MORGAN STANLEY QUALITY MUNICIPAL INCOME TRUST
Form N-CSR
July 05, 2005

Welcome, Shareholder:

In this report, you'll learn about how your investment in Morgan Stanley Quality Municipal Income Trust performed during the semiannual period. We will provide an overview of the market conditions, and discuss some of the factors that affected performance during the reporting period. In addition, this report includes the Trust's financial statements and a list of Trust investments.

> Market forecasts provided in this report may not necessarily come to pass. There is no assurance that the Trust will achieve its investment objective. The Trust is subject to market risk, which is the possibility that market values of securities owned by the Trust will decline and, therefore, the value of the Trust's shares may be less than what you paid for them. Accordingly, you can lose money investing in this Trust.

Fund Report
For the six-month period ended April 30, 2005

Market Conditions

Consumer spending and business investment helped the U.S. economy expand at a solid pace. This, in turn, translated into generally higher interest rates during the six-month fiscal period ended April 30, 2005. The markets also continued to focus on global commodity supply pressures, specifically the rapid climb in oil prices and the large federal budget and trade deficits. However, employment growth remained uneven and bonds often rallied on weaker than anticipated monthly reports.

The Federal Open Market Committee (the "Fed") reaffirmed its pledge to raise the federal funds target rate at a "measured" pace and did so in its meetings throughout the period. The Fed's policy shift began in June 2004 with the first of seven consecutive 25-basis point rate hikes which took the federal funds target rate to 2.75 percent by the end of April 2005. These increases represented a reversal of the Fed's rate reductions between January 2001 and June

2003. At the end of the period, the forward yield curve reflected a widespread view that the Fed would continue its current pace of rate increases.

Against this setting, long-term municipal bond yields remained in a trading range which moved rates higher at the beginning of the period, lower through the winter and higher at the end of the first quarter. By the end of April, yields declined again and ended the fiscal period at or near their lows. In contrast, yields on shorter maturity bonds which were more directly impacted by the Fed's actions rose. As a result, the municipal yield curve continued to flatten and the yield spread (or differential between one-year rates and 30-year rates) narrowed. Investor's quest for yield favored lower-quality investment grade bonds over high grade issues, keeping quality spreads tight.

In the first four months of 2005, total municipal underwriting volume increased by nine percent over the same period in 2004. Refunding issues accounted for the incremental growth. Bonds backed by insurance increased their market penetration from 50 to 60 percent over the same period. Issuers in California, Texas, New York, Florida and New Jersey accounted for 43 percent of the total municipal underwriting volume.

On the demand side, the municipal-to-Treasury yield ratio, which gauges relative performance between the two markets, remained attractive for tax-exempts. As a result, fixed income investors that normally focus on taxable sectors (such as insurance companies and hedge funds) supported municipals by "crossing over" to purchase bonds. However, retail investors continued to experience rate shock from the absolute level of rates and largely remained on the sidelines.

Performance Analysis

For the six-month period ended April 30, 2005, the net asset value (NAV) of the Morgan Stanley Quality Municipal Income Trust (IQI) increased from $15.42 to $15.63 per share. IQI declared tax-free dividends totaling $0.405 per share. The Trust's total NAV return

was 4.46 percent. IQI's value on the New York Stock Exchange (NYSE) moved from $13.83 to $13.60 per share during the same period. Based on this change plus reinvestment of tax-free dividends, IQI's total market return was 1.28 percent. On April 30, 2005, IQI's NYSE market price was at a 12.99 percent discount to its NAV. *Past performance is no guarantee of future results.*

Monthly dividends for the second quarter of 2005, declared in March, were unchanged at $0.0675 per share. The dividend reflects the current level of the Trust's net investment income. IQI's level of undistributed net investment income was $0.107 per share on April 30, 2005, versus $0.088 per share six months earlier.[1]

During the period, IQI maintained a conservative strategy in anticipation of continued Fed tightening and higher interest rates. Adjusted for leverage, the Trust's duration* (a measure of interest rates sensitivity) was 10.1 years. This positioning helped performance early in the period when rates rose, but had the net effect of hampering total returns when rates declined later in the period. The Trust's net assets, including preferred shares, of $609.2 million were diversified across 104 credits in 13 long-term sectors.

As discussed in previous reports, the total income available for distribution to holders of common shares includes incremental income provided by the Trust's outstanding Auction Rate Preferred Shares (ARPS). ARPS dividends reflect prevailing short-term interest rates on maturities ranging from one week to two years. Incremental income to holders of common shares depends on two factors: the amount of ARPS outstanding and the spread between the portfolio's cost yield and its ARPS auction rate and expenses. The greater the spread and the higher the amount of ARPS outstanding, the greater the amount of incremental income available for distribution to holders of common shares. The level of net investment income available for distribution to holders of common shares varies with the level of short-term interest rates. ARPS leverage also increases the price volatility of common shares and has the effect of extending portfolio duration.

During this six-month period, ARPS leverage contributed approximately $0.10 per share to common share earnings. The Trust has five ARPS series totaling $208 million, representing 34 percent of net assets, including preferred shares. Yields on series in two-year auction modes ranged from 1.50 to 2.25 percent. Weekly yields ranged from 1.58 to 2.55 percent.

The Trust's procedure for reinvesting all dividends and distributions in common shares is through purchases in the open market. This method helps support the market value of the Trust's shares. In addition, we would like to remind you that the Trustees have approved a procedure whereby the Trust may, when appropriate, purchase shares in the open market or in privately negotiated transactions at a price not above market value or net asset value, whichever is lower at the time of purchase. The Trust may also utilize procedures to reduce or eliminate the amount of ARPS outstanding, including their purchase in the open market or in privately negotiated transactions. During the six-month period ended April 30, 2005, the Trust

purchased and retired 765,190 shares of common shares at a weighted average market discount of 12.10 percent.

Performance data quoted represents past performance, which is no guarantee of future results, and current performance may be lower or higher than the figures shown. Investment return, net asset value and common share market price will fluctuate and Trust shares, when sold, may be worth more or less than their original cost.

There is no guarantee that any sectors mentioned will continue to perform well or be held by the Trust in the future.

(1) Income earned by certain securities in the portfolio may be subject to the federal alternative tax (AMT).

* A measure of the sensitivity of a bond's price to changes in interest rates, expressed in years. Each year of duration represents an expected 1 percent change in the price of a bond for every 1 percent change in interest rates. The longer a bond's duration, the greater the effect of interest-rate movements on its price. Typically, trusts with shorter durations perform better in rising-interest-rate environments, while trusts with longer durations perform better when rates decline.

LARGEST SECTORS	
Water & Sewer	35.5%
Transportation	29.3
General Obligation	23.7
Electric	17.6
Public Facilities	7.5

LONG-TERM CREDIT ANALYSIS	
Aaa/AAA	68.1%
Aa/AA	20.8
A/A	8.0
Baa/BBB	2.0
Ba/BB or Less	1.1

Data as of April 30, 2005. Subject to change daily. All percentages for largest sectors are as a percentage of net assets applicable to common shareholders. All percentages for long-term credit analysis are as a percentage of total long-term investments. These data are provided for informational purposes only and should not be deemed a recommendation to buy or sell the securities mentioned. Morgan Stanley is a full-service securities firm engaged in securities trading and brokerage activities, investment banking, research and analysis, financing and financial advisory services.

For More Information About Portfolio Holdings

Each Morgan Stanley trust provides a complete schedule of portfolio holdings in its semiannual and annual reports within 60 days of the end of the trust's second and fourth fiscal quarters by filing the schedule electronically with the Securities and Exchange Commission (SEC). The semiannual reports are filed on Form N-CSRS and the annual reports are filed on Form N-CSR. Morgan Stanley also delivers the semiannual and annual reports to trust shareholders and makes these reports available on its public Web site, www.morganstanley.com. Each Morgan Stanley trust also files a complete schedule of portfolio holdings with the SEC for the trust's first and third fiscal quarters on Form N-Q. Morgan Stanley does not deliver the reports for the first and third fiscal quarters to shareholders, nor are the reports posted to the Morgan Stanley public Web site. You may, however, obtain the Form N-Q filings (as well as the Form N-CSR and N-CSRS filings) by accessing the SEC's Web site, http://www.sec.gov. You may also review and copy them at the SEC's Public Reference Room in Washington, DC. Information on the operation of the SEC's Public Reference Room may be obtained by calling the SEC at (800) SEC-0330. You can also request copies of these materials, upon payment of a duplicating fee, by electronic request at the SEC's e-mail address (publicinfo@sec.gov) or by writing the Public Reference section of the SEC, Washington, DC 20549-0102.

Distribution by Maturity
(% of Long-Term Portfolio) As of April 30, 2005

Weighted Average Maturity: 18 Years[(a)]

(a) Where applicable maturities reflect mandatory tenders, puts and call dates.

Portfolio structure is subject to change.

Geographic Summary of Investments
Based on Market Value as a Percent of Total Investments

Alabama	1.3%
Alaska	0.5
Arizona	4.6
California	8.8
Colorado	2.1
Connecticut	0.4
Florida	3.9
Georgia	5.9
Hawaii	3.4%
Idaho	0.4
Illinois	5.8
Indiana	4.2
Kentucky	1.4
Maine	0.6
Maryland	1.7
Michigan	1.8

Minnesota	0.4%
Missouri	0.1
Montana	0.7
Nevada	2.4
New Jersey	6.0
New Mexico	1.1
New York	13.3
North Carolina	0.8
Ohio	0.9%
Pennsylvania	5.4
Puerto Rico	0.7
South Carolina	3.2
Texas	12.5
Virginia	1.0
Washington	4.3
Wisconsin	0.4
Total†	100.0%

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† Does not include open short futures contracts with an underlying face amount of $109,046,880 with unrealized depreciation of $418,382.

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Call and Cost (Book) Yield Structure
(Based on Long-Term Portfolio) As of April 30, 2005

Years Bonds Callable — Weighted Average Call Protection: 7 Years

Cost (Book) Yield[(b)] — Weighted Average Book Yield: 5.2%

(a) May include issues initially callable in previous years.

(b) Cost or "book" yield is the annual income earned on a portfolio investment based on its original purchase price before the Trust's operating expenses. For example, the Trust is earning a book yield of 6.6% on 5% of the long-term portfolio that is callable in 2005.

Portfolio structure is subject to change.

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Investment Advisory Agreement Approval

Nature, Extent and Quality of Services

The Board reviewed and considered the nature and extent of the investment advisory services provided by the Investment Adviser under the Advisory Agreement, including portfolio management, investment research and fixed income securities trading. The Board also reviewed and considered the nature and extent of the non-advisory, administrative services provided by the Trust's Administrator under the Administration Agreement, including accounting, clerical, bookkeeping, compliance, business management and planning, and the provision of supplies, office space and utilities at the Adviser's expense. (The Investment Adviser and the Administrator together are referred to as the "Adviser" and the Advisory and Administration Agreements together are referred to as the "Management Agreement.") The Board also compared the nature of the services provided by the Adviser with similar services provided by non-affiliated advisers as reported to the Board by Lipper Inc. ("Lipper").

The Board reviewed and considered the qualifications of the portfolio managers, the senior administrative managers and other key personnel of the Adviser who provide the administrative and investment advisory services to the Trust. The Board determined that the Adviser's portfolio managers and key personnel are well qualified by education and/or training and experience to perform the services in an efficient and professional manner. The Board concluded that the nature and extent of the advisory and administrative services provided were necessary and appropriate for the conduct of the business and investment activities of the Trust. The Board also concluded that the overall quality of the advisory and administrative services was satisfactory.

Performance Relative to Comparable Funds Managed by Other Advisers

The Board reviewed the Trust's performance for one-, three- and five-year periods ended November 30, 2004, as shown in reports provided by Lipper (the "Lipper Reports"), compared to the performance of comparable funds selected by Lipper (the "performance peer group"), and noted that the Trust's performance was lower than its performance peer group average for the one-, three- and five-year periods. The Adviser and the Board discussed the portfolio management's team strategy in anticipation of Federal Reserve Board actions and in response to the interest rate environment. The Board considered that the strategy employed was reasonable and that the Trust's more recent performance, for the one- and three-year periods, was only slightly lower than the Trust's performance peer group average. The Board discussed with the Adviser possible steps to improve performance.

Fees Relative to Other Funds Managed by the Adviser with Comparable Investment Strategies

The Board reviewed the advisory and administrative fees (together, the "management fee") paid by the Trust under the Management Agreement. The Board noted that the rate was comparable to the management fee rates charged by the Adviser to any other funds it manages with investment strategies comparable to those of the Trust.

Fees and Expenses Relative to Comparable Funds Managed by Other Advisers

The Board reviewed the management fee rate and total expense ratio of the Trust. The Board noted that: (i) the Trust's management fee rate was lower than the average management fee rate for funds, selected by Lipper (the "expense peer group"), managed by other advisers, with investment strategies comparable to those of the Trust,

as shown in the Lipper Report for the Trust; and (ii) the Trust's total expense ratio was also lower than the average total expense ratio of the funds included in the expense peer group. The Board concluded that the Trust's management fee and total expenses were competitive with those of the Trust's expense peer group.

Breakpoints and Economies of Scale

The Board reviewed the structure of the Trust's management fee schedule under the Management Agreement and noted that it does not include any breakpoints. The Board considered that the Trust is closed-end and is not a growth fund and, therefore, that the Trust's assets are not likely to grow with new sales or grow significantly as a result of capital appreciation. The Board concluded that economies of scale for this Trust were not a factor that needed to be considered.

Profitability of Adviser and Affiliates

The Board considered and reviewed information concerning the costs incurred and profits realized by the Adviser and its affiliates during the last two years from their relationship with the Trust and the Morgan Stanley Fund Complex and reviewed with the Controller of the Adviser the cost allocation methodology used to determine the Adviser's profitability. Based on their review of the information they received, the Board concluded that the profits earned by the Adviser and its affiliates were not excessive in light of the advisory, administrative, and other services provided to the Trust.

Fall-Out Benefits

The Board considered so-called "fall-out benefits" derived by the Adviser and its affiliates from their relationship with the Trust and the Fund Complex, such as "float" benefits derived from handling of checks for purchases and sales of Trust shares through a broker-dealer affiliate of the Adviser. The Board considered the float benefits and concluded that they were relatively small.

Soft Dollar Benefits

The Board considered whether the Adviser realizes any benefits from commissions paid to brokers who execute securities transactions for the Trust ("soft dollars"). The Board noted that the Trust invests only in fixed income securities, which do not generate soft dollars.

Adviser Financially Sound and Financially Capable of Meeting the Trust's Needs

The Board considered whether the Adviser is financially sound and has the resources necessary to perform its obligations under the Management Agreement. The Board noted that the Adviser's operations remain profitable, although increased expenses in recent years have reduced the Adviser's profitability. The Board concluded that the Adviser has the financial resources necessary to fulfill its obligations under the Management Agreement.

Historical Relationship Between the Trust and the Adviser

The Board also reviewed and considered the historical relationship between the Trust and the Adviser, including the organizational structure of the Adviser, the policies and procedures formulated and adopted by the Adviser for

managing the Trust's operations and the Board's confidence in the competence and integrity of the senior managers and key personnel of the Adviser. The Board concluded that it is beneficial for the Trust to continue its relationship with the Adviser.

Other Factors and Current Trends

The Board considered the controls and procedures adopted and implemented by the Adviser and monitored by the Trust's Chief Compliance Officer and concluded that the conduct of business by the Adviser indicates a good faith effort on its part to adhere to high ethical standards in the conduct of the Trust's business.

General Conclusion

After considering and weighing all of the above factors, the Board concluded it would be in the best interest of the Trust and its shareholders to approve renewal of the Management Agreement for another year.

Portfolio of Investments April 30, 2005 (unaudited)

PRINCIPAL AMOUNT IN THOUSANDS		COUPON RATE	MATURITY DATE	VALUE
	Tax-Exempt Municipal Bonds (146.6%)			
	General Obligation (23.7%)			
$ 5,000	California, Various Purpose dtd 05/01/03	5.25%	02/01/19	$ 5,425,900
4,000	Los Angeles, California, Ser 2004 A (MBIA)	5.00	09/01/24	4,268,760
2,700	Adams & Arapahoe Counties Joint School District #32, Colorado, Ser 2003A (FSA)	5.125	12/01/21	2,949,426
3,500	Denver School District #1, Colorado, Ser 1999 (FGIC)	5.25	12/01/16	3,851,750
4,000	Florida Board of Education, Capital Outlay Refg 2002 Ser C (MBIA)	5.00	06/01/20	4,310,800
	Hawaii,			
5,000	1992 Ser BZ	6.00	10/01/10	5,670,400
8,000	1992 Ser BZ	6.00	10/01/11	9,183,280
5,000	Honolulu City & County, Hawaii, ROLS RR II R 237-3 (MBIA)	7.386‡	03/01/26	5,684,250
10,000	Chicago, Illinois, Neighborhoods Alive 21 Ser 2001 A (FGIC)	5.50	01/01/36	10,833,000
4,000	Cook County, Illinois, Ser 1992 C (FGIC)	6.00	11/15/09	4,476,440
6,000	Illinois, First Ser 2002 (MBIA)	5.375	07/01/20	6,560,520
2,000	Schaumburg, Illinois, Ser 2004 B (FGIC)	5.25	12/01/34	2,152,000
1,000	New York City, New York, 2005 Ser G	5.00	12/01/23	1,050,880
	Pennsylvania,			
5,000	First Ser 2003 RITES PA – 1112 A (MBIA)	6.785‡	01/01/18	5,772,850
5,000	First Ser 2003 RITES PA – 1112 B (MBIA)	6.785‡	01/01/19	6,054,300
2,000	Charleston County School District, South Carolina, Ser 2004 A	5.00	02/01/22	2,138,000
5,000	Houston, Independent School District, Texas, Refg Ser 1999 A (PSF)	5.25	02/15/18	5,320,950
5,000	Northside Independent School District, Texas, Bldg & Refg Ser 2001 (PSF)	5.00	02/15/26	5,154,750
2,000	King County, Washington, Refg 1998 Ser B (MBIA)	5.25	01/01/34	2,102,480
2,500	Spokane School District #81, Washington, Ser 2005 (MBIA) (WI)	0.00#	06/01/23	2,169,575
86,700				95,130,311
	Educational Facilities Revenue (5.3%)			
3,700	University of Alabama, Ser 2004-A (MBIA)	5.25	07/01/22	4,031,225
	Arizona Board of Regents,			
1,650	University of Arizona Ser 2001 A COPs (Ambac)	5.50	06/01/15	1,825,494
1,740	University of Arizona Ser 2001 A COPs (Ambac)	5.50	06/01/16	1,925,066
1,835	University of Arizona Ser 2001 A COPs (Ambac)	5.50	06/01/17	2,028,060
940	University of Arizona Ser 2001 A COPs (Ambac)	5.50	06/01/18	1,037,816
	Boulder County, Colorado,			
1,750		5.375	09/01/18	1,933,838

	University Corp for Atmospheric Research Ser 2002 (MBIA)			
1,750	University Corp for Atmospheric Research Ser 2002 (MBIA)	5.375	09/01/21	1,916,775
2,000	Colorado Educational & Cultural Facilities Authority, Peak to Peak			
	Charter School Refg & Impr Ser 2004 (XLCA)	5.25	08/15/34	2,132,340

See Notes to Financial Statements

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Morgan Stanley Quality Municipal Income Trust

Portfolio of Investments April 30, 2005 (unaudited) continued

PRINCIPAL AMOUNT IN THOUSANDS		COUPON RATE	MATURITY DATE	VALUE
$ 2,000	Ohio State University, General Receipts Ser 2002 A	5.125%	12/01/31	$ 2,106,720
2,000	Pennsylvania State University, Refg Ser 2002	5.25	08/15/14	2,250,200
19,365				21,187,534
	Electric Revenue (17.6%)			
6,000	Salt River Project Agricultural Improvement & Power District, Arizona, 2002 Ser B	5.00	01/01/31	6,273,660
5,000	California Department of Water Resources, Power Supply Ser 2002 A	5.75	05/01/17	5,611,850
3,300	Jacksonville Electric Authority, Florida, St Johns Power Park			
	Refg Issue 2 Ser 17	5.00	10/01/18	3,534,366
2,000	Orlando Utilities Commission, Florida, Water & Electric Ser 2001	5.25	10/01/19	2,195,720
2,000	Indiana Municipal Power Agency, Power Supply 2004 Ser A (FGIC)	5.00	01/01/32	2,094,380
2,000	Western Minnesota Municipal Power Agency, 2003 Ser A (MBIA)	5.00	01/01/30	2,099,220
	Long Island Power Authority, New York,			
4,000	Ser 2003 B	5.25	06/01/13	4,429,880
5,325	Ser 2003 C	5.50	09/01/19	5,852,654
	South Carolina Public Service Authority,			
3,700	Refg Ser 2002 D (Ambac)	5.00	01/01/20	3,980,682
5,000	Refg Ser 2002 D (FSA)	5.00	01/01/20	5,378,900
7,000	Refg Ser 2003 A (Ambac)	5.00	01/01/22	7,510,720
7,000		5.75	07/01/18	7,879,900

	Energy Northwest, Washington, Columbia Refg Ser 2001 C (MBIA)			
	Grant County Public Utility District #2, Washington,			
5,000	Electric Refg Ser 2001 H (FSA)	5.375	01/01/18	5,446,150
8,220	Priest Rapids Second Ser 1992 A	5.00	01/01/23	8,224,028
65,545				70,512,110
	Hospital Revenue (5.0%)			
3,500	Birmingham-Carraway Special Care Facilities Financing Authority, Alabama, Carraway Methodist Hlth Ser 1995 A (Connie Lee)	5.875	08/15/15	3,595,375
	Maryland Health & Higher Educational Facilities Authority,			
5,000	University of Maryland Medical Ser 2001	5.25	07/01/28	5,182,100
1,500	University of Maryland Medical Ser 2002	6.00	07/01/32	1,636,995
2,000	Kent Hospital Finance Authority, Michigan, Metropolitan Hospital Ser 2005 A	6.25	07/01/40	2,189,080
2,000	University of Medicine and Dentistry, New Jersey, Ser 2004 COPs (MBIA)	5.25	06/15/23	2,171,180
3,000	Lorain County, Ohio, Catholic Healthcare Partners Ser 2001 A	5.625	10/01/17	3,251,640
2,000	Allegheny County, Hospital Development Authority, Pennsylvania, Ohio Valley General Hospital Ser 2005 A	5.125	04/01/35	2,001,000
19,000				20,027,370

See Notes to Financial Statements

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Morgan Stanley Quality Municipal Income Trust

Portfolio of Investments April 30, 2005 (unaudited) continued

PRINCIPAL AMOUNT IN THOUSANDS		COUPON RATE	MATURITY DATE	VALUE
	Industrial Development/Pollution Control Revenue (4.3%)			
$ 6,000	California Pollution Control Financing Authority, Keller Canyon Landfill Co/Browning-Ferris Industries Inc Ser 1992 (AMT)	6.875%	11/01/27	$ 6,090,600
5,000	Michigan Strategic Fund, Detroit Edison Co Ser 2001 C (AMT)	5.65	09/01/29	5,268,350
3,000	Brazos River Authority, Texas, TXU Electric Co Ser 1999 C (AMT)	7.70	03/01/32	3,578,310
2,000		5.75	05/01/30	2,169,060

	Sabine River Authority, Texas, TXU Electric Co Refg Ser 2001 B (AMT) (Mandatory Tender 11/01/11)			
16,000				17,106,320
	Mortgage Revenue – Multi-Family (1.7%)			
6,525	Illinois Housing Development Authority, Ser I	6.625	09/01/12	6,534,657
	Missouri Housing Development Commission,			
200	Federally Insured Mortgage Loans Refg Ser 11/15/92	6.50	07/01/16	200,260
245	Federally Insured Mortgage Loans Refg Ser 11/15/92	6.60	07/01/24	245,282
6,970				6,980,199
	Mortgage Revenue – Single Family (2.4%)			
375	Idaho Housing Agency, 1992 Ser E (AMT)	6.75	07/01/12	375,450
2,315	Idaho Housing & Finance Association, 2000 Ser E (AMT)	6.00	01/01/32	2,324,862
370	Missouri Housing Development Commission, Homeownership			
	Ser 2000 B-1 (AMT)	6.25	03/01/31	389,388
4,065	Montana Board of Housing, 2000 Ser B (AMT)	6.00	12/01/29	4,188,047
2,380	New Jersey Housing Mortgage Finance Authority, Home Buyer			
	Ser 2000 CC (AMT) (MBIA)	5.875	10/01/31	2,406,918
9,505				9,684,665
	Public Facilities Revenue (7.5%)			
5,000	Phoenix Industrial Development Authority, Arizona, Capital Mall LLC Ser 2000 (Ambac)	5.50	09/15/27	5,435,050
2,000	Sacramento Financing Authority, California, City Hall 2002 Ser A (FSA)	5.00	12/01/32	2,078,720
3,000	Broward County School Board, Florida, Ser 2001 A COPs (FSA)	5.00	07/01/26	3,132,960
4,000	Orange County School Board, Florida, Ser 2001 A COPs (Ambac)	5.25	08/01/14	4,441,200
1,400	Marion County Convention & Recreational Facilities Authority, Indiana, Refg Ser 2003 A (Ambac)	5.00	06/01/21	1,479,632
3,000	Albuquerque, New Mexico, Gross Receipts Refg Ser 1999 C	5.25	07/01/17	3,209,820
3,000	Pennsylvania Public School Building Authority, Philadelphia School District Ser 2003 (FSA)	5.00	06/01/33	3,121,080
4,000	Puerto Rico Public Buildings Authority, Ser J (Ambac) (Mandatory Tender 07/01/12)	5.00	07/01/36	4,408,120

See Notes to Financial Statements

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Morgan Stanley Quality Municipal Income Trust

Portfolio of Investments April 30, 2005 (unaudited) continued

PRINCIPAL AMOUNT IN THOUSANDS		COUPON RATE	MATURITY DATE	VALUE
$ 2,500	Milwaukee Redevelopment Authority, Wisconsin, Ser 2003 A (Ambac)	5.125%	08/01/23	$ 2,661,550
27,900				29,968,132
	Resource Recovery Revenue (0.8%)			
3,000	Northeast Maryland Waste Disposal Authority, Montgomery County Ser 2003 (AMT) (Ambac)	5.50	04/01/16	3,274,140
	Transportation Facilities Revenue (29.3%)			
3,000	Alaska International Airports, Ser 2002 B (Ambac)	5.25	10/01/27	3,204,510
2,000	Arizona Transportation Board, Highway Refg Ser 2002 A	5.25	07/01/19	2,225,840
3,000	Phoenix Civic Improvement Corporation, Arizona, Airport Ser 2002 B (AMT) (FGIC)	5.25	07/01/32	3,128,940
5,000	California Infrastructure & Economic Development Bank, Bay Area Toll Bridges Seismic Retrofit First Lien Ser 2003 A (Ambac)	5.00	07/01/36	5,237,000
1,900	Orange County Transportation Authority, California, Toll Road Refg Ser 2003 A (Ambac)	5.00	08/15/20	2,056,446
4,000	Port of Oakland, California, Ser 2002 L (AMT) (FGIC)	5.00	11/01/32	4,092,400
2,000	Mid-Bay Bridge Authority, Florida Refg Ser 1993 A (Ambac)	5.95	10/01/22	2,194,420
3,000	Atlanta, Georgia, Airport Ser 2004 J (FSA)	5.00	01/01/34	3,131,970
	Georgia State Road & Tollway Authority,			
6,000	Ser 2004	5.00	10/01/22	6,489,420
9,000	Ser 2004	5.00	10/01/23	9,701,910
4,000	Chicago, Illinois, O' Hare Int'l Airport 3rd Lien Ser 2003 B-2 (AMT) (FSA)	5.75	01/01/23	4,441,880
6,335	Indiana Transportation Finance Authority, Ser 2000 (FGIC)	5.375	12/01/25	6,852,823
3,000	Wayne County, Michigan, Detroit Metropolitan Wayne County Airport Refg Ser 2002 D (AMT) (FGIC)	5.50	12/01/17	3,257,790
	Clark County, Nevada,			
4,000	Airport SubLien Ser 2004 A-1 (AMT) (FGIC)	5.50	07/01/20	4,390,600
1,000	Jet Aviation Fuel Tax Ser 2003 C (AMT) (Ambac)	5.375	07/01/19	1,077,850
1,100	Jet Aviation Fuel Tax Ser 2003 C (AMT) (Ambac)	5.375	07/01/20	1,182,489
2,000	Jet Aviation Fuel Tax Ser 2003 C (AMT) (Ambac)	5.375	07/01/22	2,140,020
5,000	New Jersey Transportation Trust Fund Authority, 1999 Ser A	5.75	06/15/20	5,901,150
12,000	New Jersey Turnpike Authority, Ser 2003 A (FGIC)††	5.00	01/01/27	12,619,440
10,000	Metropolitan Transportation Authority, New York, Transportation Refg Ser 2002 A (FGIC)	5.00	11/15/25	10,554,900
	Triborough Bridge & Tunnel Authority, New York,			
5,000	Refg 2002 E (MBIA)	5.25	11/15/22	5,454,450
6,000	Ser 2001 A	5.00	01/01/32	6,197,100

See Notes to Financial Statements

Morgan Stanley Quality Municipal Income Trust

Portfolio of Investments April 30, 2005 (unaudited) continued

PRINCIPAL AMOUNT IN THOUSANDS		COUPON RATE	MATURITY DATE	VALUE
	Houston, Texas,			
$ 6,000	Airport Sub Lien Ser 2000 A (AMT) (FSA)	5.875%	07/01/17	$ 6,551,280
5,000	Airport Sub Lien Ser 2000 A (AMT) (FSA)	5.625	07/01/30	5,390,450
109,335				117,475,078
	Water & Sewer Revenue (35.5%)			
3,800	Phoenix Civic Improvement Corporation, Arizona, Jr Lien Water Ser 2002	5.00	07/01/26	3,977,992
3,000	East Bay Municipal Utility District, California, Water Ser 2001 (MBIA)	5.00	06/01/26	3,125,190
3,720	San Diego County Water Authority, California, Ser 2002 A COPs (MBIA)	5.00	05/01/27	3,888,367
3,500	Broward County, Florida, Water & Sewer Utility Ser 2003 (MBIA)	5.00	10/01/24	3,739,540
10,000	Augusta, Georgia, Water & Sewerage Ser 2000 (FSA)	5.25	10/01/30	10,729,300
10,000	Indiana Bond Bank, Revolving Fund Ser 2001 A	5.00	02/01/23	10,563,900
5,000	Louisville & Jefferson County Metropolitan Sewer District, Kentucky, Ser 1999 A (FGIC)	5.75	05/15/33	5,522,600
5,345	Las Vegas Vallley Water District, Nevada, Water Improvement Refg Ser 2003 A (FGIC)	5.25	06/01/20	5,825,890
10,000	Passaic Valley Sewerage Commissioners, New Jersey, Ser F (FGIC)	5.00	12/01/20	10,802,800
3,000	Rio Rancho, New Mexico, Water & Wastewater Refg Ser 1999 (Ambac)	5.25	05/15/19	3,206,850
	New York City Municipal Water Finance Authority, New York,			
3,500	2003 Ser A	5.375	06/15/19	3,858,435
18,000	2001 Ser B	5.00	06/15/26	18,666,719
10,000	2004 Ser A	5.00	06/15/35	10,402,300
4,500	Charlotte, North Carolina, Water & Sewer Ser 2001	5.125	06/01/26	4,768,875
10,000	Austin, Texas, Water & Wastewater Refg Ser 2001 A (FSA)	5.125	05/15/27	10,407,800
15,000	Houston, Texas, Combined Utility First Lien Refg 2004 Ser A (FGIC)	5.25	05/15/23	16,198,200

13,960	San Antonio, Texas, Water & Refg Ser 2001 (FGIC)	5.00	05/15/26	14,420,261
2,000	Fairfax County Water Authority, Virginia, Refg Ser 1992	6.00	04/01/22	2,146,820
134,325				142,251,839
	Other Revenue (7.0%)			
10,000	California Economic Recovery, Ser 2004 A	5.00	07/01/16	10,759,600
2,000	New Jersey Economic Development Authority, Cigarette Tax Ser 2004	5.75	06/15/29	2,145,840
2,000	New York City Transitional Finance Authority, New York, Refg 2003 Ser A	5.50	11/01/26	2,225,100

See Notes to Financial Statements

Morgan Stanley Quality Municipal Income Trust

Portfolio of Investments April 30, 2005 (unaudited) continued

PRINCIPAL AMOUNT IN THOUSANDS		COUPON RATE	MATURITY DATE	VALUE
$ 10,000	Tobacco Settlement Financing Corporation, New York, State Contingency Ser 2003 B-1C	5.50%	06/01/17	$ 10,993,000
2,000	Philadelphia, Pennsylvania, Gas Works First Ser 1998 B (FSA)	5.00	07/01/28	2,075,840
26,000				28,199,380
	Refunded (6.5%)			
2,000	Connecticut, 2002 Ser B	5.50	06/15/12†	2,269,200
5,000	Atlanta, Georgia, Airport Ser 2000 A (FGIC)	5.50	01/01/10†	5,569,400
2,655	Kentucky State Property & Buildings Commission, Project #79 (MBIA)	5.00	10/01/13†	2,944,289
3,400	Maine Turnpike Authority, Ser 2000 (FGIC)	5.50	07/01/10†	3,813,440
5,000	Dauphin County General Authority, Pennsylvania, HAPSO Group Inc/ The Western Pennsylvania Hospital Refg 1992 Ser A (MBIA) (ETM)	6.25	07/01/16	5,827,450
5,200	San Antonio, Texas, Electric & Gas Ser 2000 A	5.75	02/01/10†	5,796,856
23,255				26,220,635
546,900	Total Tax-Exempt Municipal Bonds *(Cost $549,400,380)*			588,017,713
	Short-Term Tax-Exempt Municipal Obligations (3.3%)			
4,400	Indiana Health Facility Financing Authority, Clarian Health Obligated Group Ser 2000 B (Demand 05/02/05)	3.00*	03/01/30	4,400,000
5,300	Philadelphia Hospitals & Higher Education Facilities Authority, Pennsylvania, Children's Hospital of	3.03*	07/01/22	5,300,000

	Philadelphia Ser 2002 A (Demand 05/02/05)				
3,600	Roanoke Industrial Development Authority, Virginia,				
	Carilion Health System Ser 1997 B (Demand 05/02/05)	3.05*	07/01/27		3,600,000
13,300	Total Short-Term Tax-Exempt Municipal Obligations *(Cost $13,300,000)*				13,300,000
$560,200	Total Investments *(Cost $562,700,380) (a) (b)*			149.9 %	601,317,713
	Other Assets in Excess of Liabilities			2.0	8,128,469
	Preferred Shares of Beneficial Interest			(51.9)	(208,231,619)
	Net Assets Applicable to Common Shareholders			100.0 %	$ 401,214,563

See Notes to Financial Statements

Morgan Stanley Quality Municipal Income Trust

Portfolio of Investments April 30, 2005 (unaudited) continued

Note: The categories of investments are shown as a percentage of net assets applicable to common shareholders.

AMT Alternative Minimum Tax.

COPs Certificates of Participation.

ETM Escrowed to maturity.

PSF Texas Permanent School Fund Guarantee Program.

RITES Residual Interest Tax-Exempt Securities (Illiquid securities).

ROLS Reset Option Longs (Illiquid securities).

WI Security purchased on a when-issued basis.

† Prerefunded to call date shown.

†† A portion of this security has been physically segregated in connection with open futures contracts in the amount of $590,000.

‡ Current coupon rate for inverse floating rate municipal obligation. This rate resets periodically as the auction rate on the related security changes. Positions in inverse floating rate municipal obligations have a total value of $17,511,400 which represents 4.4% of net assets applicable to common shareholders.

Currently a zero coupon security; will convert to 5.125% on January 1, 2008.

* Current coupon of variable rate demand obligation.

(a) Securities have been designated as collateral in an amount equal to $110,150,423 in connection with open futures contracts and the purchase of a when-issued security.

(b) The aggregate cost for federal income tax purposes approximates the aggregate cost for book purposes. The aggregate gross and net unrealized appreciation is $38,617,333.

Bond Insurance:

Ambac Ambac Assurance Corporation.

Connie Lee Connie Lee Insurance Company – a wholly owned subsidiary of Ambac Assurance Corporation.

FGIC Financial Guaranty Insurance Company.

FSA Financial Security Assurance Inc.

MBIA Municipal Bond Investors Assurance Corporation.

XLCA XL Capital Assurance Inc.

Futures Contracts Open at April 30, 2005:

NUMBER OF CONTRACTS	LONG/SHORT	DESCRIPTION, DELIVERY MONTH AND YEAR	UNDERLYING FACE AMOUNT AT VALUE	UNREALIZED DEPRECIATION
800	Short	U.S. Treasury Notes 5 Yr June/2005	$ (86,762,504)	$ (208,456)
200	Short	U.S. Treasury Notes 10 Yr June/2005	(22,284,376)	(209,926)
		Total unrealized depreciation		$(418,382)

See Notes to Financial Statements

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Morgan Stanley Quality Municipal Income Trust

Financial Statements

Statement of Assets and Liabilities

April 30, 2005 (unaudited)

Assets:	
Investments in securities, at value (cost $562,700,380)	$601,317,713
Cash	1,011
Receivable for:	
Interest	9,290,858
Investments sold	500,628
Variation margin	250,000
Prepaid expenses and other assets	669,998
Total Assets	612,030,208
Liabilities:	
Payable for:	
Investments purchased	2,109,175
Investment advisory fee	166,007
Common shares of beneficial interest repurchased	144,297
Administration fee	49,187
Accrued expenses and other payables	115,360
Total Liabilities	2,584,026
Preferred shares of beneficial interest (at liquidation value) *(1,000,000 shares authorized of non-participating $.01 par value, 4,160 shares outstanding)*	208,231,619

Net Assets Applicable to Common Shareholders	$401,214,563
Composition of Net Assets Applicable to Common Shareholders:	
Common shares of beneficial interest *(unlimited shares authorized of $.01 par value, 25,667,230 shares outstanding)*	$359,459,432
Net unrealized appreciation	38,198,951
Accumulated undistributed net investment income	2,733,578
Accumulated undistributed net realized gain	822,602
Net Assets Applicable to Common Shareholders	$401,214,563
Net Asset Value Per Common Share,	
($401,214,563 divided by 25,667,230 common shares outstanding)	$ 15.63

See Notes to Financial Statements

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Morgan Stanley Quality Municipal Income Trust

Financial Statements continued

Statement of Operations

For the six months ended April 30, 2005 (unaudited)

Net Investment Income:	
Interest Income	$14,652,981
Expenses	
Investment advisory fee	820,617
Auction commission fees	470,952
Administration fee	243,146
Transfer agent fees and expenses	75,996
Professional fees	33,062
Shareholder reports and notices	27,547
Auction agent fees	16,571
Custodian fees	14,554
Trustees' fees and expenses	7,012
Registration fees	5,889
Other	73,043
Total Expenses	1,788,389
Less: expense offset	(2,206)
Net Expenses	1,786,183
Net Investment Income	12,866,798
Net Realized and Unrealized Gain (Loss):	
Net Realized Gain (Loss) on:	
Investments	1,739,923
Futures contracts	(224,405)

Net Realized Gain	1,515,518
Net Change in Unrealized Appreciation/Depreciation on:	
Investments	183,285
Futures contracts	1,958,454
Net Appreciation	2,141,739
Net Gain	3,657,257
Dividends to preferred shareholders from net investment income	(1,888,429)
Net Increase	$14,635,626

See Notes to Financial Statements

Morgan Stanley Quality Municipal Income Trust

Financial Statements continued

Statement of Changes in Net Assets

	FOR THE SIX MONTHS ENDED APRIL 30, 2005 (unaudited)	FOR THE YEAR ENDED OCTOBER 31, 2004
Increase (Decrease) in Net Assets:		
Operations:		
Net investment income	$ 12,866,798	$ 26,821,433
Net realized gain (loss)	1,515,518	(4,157,568)
Net change in unrealized appreciation/depreciation	2,141,739	8,509,031
Dividends to preferred shareholders from net investment income	(1,888,429)	(4,164,646)
Net Increase	14,635,626	27,008,250
Dividends and Distributions to Common Shareholders from:		
Net investment income	(10,561,069)	(23,870,615)
Net realized gain	—	(8,366,098)
Total Dividends and Distributions	(10,561,069)	(32,236,713)
Decrease from transactions in common shares of beneficial interest	(10,413,016)	(17,571,884)
Net Decrease	(6,338,459)	(22,800,347)
Net Assets Applicable to Common Shareholders:		
Beginning of period	407,553,022	430,353,369
End of Period *(Including accumulated undistributed net investment income of $2,733,578 and $2,316,278, respectively)*	$ 401,214,563	$407,553,022

See Notes to Financial Statements

Morgan Stanley Quality Municipal Income Trust

Notes to Financial Statements April 30, 2005 (unaudited)

1. Organization and Accounting Policies

Morgan Stanley Quality Municipal Income Trust (the "Trust") is registered under the Investment Company Act of 1940, as amended, as a diversified, closed-end management investment company. The Trust's investment objective is to provide current income which is exempt from federal income tax. The Trust was organized as a Massachusetts business trust on March 12, 1992 and commenced operations on September 29, 1992.

The following is a summary of significant accounting policies:

A. Valuation of Investments — (1) portfolio securities are valued by an outside independent pricing service approved by the Trustees. The pricing service uses both a computerized grid matrix of tax-exempt securities and evaluations by its staff, in each case based on information concerning market transactions and quotations from dealers which reflect the mean between the last reported bid and asked price. The portfolio securities are thus valued by reference to a combination of transactions and quotations for the same or other securities believed to be comparable in quality, coupon, maturity, type of issue, call provisions, trading characteristics and other features deemed to be relevant. The Trustees believe that timely and reliable market quotations are generally not readily available for purposes of valuing tax-exempt securities and that the valuations supplied by the pricing service are more likely to approximate the fair value of such securities; (2) futures are valued at the latest sale price on the commodities exchange on which they trade unless it is determined that such price does not reflect their market value, in which case they will be valued at their fair value as determined in good faith under procedures established by and under the supervision of the Trustees; and (3) short-term debt securities having a maturity date of more than sixty days at time of purchase are valued on a mark-to-market basis until sixty days prior to maturity and thereafter at amortized cost based on their value on the 61st day. Short-term debt securities having a maturity date of sixty days or less at the time of purchase are valued at amortized cost.

B. Accounting for Investments — Security transactions are accounted for on the trade date (date the order to buy or sell is executed). Realized gains and losses on security transactions are determined by the identified cost method. Discounts are accreted and premiums are amortized over the life of the respective securities. Interest income is accrued daily.

C. Futures Contracts — A futures contract is an agreement between two parties to buy and sell financial instruments or contracts based on financial indices at a set price on a future date. Upon entering into such a contract, the Trust is required to pledge to the broker cash, U.S. Government securities or other liquid portfolio securities equal to the minimum initial margin requirements of the applicable futures exchange. Pursuant to the contract, the Trust agrees to receive from or pay to the broker an amount of cash equal to the daily fluctuation in the value of the contract. Such receipts or payments known as variation margin are recorded by the Trust as unrealized gains and losses. Upon closing of the contract, the Trust realizes a gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed.

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Morgan Stanley Quality Municipal Income Trust

Notes to Financial Statements April 30, 2005 (unaudited) continued

D.   Federal Income Tax Policy — It is the Trust's policy to comply with the requirements of the Internal Revenue Code applicable to regulated investment companies and to distribute substantially all of its taxable and nontaxable income to its shareholders.

E.   Dividends and Distributions to Shareholders — Dividends and distributions to shareholders are recorded on the ex-dividend date.

F.   Use of Estimates — The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and disclosures. Actual results could differ from those estimates.

2.   Investment Advisory/Administration Agreements

Pursuant to an Investment Advisory Agreement with Morgan Stanley Investment Advisors Inc. (the "Investment Adviser"), the Trust pays an advisory fee, calculated weekly and payable monthly, by applying the annual rate of 0.27% to the Trust's weekly total net assets including preferred shares.

Pursuant to an Administration Agreement with Morgan Stanley Services Company Inc. (the "Administrator"), an affiliate of the Investment Adviser, the Trust pays an administration fee, calculated weekly and payable monthly, by applying the annual rate of 0.08% to the Trust's weekly total net assets including preferred shares.

3.   Security Transactions and Transactions with Affiliates

The cost of purchases and proceeds from sales of portfolio securities, excluding short-term investments, for the six months ended April 30, 2005, aggregated $14,430,605 and $27,338,195, respectively.

Morgan Stanley Trust, an affiliate of the Investment Adviser and Administrator, is the Trust's transfer agent. At April 30, 2005, the Trust had transfer agent fees and expenses payable of approximately $15,900.

The Trust has an unfunded noncontributory defined benefit pension plan covering certain independent Trustees of the Trust who will have served as independent Trustees for at least five years at the time of retirement. Benefits under this plan are based on factors which include years of service and compensation. Aggregate pension costs for the six months ended April 30, 2005, included in Trustees' fees and expenses in the Statement of Operations amounted to $3,196. At April 30, 2005, the Trust had an accrued pension liability of $53,960 which is included in accrued expenses in the Statement of Assets and Liabilities. On December 2, 2003, the Trustees voted to close the plan to new participants and eliminate the future benefits growth due to increases to compensation after July 31, 2003.

The Trust has an unfunded Deferred Compensation Plan (the "Compensation Plan") which allows each independent Trustee to defer payment of all, or a portion, of the fees he receives for serving on the Board of

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Morgan Stanley Quality Municipal Income Trust

Notes to Financial Statements April 30, 2005 (unaudited) continued

Trustees. Each eligible Trustee generally may elect to have the deferred amounts credited with a return equal to the total return on one or more of the Morgan Stanley funds that are offered as investment options under the Compensation Plan. Appreciation/depreciation and distributions received from these investments are recorded with an offsetting increase/decrease in the deferred compensation obligation and do not affect the net asset value of the Trust.

4. Preferred Shares of Beneficial Interest

The Trust is authorized to issue up to 1,000,000 non-participating preferred shares of beneficial interest having a par value of $.01 per share, in one or more series, with rights as determined by the Trustees, without approval of the common shareholders. The Trust has issued Series 1 through 5 Auction Rate Preferred Shares ("Preferred Shares") which have a liquidation value of $50,000 per share plus the redemption premium, if any, plus accumulated but unpaid dividends, whether or not declared, thereon to the date of distribution. The Trust may redeem such shares, in whole or in part, at the original purchase price of $50,000 per share plus accumulated but unpaid dividends, whether or not declared, thereon to the date of redemption.

Dividends, which are cumulative, are reset through auction procedures.

SERIES	SHARES*	AMOUNT IN THOUSANDS*	RATE*	RESET DATE	RANGE OF DIVIDEND RATES**
1	1,120	$ 56,000	2.55%	05/04/05	1.58% – 2.55%
2	400	20,000	1.70	07/07/05	1.70
3	1,120	56,000	2.25	07/06/06	2.25
4	1,120	56,000	1.50	01/05/06	1.50
5	400	20,000	1.70	09/02/05	1.70

* As of April 30, 2005.

** For the six months ended April 30, 2005.

Subsequent to April 30, 2005 and up through June 3, 2005, the Trust paid dividends to each of the Series 1 through 5 at rates ranging from 1.50% to 2.83% in the aggregate amount of $608,973.

The Trust is subject to certain restrictions relating to the preferred shares. Failure to comply with these restrictions could preclude the Trust from declaring any distributions to common shareholders or purchasing common shares and/or could trigger the mandatory redemption of preferred shares at liquidation value.

The preferred shares, which are entitled to one vote per share, generally vote with the common shares but vote separately as a class to elect two Trustees and on any matters affecting the rights of the preferred shares.

Morgan Stanley Quality Municipal Income Trust

Notes to Financial Statements April 30, 2005 (unaudited) continued

5. Common Shares of Beneficial Interest

Transactions in common shares of beneficial interest were as follows:

	SHARES	PAR VALUE	CAPITAL PAID IN EXCESS OF PAR VALUE
Balance, October 31, 2003	27,695,820	$276,958	$386,910,189
Treasury shares purchased and retired (weighted average discount 8.81%)*	(1,263,400)	(12,634)	(17,559,250)
Reclassification due to permanent book/tax differences	—	—	257,185
Balance, October 31, 2004	26,432,420	264,324	369,608,124
Treasury shares purchased and retired (weighted average discount 12.10%)*	(765,190)	(7,652)	(10,405,364)
Balance, April 30, 2005	25,667,230	$256,672	$359,202,760

* The Trustees have voted to retire the shares purchased.

6. Dividends To Common Shareholders

On March 29, 2005, the Trust declared the following dividends from net investment income:

AMOUNT PER SHARE	RECORD DATE	PAYABLE DATE
$0.0675	May 6, 2005	May 20, 2005
$0.0675	June 3, 2005	June 17, 2005

7. Expense Offset

The expense offset represents a reduction of the custodian fees for earnings on cash balances maintained by the Trust.

8. Risks Relating to Certain Financial Instruments

The Trust may invest a portion of its assets in residual interest bonds, which are inverse floating rate municipal obligations. The prices of these securities are subject to greater market fluctuations during periods of changing prevailing interest rates than are comparable fixed rate obligations.

To hedge against adverse interest rate changes, the Trust may invest in financial futures contracts or municipal bond index futures contracts ("futures contracts").

These futures contracts involve elements of market risk in excess of the amount reflected in the Statement of Assets and Liabilities. The Trust bears the risk of an unfavorable change in the value of the underlying securities. Risks may also arise upon entering into these contracts from the potential inability of the counterparties to meet the terms of their contracts.

Morgan Stanley Quality Municipal Income Trust

Notes to Financial Statements April 30, 2005 (unaudited) continued

9. Federal Income Tax Status

The amount of dividends and distributions from net investment income and net realized capital gains are determined in accordance with federal income tax regulations which may differ from generally accepted accounting principles. These "book/tax" differences are either considered temporary or permanent in nature. To the extent these differences are permanent in nature, such amounts are reclassified within the capital accounts based on their federal tax-basis treatment; temporary differences do not require reclassification. Dividends and distributions which exceed net investment income and net realized capital gains for tax purposes are reported as distributions of paid-in-capital.

As of October 31, 2004, the Trust had a net capital loss carryforward of $3,069,752 which will expire on October 31, 2012 to offset future capital gains to the extent provided by regulations.

As of October 31, 2004, the Trust had temporary book/tax differences primarily attributable to book amortization of discounts on debt securities, mark-to-market of open futures contracts and dividend payable.

Morgan Stanley Quality Municipal Income Trust

Financial Highlights

Selected ratios and per share data for a common share of beneficial interest outstanding throughout each period:

	FOR THE SIX MONTHS ENDED		FOR THE YEAR ENDED OCTOBER 31,			
		2004	2003	2002	2001	2000

	APRIL 30, 2005 (unaudited)					
ted Per Share Data:						
sset value, beginning of period	$ 15.42	$ 15.54	$ 15.60	$ 15.91	$ 15.22	$ 14.88
ne from investment operations:						
nvestment income*	0.49	0.97	1.01	1.11	1.16	1.17
ealized and unrealized gain	0.14	0.18	0.24	0.01	0.76	0.26
mon share equivalent of ends paid to preferred holders*	(0.07)	(0.15)	(0.16)	(0.20)	(0.27)	(0.26)
income from investment tions	0.56	1.00	1.09	0.92	1.65	1.17
dividends and distributions						
nvestment income	(0.41)	(0.88)	(0.90)	(0.87)	(0.87)	(0.93)
ealized gain	—	(0.30)	(0.30)	(0.39)	(0.13)	—
dividends and distributions	(0.41)	(1.18)	(1.20)	(1.26)	(1.00)	(0.93)
dilutive effect of acquiring ury shares*	0.06	0.06	0.05	0.03	0.04	0.10
sset value, end of period	$ 15.63	$ 15.42	$ 15.54	$ 15.60	$ 15.91	$ 15.22
et value, end of period	$ 13.60	$ 13.83	$ 14.55	$ 13.91	$ 14.48	$ 13.313
Return†	1.28% (1)	3.32%	13.82%	4.94%	16.59%	7.51%
s to Average Net Assets of mon Shareholders:						
expenses (before expense)	0.89% (2)	0.89%	0.83% (3)	0.78% (3)	0.74%	0.75%
nvestment income before rred stock dividends	6.42% (2)	6.48%	6.58%	7.19%	7.47%	7.83%
rred stock dividends	0.94% (2)	1.01%	1.05%	1.29%	1.71%	1.74%
nvestment income available to non shareholders	5.48% (2)	5.47%	5.53%	5.90%	5.76%	6.09%
lemental Data:						
ssets applicable to common areholders, end of period, in ands	$401,215	$407,553	$430,353	$450,417	$473,103	$467,875
coverage on preferred shares at f period	293%	296%	307%	316%	325%	324%
olio turnover rate	2% (1)	16%	41%	20%	19%	15%

* The per share amounts were computed using an average number of common shares outstanding during the period.

† Total return is based upon the current market value on last day of each period reported. Dividends and distributions are assumed to be reinvested at the prices obtained under the Trust's dividend reinvestment plan. Total return does not reflect brokerage commissions.

(1) Not annualized.

(2) Annualized.

(3) Does not reflect the effect of the expense offset of 0.01%.

See Notes to Financial Statements

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MORGAN STANLEY FUNDS

Morgan Stanley
Quality Municipal
Income Trust

Semiannual Report
April 30, 2005

Thomas F. Caloia
Vice President

Mary E. Mullin
Secretary

Transfer Agent

Morgan Stanley Trust
Harborside Financial Center, Plaza Two
Jersey City, New Jersey 07311

Independent Registered Public Accounting Firm

Deloitte & Touche LLP
Two World Financial Center
New York, New York 10281

Investment Adviser

Morgan Stanley Investment Advisors Inc.
1221 Avenue of the Americas
New York, New York 10020

The financial statements included herein have been taken from the records of the Trust without examination by the independent auditors and accordingly they do not express an opinion thereon.

Investments and services offered through Morgan Stanley DW Inc., member SIPC.

37954RPT-RA05-00452P-Y04/05