and other reorganization entities and are non-income producing.
- (k) Rate shown is yield to maturity as of the date of purchase.
- For Trust compliance purposes, the Trust's industry classifications refer to any one or more of the industry sub-classifications used by one or more widely recognized market indexes or ratings group indexes, and/or as defined by Trust management. This definition may not apply for purposes of this report which may combine industry subclassifications for reporting ease. These industry classifications are unaudited.

Foreign currency exchange contracts as of August 31, 2008 were as follows:

Currency Purchased	Currency Sold	Settlement Date	Unrealized Appreciation
USD 1,397,924	EUR 948,000	10/23/08	\$11,282

Currency abbreviations:

EUR Euro
USD U.S. Dollar

Effective January 1, 2008, the Trust adopted Financial Accounting Standards Board Statement of Financial Accounting Standards No. 157, Fair Value Measurements (FAS 157). FAS 157 clarifies the definition of fair value, establishes a framework for measuring fair values and requires additional disclosures about the use of fair value measurements. Various inputs are used in determining the fair value of investments, which are as follows:

- Level 1 - price quotations in active markets/exchanges for identical securities
- Level 2 - other observable inputs (including, but not limited to: quoted prices for similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks, and default rates) or other market-corroborated inputs)

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Level 3 - unobservable inputs based on the best information available in the circumstance, to the extent observable inputs are not available (including the Trust's own assumption used in determining the fair value of investments)

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. For information about the Trust's policy regarding valuation of investments and other significant accounting policies, please refer to Note 1 of the Notes to Financial Statements.

The following table summarizes the inputs used as of August 31, 2008 in determining the fair valuation of the Trust's investments:

Valuation Inputs	Investments in Securities	Other Financial Instruments*
Level 1	\$ 230,140	\$
Level 2	146,115,792	11,282
Level 3	984,930	
Total	\$ 147,330,862	\$ 11,282

* Other financial instruments are foreign currency exchange contracts.

The following is a reconciliation of investments for unobservable inputs (Level 3):

	Investments in Securities
Balance, as of December 31, 2007	\$ 1,592
Accrued discounts/premiums	
Realized gain (loss)	
Change in unrealized appreciation (depreciation)	
Net purchases (sales)	983,338
Net transfers in/out of Level 3	
Balance, as of August 31, 2008	\$ 984,930

See Notes to Financial Statements.

Schedule of Investments August 31, 2008

BlackRock High Yield Trust (BHY)
(Percentages shown are based on Net Assets)

Corporate Bonds	Par (000)	Value
Aerospace & Defense 1.2%		
CHC Helicopter Corp., 7.375%, 5/01/14	\$ 170	\$ 176,800
DRS Technologies, Inc.:		
6.875%, 11/01/13	40	40,500
7.625%, 2/01/18	100	105,250
Hexcel Corp., 6.75%, 2/01/15	80	77,600
L-3 Communications Corp., 5.875%, 1/15/15	20	18,850
TransDigm, Inc., 7.75%, 7/15/14	100	97,250
		516,250
Air Freight & Logistics 0.2%		
Park-Ohio Industries, Inc., 8.375%, 11/15/14	85	70,125
Airlines 0.2%		
American Airlines, Inc. Series 99-1, 7.324%, 4/15/11	95	86,450
Auto Components 2.7%		
Allison Transmission, Inc. (a):		
11%, 11/01/15	95	87,400
11.25%, 11/01/15 (b)	235	206,800
The Goodyear Tire & Rubber Co.:		
7.857%, 8/15/11	135	135,675
8.625%, 12/01/11	236	243,080
Lear Corp., 8.75%, 12/01/16	135	101,587
Metaldyne Corp., 10%, 11/01/13	255	68,850
Stanadyne Corp. Series 1, 10%, 8/15/14	350	329,000
		1,172,392
Automobiles 1.1%		
Ford Capital BV, 9.50%, 6/01/10	520	432,900
Ford Motor Co., 8.90%, 1/15/32	125	66,250
		499,150
Building Products 1.2%		
CPG International I, Inc., 10.50%, 7/01/13	150	115,500
Momentive Performance Materials, Inc., 11.50%, 12/01/16	285	222,300
Ply Gem Industries, Inc., 11.75%, 6/15/13 (a)	220	200,200
		538,000
Capital Markets 0.5%		
Marsico Parent Co., LLC, 10.625%, 1/15/16 (a)	174	146,160
Marsico Parent Holdco, LLC, 12.50%, 7/15/16 (a)(b)	64	53,512
Marsico Parent Superholdco, LLC, 14.50%, 1/15/18 (a)(b)	43	36,080
		235,752
Chemicals 3.3%		
American Pacific Corp., 9%, 2/01/15	140	135,800

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Ames True Temper, Inc., 6.791%, 1/15/12 (c)	265	212,000
Hexion U.S. Finance Corp.:		
7.304%, 11/15/14 (c)	100	76,250
9.75%, 11/15/14	75	62,437
Huntsman LLC, 11.50%, 7/15/12	95	99,275
Innophos, Inc., 8.875%, 8/15/14	545	558,625
Key Plastics LLC, 11.75%, 3/15/13 (a)	70	24,500
MacDermid, Inc., 9.50%, 4/15/17 (a)	265	242,475
Terra Capital, Inc. Series B, 7%, 2/01/17	40	38,900

1,450,262

Commercial Services & Supplies 2.8%

ARAMARK Corp., 8.50%, 2/01/15	55	55,412
DI Finance Series B, 9.50%, 2/15/13	201	199,492
Sally Holdings LLC:		
9.25%, 11/15/14	35	35,394
10.50%, 11/15/16	179	179,895
US Investigations Services, Inc., 10.50%, 11/01/15 (a)	100	89,000
Waste Services, Inc., 9.50%, 4/15/14	185	186,850
West Corp.:		
9.50%, 10/15/14	125	106,563
11%, 10/15/16	475	371,688

1,224,294

Corporate Bonds	Par (000)	Value
Communications Equipment 0.3%		
Nortel Networks Ltd., 7.041%, 7/15/11 (c)	\$ 145	\$ 134,487
Construction Materials 1.1%		
Nortek Holdings, Inc., 10%, 12/01/13 (a)	530	495,550
Containers & Packaging 2.6%		
Berry Plastics Holding Corp., 6.651%, 9/15/14 (c)	75	56,250
Cascades, Inc., 7.25%, 2/15/13	175	147,875
Crown Americas LLC, 7.75%, 11/15/15	85	87,125
Graphic Packaging International Corp., 9.50%, 8/15/13	30	28,200
Impress Holdings BV, 5.916%, 9/15/13 (a)(c)	270	243,000
Pregis Corp., 12.375%, 10/15/13	310	296,050
Smurfit-Stone Container Enterprises, Inc., 8%, 3/15/17	375	300,000
		1,158,500

Diversified Financial Services 3.5%

CDX North America High Yield Series 6-T1, 8.625%, 6/29/11	490	494,596
Ford Motor Credit Co. LLC:		