

BLACKROCK NEW YORK MUNICIPAL INCOME TRUST  
Form N-CSR  
October 08, 2009

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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 811-10337

Name of Fund: BlackRock New York Municipal Income Trust (BNY)

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

Name and address of agent for service: Anne F. Ackerley, Chief Executive Officer, BlackRock New York  
Municipal Income Trust, 40 East 52<sup>nd</sup> Street, New York, NY 10022.

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

Date of fiscal year end: 07/31/2009

Date of reporting period: 07/31/2009

Item 1 Report to Stockholders

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## Annual Report

JULY 31, 2009

BlackRock California Investment Quality Municipal Trust Inc. (RAA)

BlackRock California Municipal Income Trust (BFZ)

BlackRock Florida Municipal 2020 Term Trust (BFO)

BlackRock Investment Quality Municipal Income Trust (RFA)

BlackRock Municipal Income Investment Trust (BBF)

BlackRock New Jersey Investment Quality Municipal Trust Inc. (RNJ)

BlackRock New Jersey Municipal Income Trust (BNJ)

BlackRock New York Investment Quality Municipal Trust Inc. (RNY)

BlackRock New York Municipal Income Trust (BNY)

NOT FDIC INSURED

MAY LOSE VALUE

NO BANK GUARANTEE

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## Dear Shareholder

The past 12 months reveal two distinct market backdrops – one of extreme investor pessimism and decided weakness, and another of cautious optimism and nascent signs of recovery. The first half of the period was characterized by the former, as the global financial crisis erupted into the worst recession in decades. Daily headlines recounted universal macroeconomic deterioration, financial sector casualties, volatile swings in global equity markets, and unprecedented government intervention that included widespread (and globally coordinated) monetary and quantitative easing by central banks and large-scale fiscal stimuli. Sentiment improved noticeably in March 2009, however, on the back of new program announcements by the US Treasury Department and Federal Reserve, as well as generally stronger-than-expected economic data in a few key areas, including retail sales, business and consumer confidence, manufacturing and housing.

In this environment, US equities contended with extraordinary volatility, posting steep declines through mid-March 2009 before going on a three-month rally that largely negated year-to-date losses. Late in the period, investor enthusiasm waned and a correction ensued for several weeks, mostly as a result of profit taking and portfolio rebalancing, as opposed to a change in the economic outlook. Equities rallied once again as the period drew to a close, resulting in positive year-to-date returns for all major indexes. The experience in international markets was similar to that in the United States, though performance was generally more extreme both on the decline and on the upturn. Notably, emerging markets, which lagged most developed regions through the downturn, reassumed leadership in 2009 as these areas of the globe have generally seen a stronger acceleration in economic recovery.

In fixed income markets, while the flight to quality remained a prevalent theme, relatively attractive yields and distressed valuations, alongside a more favorable macro environment, eventually captured investor attention, leading to a sharp recovery in non-Treasury assets. This has been particularly evident in the high yield sector, which has firmly outpaced all other taxable asset classes since the start of 2009. At the same time, the municipal bond market enjoyed a strong return after the exceptional market volatility of 2008, buoyed by a combination of attractive valuations, robust retail investor demand and a slowdown in forced selling. Direct aid to state and local governments via the American Recovery and Reinvestment Act of 2009 has also lent support to municipal bonds.

<b>Total Returns as of July 31, 2009</b>	<b>6-month</b>	<b>12-month</b>
US equities (S&P 500 Index)	21.18%	(19.96)%
Small cap US equities (Russell 2000 Index)	26.61	(20.72)
International equities (MSCI Europe, Australasia, Far East Index)	30.63	(22.60)
US Treasury securities (Merrill Lynch 10-Year US Treasury Index)	(3.91)	7.58
Taxable fixed income (Barclays Capital US Aggregate Bond Index)	4.47	7.85
Tax-exempt fixed income (Barclays Capital Municipal Bond Index)	4.38	5.11
High yield bonds (Barclays Capital US Corporate High Yield 2% Issuer Capped Index)	30.11	5.30

Past performance is no guarantee of future results. Index performance shown for illustrative purposes only. You cannot invest directly in an index.

The market environment has clearly improved since the beginning of the year, but a great deal of uncertainty and risk remain. Through periods of market turbulence, as ever, BlackRock's full resources are dedicated to the management of our clients' assets. For additional insight and timely food for thought, we invite you to visit our award-winning *Shareholder*® magazine, now available exclusively online at [www.blackrock.com/shareholdermagazine](http://www.blackrock.com/shareholdermagazine). 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,

Rob Kapito  
President, BlackRock Advisors, LLC

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**Announcement to Shareholders**

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On June 16, 2009, BlackRock, Inc. announced that it received written notice from Barclays PLC ( Barclays ) in which Barclays Board of Directors had accepted BlackRock's offer to acquire Barclays Global Investors ( BGI ). At a special meeting held on August 6, 2009, BlackRock's proposed purchase of BGI was approved by an overwhelming majority of Barclays' voting shareholders, an important step toward closing the transaction. The combination of BlackRock and BGI will bring together market leaders in active and index strategies to create the preeminent asset management firm. The transaction is scheduled to be completed in the fourth quarter of 2009, subject to important fund shareholder and regulatory approvals.

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THIS PAGE NOT PART OF YOUR FUND REPORT

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Trust Summary as of July 31, 2009

BlackRock California Investment Quality Municipal Trust Inc.

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**Investment Objective**


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**BlackRock California Investment Quality Municipal Trust Inc. (RAA) (the Trust )** seeks to provide high current income which, in the opinion of bond counsel to the issuer, is exempt from regular federal and California income tax consistent with preservation of capital. No assurance can be given that the Trust's investment objective will be achieved.

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**Performance**


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For the 12 months ended July 31, 2009, the Trust returned (0.93)% based on market price and 1.28% based on net asset value ( NAV ). For the same period, the closed-end Lipper California Municipal Debt Funds category posted an average return of (3.92)% based on market price and (5.13)% on a NAV basis. All returns reflect reinvestment of dividends. The Trust's discount to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV. Duration positioning was neutral for most of the period. The majority of the Trust's outperformance was derived from a tightening in credit spreads. Cash and short-term investment reserves ranged from 1% to 13% of assets under management during the period. Overall, the cash position was beneficial to performance as it lowered portfolio duration and enhanced the Trust's yield as a portion of the cash reserves was invested in higher-yielding variable-rate demand notes. Along with attractive borrowing costs, the portfolio's accrual permitted an increase in dividends in June. Our strategy is to pursue a balanced approach to returns, continue to bolster current yield and commit cash reserves when research uncovers appropriate opportunities. Credit fundamentals warrant monitoring in the current weak economic environment, especially in California, considering budgetary challenges. Management is alert to improve quality as opportunities arise.

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.

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**Trust Information**


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Symbol on NYSE Amex	RAA
Initial Offering Date	May 28, 1993
Yield on Closing Market Price as of July 31, 2009 (\$11.20) <sup>1</sup>	5.52%
Tax Equivalent Yield <sup>2</sup>	8.49%
Current Monthly Distribution per Common Share <sup>3</sup>	\$0.0515
Current Annualized Distribution per Common Share <sup>3</sup>	\$0.6180
Leverage as of July 31, 2009 <sup>4</sup>	37%

<sup>1</sup> 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.

<sup>2</sup> Tax equivalent yield assumes the maximum federal tax rate of 35%.

<sup>3</sup> The distribution is not constant and is subject to change.

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<sup>4</sup> Represents Auction Market Preferred Shares ( Preferred Shares ) and tender option bond trusts ( TOBs ) as a percentage of total managed assets, which is the total assets of the Trust, including any assets attributable to Preferred Shares and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 13. The table below summarizes the changes in the Trust s market price and NAV per share:

	7/31/09	7/31/08	Change	High	Low
Market Price	\$ 11.20	\$ 11.96	(6.35)%	\$ 12.52	\$ 6.92
Net Asset Value	\$ 12.35	\$ 12.90	(4.26)%	\$ 13.35	\$ 9.88

The following unaudited charts show the sector and credit quality allocations of the Trust s long-term investments:

### Sector Allocations

	7/31/09	7/31/08
County/City/Special District/School District	34%	22%
Utilities	19	14
Education	12	3
Health	10	11
State	10	19
Transportation	10	2
Corporate	5	9
Housing		8
Tobacco		12

### Credit Quality Allocations<sup>5</sup>

	7/31/09	7/31/08
AAA/Aaa	12%	39%
AA/Aa	47	24
A/A	33	17
BBB/Baa	6	11
B	2	4
Not Rated		5

<sup>5</sup> Using the higher of Standard & Poor s ( S&P s ) or Moody s Investors Service ( Moody s ) ratings.

Trust Summary as of July 31, 2009

BlackRock California Municipal Income Trust

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**Investment Objective**


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**BlackRock California Municipal Income Trust (BFZ) (the Trust)** seeks to provide high current income which, in the opinion of bond counsel to the issuer, is exempt from regular federal income tax and California income taxes. No assurance can be given that the Trust's investment objective will be achieved.

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**Performance**


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For the 12 months ended July 31, 2009, the Trust returned (4.81)% based on market price and (2.36)% based on NAV. For the same period, the closed-end Lipper California Municipal Debt Funds category posted an average return of (3.92)% based on market price and (5.13)% on a NAV basis. All returns reflect reinvestment of dividends. The Trust moved from a premium to NAV to a discount by period-end, which accounts for the difference between performance based on price and performance based on NAV. The Trust's duration positioning was slightly above neutral for most of the period. The Trust's outperformance based on NAV was derived from a tightening in credit spreads, although zero-coupon positions did contribute negatively as spreads for these structures widened. Along with attractive borrowing costs, the portfolio accrual permitted an increase in dividends in June. Our strategy is to pursue a balanced approach to returns, continue to bolster current yield and commit cash reserves when research uncovers appropriate opportunities. Credit fundamentals warrant monitoring in the current weak economic environment, especially in California, considering budgetary challenges. Management is alert to improve quality as opportunities arise.

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.

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**Trust Information**


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Symbol on New York Stock Exchange ( NYSE )	BFZ
Initial Offering Date	July 27, 2001
Yield on Closing Market Price as of July 31, 2009 (\$12.40) <sup>1</sup>	7.33%
Tax Equivalent Yield <sup>2</sup>	11.28%
Current Monthly Distribution per Common Share <sup>3</sup>	\$0.0757
Current Annualized Distribution per Common Share <sup>3</sup>	\$0.9084
Leverage as of July 31, 2009 <sup>4</sup>	40%

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<sup>1</sup> 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.

<sup>2</sup> Tax equivalent yield assumes the maximum federal tax rate of 35%.

<sup>3</sup> The distribution is not constant and is subject to change.

<sup>4</sup> Represents Preferred Shares and TOBs as a percentage of total managed assets, which is the total assets of the Trust, including any assets attributable to Preferred Shares and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 13.

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

	7/31/09	7/31/08	Change	High	Low
Market Price	\$ 12.40	\$ 13.99	(11.37)%	\$ 14.54	\$ 7.36
Net Asset Value	\$ 12.71	\$ 13.98	(9.08)%	\$ 14.30	\$ 10.32

The following unaudited charts show the sector and credit quality allocations of the Trust's long-term investments:

### Sector Allocations

	7/31/09	7/31/08
County/City/Special District/School District	37%	27%
Education	18	10
Health	11	17
Utilities	10	4
Transportation	10	7
State	6	8
Housing	6	16
Corporate	2	4
Tobacco		7

### Credit Quality Allocations<sup>5</sup>

	7/31/09	7/31/08
AAA/Aaa	21%	33%
AA/Aa	28	22
A/A	40	24
BBB/Baa	8	11
B	1	1
Not Rated <sup>6</sup>	2	9

<sup>5</sup> Using the higher of S&P's or Moody's ratings.

<sup>6</sup> The investment advisor has deemed certain of these non-rated securities to be of investment grade quality. As of July 31, 2009 and 2008, the market value of these securities was \$1,974,163, representing 1% and \$2,242,216, representing 1%, respectively, of the Trust's long-term investments.



Trust Summary as of July 31, 2009

BlackRock Florida Municipal 2020 Term Trust

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**Investment Objective**


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**BlackRock Florida Municipal 2020 Term Trust (BFO) (the Trust)** seeks to provide current income that is exempt from regular federal income tax and Florida intangible personal property taxes and to return \$15.00 per share (the initial public offering price) on or about December 31, 2020. No assurance can be given that the Trust's investment objective will be achieved.

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**Performance**


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For the 12 months ended July 31, 2009, the Trust returned 3.95%, based on market price and (0.48)%, based on NAV. For the same period, the closed-end Lipper Florida Municipal Debt Funds category posted an average return of 7.14% based on market price and 1.51% on a NAV basis. All returns reflect reinvestment of dividends. The Trust's discount to NAV, which narrowed during the period, accounts for the difference between performance based on price and performance based on NAV. Although the Trust benefited from a declining interest rate environment during the period, Florida was a weak performer among the states, with only Michigan and Ohio posting lower returns, which hampered performance. Sector allocation was also an important component to performance. In particular, the Trust's exposure to high yield bonds and the health sector, which significantly underperformed, detracted from results. Low short-term rates, however, resulted in increased income to the Trust from leverage, which allowed for a dividend increase beginning with the July 1, 2009 distribution.

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**Trust Information**


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Symbol on NYSE	BFO
Initial Offering Date	September 30, 2003
Termination Date (on or about)	December 31, 2020
Yield on Closing Market Price as of July 31, 2009 (\$12.31) <sup>1</sup>	5.46%
Tax Equivalent Yield <sup>2</sup>	8.40%
Current Monthly Distribution per Common Share <sup>3</sup>	\$0.056
Current Annualized Distribution per Common Share <sup>3</sup>	\$0.672
Leverage as of July 31, 2009 <sup>4</sup>	39%

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<sup>1</sup> 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.

<sup>2</sup> Tax equivalent yield assumes the maximum federal tax rate of 35%.

<sup>3</sup> The distribution is not constant and is subject to change.

<sup>4</sup> Represents Preferred Shares and TOBs as a percentage of total managed assets, which is the total assets of the Trust, including any assets attributable to Preferred Shares and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 13.

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

	7/31/09	7/31/08	Change	High	Low
Market Price	\$ 12.31	\$ 12.50	(1.52)%	\$ 12.97	\$ 8.15
Net Asset Value	\$ 13.35	\$ 14.16	(5.72)%	\$ 14.45	\$ 11.27

The following unaudited charts show the sector and credit quality allocations of the Trust's long-term investments:

### Sector Allocations

	7/31/09	7/31/08
County/City/Special District/School District	48%	46%
Utilities	18	20
Health	11	13
State	9	7
Corporate	6	6
Housing	5	5
Transportation	2	2
Education	1	1

### Credit Quality Allocations<sup>5</sup>

	7/31/09	7/31/08
AAA/Aaa	31%	29%
AA/Aa	10	34
A/A	30	7
BBB/Baa	6	9
BB/Ba	2	2
Not Rated <sup>6</sup>	21	19