

Edgar Filing: ALLIANCE NATIONAL MUNICIPAL INCOME FUND - Form N-Q

ALLIANCE NATIONAL MUNICIPAL INCOME FUND

Form N-Q

March 29, 2006

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

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED  
MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number: 811-10573

ALLIANCE NATIONAL MUNICIPAL INCOME FUND,  
INC.  
(Exact name of registrant as specified in charter)

1345 Avenue of the Americas, New York, New York 10105  
(Address of principal executive offices) (Zip code)

Mark R. Manley  
Alliance Capital Management L.P.  
1345 Avenue of the Americas  
New York, New York 10105  
(Name and address of agent for service)

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

Date of fiscal year end: October 31, 2006

Date of reporting period: January 31, 2006

ITEM 1. SCHEDULE OF INVESTMENTS.

ALLIANCE NATIONAL MUNICIPAL INCOME FUND  
PORTFOLIO OF INVESTMENTS  
January 31, 2006 (unaudited)

|   | Principal<br>Amount<br>(000) | Value        |
|---|------------------------------|--------------|
|   | -----                        | -----        |
| MUNICIPAL BONDS-160.0%  |                              |              |
| Long-Term Municipal Bonds-159.7%  |                              |              |
| Alabama-7.5%  |                              |              |
| Huntsville Hlth Care Auth<br>(Huntsville Hosp Sys) Ser 02B<br>5.75%, 6/01/32      | \$6,000                      | \$ 6,402,660 |
| Jefferson Cnty<br>Ltd Oblig Sch Warrants Ser 04A<br>5.25%, 1/01/23                | 1,275                        | 1,344,080    |
| Jefferson Cnty Swr Rev<br>FGIC Ser 99A<br>5.375%, 2/01/36                         | 7,405                        | 7,893,730    |
| Marshall Cnty Hlth Care Auth<br>(Marshall Cnty Med Ctr) Ser 02A<br>5.75%, 1/01/32 | 2,500                        | 2,608,300    |

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|                                       |  |       |            |
|---------------------------------------|--|-------|------------|
| (Marshall Cnty Med Ctr) Ser 02D       |  |       |            |
| 5.75%, 1/01/32                        |  | 3,000 | 3,131,760  |
| Montgomery Spl Care Facs Fin Auth Rev |  |       |            |
| (Baptist Health) Ser 04C              |  |       |            |
| 5.125%, 11/15/24                      |  | 1,500 | 1,534,500  |
| 5.25%, 11/15/29                       |  | 810   | 895,058    |
|                                       |  |       | -----      |
|                                       |  |       | 23,810,088 |
|                                       |  |       | -----      |
| Alaska-1.8%                           |  |       |            |
| Alaska Intl Arpt Rev                  |  |       |            |
| MBIA Ser 03B                          |  |       |            |
| 5.00%, 10/01/26                       |  | 1,000 | 1,035,320  |
| Alaska Mun Bd Bk Auth                 |  |       |            |
| MBIA Ser 04G                          |  |       |            |
| 5.00%, 2/15/24                        |  | 1,345 | 1,404,651  |
| Anchorage Waste Wtr Rev               |  |       |            |
| MBIA Ser 04                           |  |       |            |
| 5.125%, 5/01/29                       |  | 750   | 786,675    |
| Four Dam Pool Elec Rev                |  |       |            |
| Ser 04                                |  |       |            |
| 5.00%, 7/01/24                        |  | 1,035 | 1,062,841  |
| 5.25%, 7/01/26                        |  | 1,385 | 1,430,553  |
|                                       |  |       | -----      |
|                                       |  |       | 5,720,040  |
|                                       |  |       | -----      |
| Arkansas-1.4%                         |  |       |            |
| Arkansas Dev Fin Auth SFMR            |  |       |            |
| (Mtg Rev) GNMA Ser 02A                |  |       |            |
| 5.30%, 7/01/34                        |  | 4,430 | 4,513,195  |
|                                       |  |       | -----      |
| California-8.3%                       |  |       |            |
| California GO                         |  |       |            |
| Ser 02                                |  |       |            |
| 5.25%, 4/01/30                        |  | 1,000 | 1,050,880  |
| Ser 04                                |  |       |            |
| 5.25%, 4/01/29                        |  | 2,000 | 2,118,200  |
| Chula Vista IDR                       |  |       |            |
| (San Diego Gas) Ser 96A               |  |       |            |
| 5.30%, 7/01/21                        |  | 4,000 | 4,249,320  |
| Coachella Valley Uni Sch Dist         |  |       |            |
| MBIA Ser 03                           |  |       |            |
| 5.00%, 9/01/31                        |  | 1,000 | 1,037,620  |
| Hartnell Comm College                 |  |       |            |
| MBIA Ser 03A                          |  |       |            |
| 5.00%, 8/01/27                        |  | 1,155 | 1,258,800  |
|                                       |  |       |            |
| La Quinta Fin Auth Loc Agy Rev        |  |       |            |
| AMBAC Ser 04A                         |  |       |            |
| 5.25%, 9/01/24                        |  | 2,000 | 2,151,380  |
| Los Angeles Cmnty Redev Agy           |  |       |            |
| Ser 04L                               |  |       |            |
| 5.00%, 3/01/18                        |  | 1,715 | 1,731,207  |
| Los Angeles Regl Arpts                |  |       |            |
| (Laxfuel Corp) AMBAC Ser 01 AMT       |  |       |            |
| 5.50%, 1/01/32                        |  | 9,500 | 9,952,770  |
| San Rafael Elem Sch Dist              |  |       |            |
| FSA Ser 03A                           |  |       |            |
| 5.00%, 8/01/28                        |  | 2,820 | 2,913,060  |
|                                       |  |       | -----      |

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|  |       |            |
|--|-------|------------|
|  |       | 26,463,237 |
|  |       | -----      |
| Colorado-4.5%                            |       |            |
| Avon Hsg Auth MFHR                       |       |            |
| (Buffalo Ridge II Proj) GNMA Ser 02A AMT |       |            |
| 5.70%, 10/20/43                          | 4,950 | 5,116,617  |
| Colorado Ed & Cultural Facs Auth Rev     |       |            |
| (Knowledge Quest Charter Sch) Ser 05     |       |            |
| 6.50%, 5/01/36                           | 500   | 504,830    |
| Colorado Hlth Facs Auth Rev              |       |            |
| (Parkview Med Ctr) Ser 04                |       |            |
| 5.00%, 9/01/25                           | 1,800 | 1,823,724  |
| Denver City & Cnty MFHR                  |       |            |
| (Clyburn Stapleton Proj) GNMA Ser 02 AMT |       |            |
| 5.50%, 12/20/43                          | 2,155 | 2,195,449  |
| Northwest Metro Dist No 3                |       |            |
| (Ltd Tax) Ser 05                         |       |            |
| 6.125%, 12/01/25                         | 500   | 504,030    |
| Park Creek Metro Dist Rev                |       |            |
| (Ref-Sr-Ltd Tax Ppty Tax) Ser 05         |       |            |
| 5.25%, 12/01/25                          | 1,840 | 1,892,569  |
| 5.50%, 12/01/30                          | 890   | 921,435    |
| Todd Creek Farms Metro Dist No 1 Wtr Rev |       |            |
| (Ref & Impt) Ser 04                      |       |            |
| 6.125%, 12/01/19                         | 780   | 776,888    |
| Wheatlands Metro Dist No 002 GO          |       |            |
| (Ltd Tax) Ser 05                         |       |            |
| 6.00%, 12/01/25                          | 500   | 502,020    |
|  |       | -----      |
|  |       | 14,237,562 |
|  |       | -----      |
| District of Columbia-1.2%                |       |            |
| District of Columbia Spl Tax Rev         |       |            |
| (Gallery Place Proj) Ser 02 FSA          |       |            |
| 5.40%, 7/01/31                           | 3,500 | 3,707,550  |
|  |       | -----      |
| Florida-23.6%                            |       |            |
| Beacon Tradeport CDD                     |       |            |
| Ser 02B                                  |       |            |
| 7.25%, 5/01/33                           | 5,550 | 5,934,504  |
| Brevard Cnty HFA SFMR                    |       |            |
| (Mtg Rev) GNMA Ser 02C AMT               |       |            |
| 5.40%, 3/01/33                           | 1,385 | 1,403,019  |
| Collier Cnty CFD                         |       |            |
| (Fiddler's Creek) Ser 02A                |       |            |
| 6.875%, 5/01/33                          | 2,985 | 3,140,101  |
| (Fiddler's Creek) Ser 02B                |       |            |
| 6.625%, 5/01/33                          | 2,245 | 2,332,218  |
| Dade Cnty Arpt Rev                       |       |            |
| (Miami Int'l Arpt) FGIC Ser 02 AMT       |       |            |
| 5.375%, 10/01/32                         | 6,040 | 6,316,149  |
| Florida Ed & Athletic Fac                |       |            |
| (FSU Finl Assist) AMBAC Ser 02           |       |            |
| 5.00%, 10/01/31                          | 5,000 | 5,180,050  |
| Florida Hsg Fin Corp MFHR                |       |            |
| (Westminster Apts) FSA Ser 02E-1 AMT     |       |            |
| 5.40%, 4/01/42                           | 3,000 | 3,072,330  |
|  |       |            |
| Hamal CDD                                |       |            |
| (Hamal) Ser 01                           |       |            |

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|--|--------|------------|
| 6.75%, 5/01/31<br>Jacksonville Wtr & Swr Sys Rev<br>(Jacksonville Elec) MBIA Ser 02A | 2,460  | 2,594,439  |
| 5.50%, 10/01/41 (a) (b)<br>Lee Cnty Arpt Rev<br>(Southwest FL Intl) FSA Ser 00A AMT  | 20,000 | 20,454,800 |
| 5.75%, 10/01/22-10/01/25<br>Lee Cnty CDD<br>(Miromar Lakes) Ser 00A                  | 9,500  | 10,243,610 |
| 7.25%, 5/01/12<br>Lee Cnty IDA Hlth Fac<br>(Shell Point Village) Ser 99A             | 1,495  | 1,578,436  |
| 5.50%, 11/15/29<br>Lee Cnty Transn Fac<br>(Sanibel Brdgs & Causway) CIFG Ser 05B     | 2,500  | 2,525,600  |
| 5.00%, 10/01/30<br>Miami Beach Hlth Facs Hosp Rev<br>(Mount Sinai Med Ctr) Ser 04    | 1,700  | 1,776,755  |
| 6.75%, 11/15/24<br>Midtown Miami CDD<br>Ser 04A                                      | 2,000  | 2,236,620  |
| 6.00%, 5/01/24<br>Orange Cnty Hlth Facs Hosp Rev<br>(Orlando Regional) Ser 02        | 2,500  | 2,604,075  |
| 5.75%, 12/01/32<br>Pinellas Cnty HFA SFMR<br>(Mtg Rev) GNMA/FNMA Ser 02A AMT         | 1,400  | 1,571,682  |
| 5.40%, 3/01/32<br>Village CDD<br>Ser 03A   | 895    | 908,845    |
| 6.00%, 5/01/22   | 906    | 945,565    |
|  |        | -----      |
|  |        | 74,818,798 |
|  |        | -----      |
| Georgia-2.3%<br>Cartersville Dev Auth<br>(Anheuser Busch Proj) Ser 02 AMT            |        |            |
| 5.95%, 2/01/32<br>Georgia HFA SFMR<br>(Mtg Rev) Ser 02A-2 AMT                        | 2,510  | 2,681,709  |
| 5.60%, 12/01/32  | 4,620  | 4,670,358  |
|  |        | -----      |
|  |        | 7,352,067  |
|  |        | -----      |
| Hawaii-0.7%<br>Hawaii St Elec Rev<br>XLCA Ser 03B AMT                                |        |            |
| 5.00%, 12/01/22  | 2,000  | 2,064,220  |
|  |        | -----      |
| Illinois-19.8%<br>Bolingbrook GO<br>FGIC Ser 02A                                     |        |            |
| 5.375%, 1/01/38<br>Chicago Arpt Rev<br>(O'Hare Int'l Arpt) MBIA Ser 02A AMT          | 5,000  | 5,261,750  |
| 5.375%, 1/01/32<br>(O'Hare Int'l Arpt) XLCA Ser 03B-1                                | 15,000 | 15,563,700 |
| 5.25%, 1/01/34<br>Chicago GO<br>FGIC Ser 00C Prerefunded 7/01/10@101                 | 1,760  | 1,843,389  |
| 5.50%, 1/01/40<br>FGIC Ser 00C Unrefunded  | 9,135  | 9,981,266  |

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|   |        |            |
|---|--------|------------|
| 5.50%, 1/01/40<br>Chicago Parking Rev<br>(Lakefront Millennium) MBIA Ser 98   | 5,450  | 5,811,771  |
| 5.125%, 1/01/28<br>Chicago Sales Tax Rev<br>FGIC Ser 98   | 8,600  | 8,895,410  |
| 5.25%, 1/01/28<br>Cook Cnty Sch Dist<br>FSA Ser 04  | 5,710  | 5,951,876  |
| 4.60%, 12/01/20 (c)<br>Gilberts Special Service Area No 15 Spl Tax  | 1,000  | 952,250    |
|   |        |            |
| (Gilberts Town Ctr Proj) Ser 05<br>6.00%, 3/01/28<br>Manhattan  | 2,766  | 2,776,704  |
| No 04-1 (Brookstone Springs Proj) Ser 05<br>5.875%, 3/01/28<br>Met Pier & Expo Auth<br>(McCormick Place) MBIA Ser 02A | 1,875  | 1,838,363  |
| 5.25%, 6/15/42  | 3,750  | 3,938,887  |
|   |        | -----      |
|   |        | 62,815,366 |
|   |        | -----      |
| Indiana-5.2%<br>Hendricks Cnty Ind Bldg Facs Corp<br>(First Mtg) Ser 04   |        |            |
| 5.50%, 7/15/22  | 1,105  | 1,214,218  |
| Indiana HFA SFMR<br>(Mtg Rev) GNMA/FNMA Ser 02 AMT  |        |            |
| 5.55%, 7/01/32  | 2,250  | 2,299,860  |
| Indiana St Dev Fin Auth Rev<br>(Exempt Facs Inland Steel) Ser 97  |        |            |
| 5.75%, 10/01/11   | 2,060  | 2,116,753  |
| Indianapolis Pub Improv Bd<br>MBIA Ser 02A  |        |            |
| 5.25%, 7/01/33  | 10,000 | 10,930,800 |
|   |        | -----      |
|   |        | 16,561,631 |
|   |        | -----      |
| Iowa-0.2%<br>Iowa Fin Auth SFMR<br>(Mtg Rev) GNMA/FNMA Ser 02A AMT  |        |            |
| 5.40%, 7/01/32  | 595    | 603,038    |
|   |        | -----      |
| Louisiana-1.6%<br>Calcasieu Parish SFMR<br>(Mtg Rev) GNMA/FNMA Ser 02A  |        |            |
| 6.05%, 4/01/33  | 410    | 429,635    |
| Louisiana HFA SFMR<br>(Mtg Rev) GNMA Ser 02C AMT  |        |            |
| 5.60%, 6/01/33  | 1,870  | 1,900,631  |
| New Orleans<br>MBIA Ser 05  |        |            |
| 5.00%, 12/01/29   | 2,700  | 2,793,096  |
|   |        | -----      |
|   |        | 5,123,362  |
|   |        | -----      |
| Massachusetts-3.1%<br>Massachusetts GO<br>Ser 02C   |        |            |

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|  |        |            |
|--|--------|------------|
| 5.25%, 11/01/30  | 1,780  | 1,937,708  |
| Ser 02C Prerefunded  |        |            |
| 5.25%, 11/01/30  | 3,220  | 3,505,292  |
| Massachusetts Hlth & Ed Fac Hosp Rev<br>(Berkshire Hlth Sys) Asset Gty RADIANT Ser 01E |        |            |
| 5.70%, 10/01/25  | 2,000  | 2,177,040  |
| (Cape Cod Hlth Care) Asset Gty RADIANT Ser 01C   |        |            |
| 5.25%, 11/15/31  | 2,100  | 2,202,060  |
|  |        | -----      |
|  |        | 9,822,100  |
|  |        | -----      |
| Michigan-5.0%  |        |            |
| Detroit Dev Fin Auth<br>(Daimler/Chrysler Plant) Ser 98A                               |        |            |
| 5.50%, 5/01/21   | 1,630  | 1,535,754  |
| Kent Hosp Fin Auth<br>(Metro Hosp Proj) Series 05A                                     |        |            |
| 5.75%, 7/01/25   | 770    | 816,454    |
| Michigan State Hosp Fin Auth<br>(Marquette Gen Hosp Oblig Group) Ser 05A               |        |            |
| 5.00%, 5/15/26   | 1,215  | 1,223,882  |
|  |        |            |
| Michigan Strategic<br>(Detroit Edison Co Proj) XLCA Ser 02 AMT                         |        |            |
| 5.45%, 12/15/32  | 5,000  | 5,286,700  |
| Plymouth Ed Ctr Charter Sch Pub Sch Academy Rev Ref<br>Ser 05                          |        |            |
| 5.125%, 11/01/23   | 2,140  | 2,123,372  |
| Saginaw Hosp Fin Auth Hosp Rev<br>(Covenant Med Ctr) Ser 00F                           |        |            |
| 6.50%, 7/01/30   | 4,410  | 4,819,380  |
|  |        | -----      |
|  |        | 15,805,542 |
|  |        | -----      |
| Minnesota-0.2%   |        |            |
| St Paul Hsg & Redev Auth Hosp<br>(Hlth East Proj) Ser 05                               |        |            |
| 6.00%, 11/15/25  | 500    | 536,620    |
|  |        | -----      |
| Missouri-0.5%  |        |            |
| Missouri SFMR<br>(Mtg Rev) GNMA/FNMA Ser 02A-1 AMT                                     |        |            |
| 5.58%, 9/01/32   | 1,590  | 1,630,036  |
|  |        | -----      |
| Nevada-15.4%   |        |            |
| Carson City Hosp Rev<br>(Carson-Tahoe Hosp Proj) RADIANT Ser 03A                       |        |            |
| 5.00%, 9/01/23   | 2,600  | 2,664,142  |
| Clark Cnty Arpt Rev<br>FGIC Ser 01B  |        |            |
| 5.25%, 7/01/34   | 11,920 | 12,927,598 |
| Nevada Dept Bus & Ind<br>(Las Vegas Monorail Proj) AMBAC Ser 00                        |        |            |
| 5.625%, 1/01/32  | 11,720 | 12,638,965 |
| Reno Cap Improvement Rev<br>(Unrefunded Balance) FGIC Ser 02                           |        |            |
| 5.375%, 6/01/32  | 2,790  | 2,994,116  |
| FGIC Ser 02  |        |            |
| 5.375%, 6/01/32  | 4,710  | 5,176,290  |
| Truckee Meadows Wtr Auth   |        |            |

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|   |                                       |  |
|---|---------------------------------------|--|
| FSA Ser 01A<br>5.25%, 7/01/34   | 12,000                                | 12,485,880<br>-----<br>48,886,991<br>-----                                       |
| New Hampshire-1.4%<br>New Hampshire Hlth & Ed Fac Hosp Rev<br>(Covenant Med Ctr) Ser 02<br>6.125%, 7/01/31  | 4,200                                 | 4,548,768<br>-----   |
| New Jersey-3.2%<br>Morris Union Jointure Commn COP<br>RADIAN Ser 04<br>5.00%, 5/01/24<br>New Jersey Eco Dev Auth Rev<br>(Cigarette Tax) Ser 04 FGIC<br>5.00%, 6/15/12<br>(Sch Facs Constr) Ser 050<br>5.25%, 3/01/25  | 5,185<br><br>4,000<br><br>500         | 5,382,911<br><br>4,252,720<br><br>531,505<br>-----<br>10,167,136<br>-----        |
| New York-2.1%<br>Erie Cnty IDA<br>(City of Buffalo Proj) FSA Ser 04<br>5.75%, 5/01/23<br>New York City GO<br>Ser 04G<br>5.00%, 12/01/23<br>New York State HFA<br>(Eco Dev & Hsg) Ser 05A<br>5.00%, 9/15/25  | 4,100<br><br><br><br>1,600<br><br>300 | 4,630,130<br><br><br><br>1,668,320<br><br>315,456<br>-----<br>6,613,906<br>----- |
| North Carolina-0.6%<br>Charlotte Arpt Rev<br>MBIA Ser 04A<br>5.25%, 7/01/24   | 1,895                                 | 2,031,914<br>-----   |
| North Dakota-0.6%<br>North Dakota HFA SFMR<br>(Mtg Rev) Ser 02A AMT<br>5.65%, 1/01/34   | 1,705                                 | 1,743,533<br>-----   |
| Ohio-3.4%<br>Cleveland-Cuyahoga Cnty<br>(Port Auth Rev) Ser 01<br>7.35%, 12/01/31<br>Fairfield Cnty Hosp Rev<br>(Fairfield Med Ctr Proj) RADIAN Ser 03<br>5.00%, 6/15/22-6/15/24<br>Port Auth of Columbiana Cnty SWR<br>(Apex Environmental Llc) Ser 04A AMT<br>7.125%, 8/01/25 | 5,000<br><br>3,955<br><br>1,340       | 5,256,900<br><br>4,062,801<br><br>1,346,472<br>-----<br>10,666,173<br>-----      |
| Oregon-1.1%   |                                       |  |

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|  |        |            |
|--|--------|------------|
| Forest Grove Rev<br>(Ref & Campus Impt Pacific Proj) RADIAN Ser 05A<br>5.00%, 5/01/28                  | 3,340  | 3,429,312  |
|  |        | -----      |
| Pennsylvania-3.6%  |        |            |
| Montgomery Cnty IDA Rev<br>(Whitemarsh Con Care Proj) Ser 05<br>6.00%, 2/01/21                         | 875    | 921,944    |
| Pennsylvania Parking Fac<br>(30th St Station Garage Proj) ACA Ser 02A AMT<br>5.875%, 6/01/33           | 2,050  | 2,156,538  |
| Pennsylvania Trpk Transp Rev<br>AMBAC Ser 01<br>5.00%, 7/15/41   | 2,000  | 2,158,000  |
| Philadelphia Auth IDR<br>(Leadership Learning Partners) Ser 05A<br>5.25%, 7/01/24                      | 1,150  | 1,120,549  |
| Philadelphia Hosp Rev<br>(Temple Univ Hosp) Ser 93A<br>6.625%, 11/15/23                                | 3,000  | 3,029,370  |
| Pittsburgh Pub Parking Auth<br>FGIC, Ser 05A<br>5.00%, 12/01/25  | 2,000  | 2,081,820  |
|  |        | -----      |
|  |        | 11,468,221 |
|  |        | -----      |
| Rhode Island-1.3%  |        |            |
| Rhode Island Hlth & Ed Bldg Corp<br>(Times2 Academy) Ser 04<br>5.00%, 12/15/24                         | 4,100  | 4,167,281  |
|  |        | -----      |
| South Carolina-1.4%  |        |            |
| Newberry Investing In Childrens Ed<br>(Newberry Cnty Sch Dist Proj) Ser 05<br>5.00%, 12/01/27-12/01/30 | 4,275  | 4,397,113  |
|  |        | -----      |
| Tennessee-0.5%   |        |            |
| Johnson City Hlth & Ed Fac Hosp Rev<br>(First Mtg-MTN Sts Hlth) Ser 06A<br>5.50%, 7/01/31 (d)          | 1,500  | 1,557,750  |
|  |        | -----      |
| Texas-22.8%  |        |            |
| Bexar Cnty Hsg Fin Corp MFHR<br>(Doral Club & Sutton House Apts) MBIA Ser 01A<br>5.55%, 10/01/36       | 14,995 | 15,600,498 |
| Brownwood ISD<br>(Sch Bldg) FGIC Ser 05<br>5.25%, 2/15/22-2/15/24                                      | 3,510  | 3,789,553  |
| Dallas-Fort Worth Arpt Rev<br>(Int'l Arpt) FGIC Ser 01 AMT<br>5.50%, 11/01/35                          | 6,500  | 6,788,535  |
| Garza Cnty Pub Fac Corp<br>Ser 05<br>5.50%, 10/01/19   | 610    | 633,979    |
| Gulf Coast Waste Disp Auth<br>(Anheuser-Busch Proj) Ser 02 AMT<br>5.90%, 4/01/36                       | 9,000  | 9,605,970  |
| Harris Cnty<br>(Flood Ctl) Ser 03B   |        |            |



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|   |                |                              |
|---|----------------|------------------------------|
| 5.00%, 10/01/23<br>Harris Cnty Toll Road Rev<br>FSA Ser 02                                      | 2,600          | 2,712,398                    |
| 5.125%, 8/15/32<br>Hidalgo Cnty Hlth Svcs<br>(Mission Hosp Inc Proj) Ser 05                     | 2,500          | 2,597,600                    |
| 5.00%, 8/15/14-8/15/19<br>Houston<br>(Northeast Wtr Purification Proj) FGIC Ser 02              | 765            | 778,707                      |
| 5.125%, 3/01/32<br>Lewisville Combination Contract<br>(Spl Assmt Cap Impt Dist No 2) ACA Ser 05 | 7,000          | 7,222,600                    |
| 6.00%, 10/01/25<br>Matagorda Cnty Util Rev<br>(Centerpoint Energy Proj) Ser 04                  | 550            | 600,061                      |
| 5.60%, 3/01/27<br>Richardson Hosp Auth Rev<br>(Richardson Regional) Ser 04                      | 1,000          | 1,037,850                    |
| 5.875%, 12/01/24<br>6.00%, 12/01/19<br>San Antonio Arpt Rev<br>FGIC Ser 02A AMT                 | 2,310<br>1,830 | 2,442,478<br>1,992,925       |
| 5.25%, 7/01/27<br>Seguin High Ed Fac Rev<br>(Texas Lutheran University Proj) Ser 04             | 5,250          | 5,425,612                    |
| 5.25%, 9/01/33<br>Texas GO<br>Ser 02A AMT   | 1,250          | 1,259,388                    |
| 5.50%, 8/01/41  | 9,470          | 9,998,142                    |
|   |                | -----<br>72,486,296<br>----- |
| Utah-0.8%<br>Davis Cnty Sales Tax Rev<br>AMBAC Ser 03B  |                |                              |
| 5.25%, 10/01/23<br>Utah Hsg Corp MFHR<br>(Bluffs Apts Proj) GNMA Ser 02A AMT                    | 1,000          | 1,068,300                    |
| 5.60%, 7/20/30  | 1,480          | 1,551,040                    |
|   |                | -----<br>2,619,340<br>-----  |
| Virginia-3.2%<br>Fauquier Cnty IDA Hosp Rev<br>(Fauquier Hospital) Asset Gty Ser 02             |                |                              |
| 5.25%, 10/01/31<br>Pocahontas Pkwy Assoc Toll Rd Rev<br>(Cap Appreciation) Sr Ser 98B           | 8,500          | 8,847,310                    |
| Zero coupon, 8/15/15  | 2,250          | 1,347,773                    |
|   |                | -----<br>10,195,083<br>----- |
| Washington-4.2%<br>King Cnty Swr Rev<br>FSA Ser 02A   |                |                              |
| 5.25%, 1/01/32<br>Twenty-Fifth Ave Pptys<br>(University of WA) MBIA Ser 02                      | 3,000          | 3,123,420                    |
| 5.25%, 6/01/33  | 9,750          | 10,169,932                   |

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|  |        |                              |
|--|--------|------------------------------|
|  |        | -----<br>13,293,352<br>----- |
| Wisconsin-7.2%   |        |                              |
| Wisconsin Hlth & Ed Fac Auth Rev<br>(Bell Tower Residence Proj) Ser 05<br>5.00%, 7/01/20-7/01/25   | 1,485  | 1,510,840                    |
| Wisconsin Hlth & Ed Fac Hosp Rev<br>(Ministry Hlth Care) MBIA Ser 02A<br>5.25%, 2/15/32            | 13,615 | 14,241,290                   |
| Wisconsin Hsg Auth SFMR<br>(Mtg Rev) MBIA Ser 02A AMT<br>5.60%, 5/01/33                            | 4,885  | 5,112,104                    |
| (Mtg Rev) Ser 02A AMT<br>5.50%, 9/01/32  | 2,090  | 2,123,628                    |
|  |        | -----<br>22,987,862<br>----- |
| Total Long-Term Municipal Bonds<br>(cost \$481,261,833)  |        | 506,844,483<br>-----         |
| Short-Term Municipal Note (e)-0.3%   |        |                              |
| Massachusetts-0.3%   |        |                              |
| Massachusetts GO<br>(Central Artery/Ted Williams) Ser 00A<br>3.08%, 12/01/30<br>(cost \$1,000,000) | 1,000  | 1,000,000<br>-----           |
| Total Investments-160.0%   |        |                              |
| (cost \$482,261,833)   |        | 507,844,483                  |
| Other assets less liabilities-1.4%   |        | 4,601,155                    |
| Preferred Stock at redemption value-(61.4%)  |        | (195,000,000)<br>-----       |
| Net Assets Applicable to Common<br>Shareholders - 100%(f)  |        | \$ 317,445,638<br>-----      |

INTEREST RATE SWAP TRANSACTIONS

| Swap Counterparty | Notional Amount (000) | Termination Date | Rate Type                      |                                    | Unrealized Appreciation/ (Depreciation) |
|-------------------|-----------------------|------------------|--------------------------------|------------------------------------|---|
|                   |                       |                  | Payments made by the Portfolio | Payments received by the Portfolio |   |
| Goldman Sachs     | \$26,700              | 2/03/06          | 76.48% of<br>1 Month LIBOR**   | BMA*                               | \$ (8,836)                              |
| Merrill Lynch     | 26,700                | 2/03/06          | BMA*                           | 85.10% of<br>1 Month LIBOR**       | 17,794                                  |
| Merrill Lynch     | 9,000                 | 11/01/19         | 3.896%                         | BMA*                               | (5,769)                                 |
| Merrill Lynch+    | 3,000                 | 7/30/26          | 4.090%                         | BMA*                               | (7,446)                                 |

\* BMA (Bond Market Association)

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\*\* LIBOR (London Interbank Offered Rate)

+ Represents a forward interest rate swap whose effective date for the exchange of cash flows is July 30, 2006.

### FINANCIAL FUTURES CONTRACTS SOLD

| Type                        | Number of<br>Contracts | Expiration<br>Month | Original<br>Value | Value at<br>January 31,<br>2006 | Unrealized<br>Appreciation |
|-----------------------------|------------------------|---------------------|-------------------|---------------------------------|----------------------------|
| U.S. T-Note<br>10 Yr Future | 112                    | March<br>2006       | \$12,177,830      | \$12,145,000                    | \$32,830                   |

- (a) Positions, or portions thereof, with a market value of \$705,691 have been segregated to collateralize margin requirements for open futures contracts.
- (b) Represents entire or partial position as collateral for interest rate swaps.
- (c) Indicates a security that has a zero coupon that remains in effect until a predetermined date at which time the stated coupon rate becomes effective until final maturity.
- (d) When Issued security.
- (e) Variable Rate Demand Notes (VRDN) are instruments whose interest rates change on a specific date (such as coupon date or interest payment date) or whose interest rates vary with changes in a designated base rate (such as the prime interest rate). This instrument is payable on demand and is secured by letters of credit or other credit support agreements from major banks.
- (f) Portfolio percentages are calculated based on net assets applicable to common shareholders.

### Glossary of Terms:

|        |   |
|--------|---|
| ACA    | -American Capital Access Financial Guaranty Corporation |
| AMBAC  | -American Municipal Bond Assurance Corporation          |
| AMT    | -Alternative Minimum Tax- (subject to)                  |
| CDD    | -Community Development District                         |
| CFD    | -Communities Facilities District                        |
| CIFG   | -CIFG Assurance North America, Inc.                     |
| COP    | -Certificate of Participation                           |
| FGIC   | -Financial Guaranty Insurance Company                   |
| FNMA   | -Federal National Mortgage Association                  |
| FSA    | -Financial Security Assurance, Inc.                     |
| GNMA   | -Government National Mortgage Association               |
| GO     | -General Obligation                                     |
| HFA    | -Housing Finance Authority                              |
| IDA    | -Industrial Development Authority                       |
| IDR    | -Industrial Development Revenue                         |
| ISD    | -Independent School District                            |
| MBIA   | -Municipal Bond Investors Assurance                     |
| MFHR   | -Multi-Family Housing Revenue                           |
| RADIAN | -Radian Group, Inc.                                     |
| SFMR   | -Single Family Mortgage Revenue                         |
| SWR    | -Solid Waste Revenue                                    |
| XLCA   | -XL Capital Assurance                                   |

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ITEM 2. CONTROLS AND PROCEDURES.

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

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

ITEM 3. EXHIBITS.

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

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

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

(Registrant): Alliance National Municipal Income Fund, Inc.

By: /s/ Marc O. Mayer

-----  
Marc O. Mayer  
President

Date: March 23, 2006

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

By: /s/ Marc O. Mayer

-----  
Marc O. Mayer  
President

Date: March 23, 2006

By: /s/ Mark D. Gersten

-----  
Mark D. Gersten

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Treasurer and Chief Financial Officer

Date: March 23, 2006