

BLACKROCK INCOME TRUST INC.
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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 811-05542

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

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

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Date of fiscal year end: 08/31/2014

Date of reporting period: 08/31/2014

Item 1 – Report to Stockholders

AUGUST 31, 2014

ANNUAL REPORT

BlackRock Core Bond Trust (BHK)

BlackRock Corporate High Yield Fund, Inc. (HYT)

BlackRock Income Opportunity Trust, Inc. (BNA)

BlackRock Income Trust, Inc. (BKT)

Not FDIC Insured May Lose Value No Bank Guarantee

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Shareholder Letter

Dear Shareholder,

The latter part of 2013 was a strong period for most risk assets such as equities and high yield bonds, despite the mixed tone of economic and financial news and uncertainty as to when and by how much the U.S. Federal Reserve would begin to gradually reduce (or taper) its asset purchase programs. Stock markets rallied in September when the Fed defied investors' expectations with its decision to delay tapering. The momentum was disrupted temporarily, however, when the U.S. debt ceiling debate led to a partial government shutdown, roiling financial markets globally until a compromise was struck in mid-October. The remainder of 2013 was generally positive for developed market stocks, while fixed income and emerging market investments struggled as Fed tapering became increasingly imminent. When the central bank ultimately announced its tapering plans in mid-December, equity investors reacted positively, as this action signaled the Fed's perception of real improvement in the economy.

Most asset classes moved higher in 2014 despite the pull back in Fed stimulus. The year got off to a rocky start, however, as a number of developing economies showed signs of stress while facing the onset of diminishing global liquidity. These risks, combined with disappointing U.S. economic data, caused equities to decline in January while bond markets found renewed strength from investors seeking relatively safer assets. Although these headwinds persisted, equities were back on the rise in February as investors were relieved by a one-year extension of the U.S. debt ceiling and market-friendly comments from the Fed's new Chairwoman, Janet Yellen. While it was clear that U.S. economic data had softened, investors were assuaged by increasing evidence that the trend was temporary and weather-related, and continued to take on risk with the expectation that growth would pick up later in the year.

In the months that followed, interest rates trended lower and bond prices climbed higher in the modest growth environment. Financial markets exhibited a remarkably low level of volatility despite rising geopolitical risks and mixed global economic news. Tensions in Russia and Ukraine and signs of decelerating growth in China caused some turbulence, but markets were resilient as investors focused on signs of improvement in the U.S. recovery, stronger corporate earnings and increased merger-and-acquisition activity. Importantly, investors were comforted by reassurance from the Fed that no changes to short-term interest rates were on the horizon.

In the ongoing low-rate environment, investors looked to equities as a source of yield, pushing major indices to record levels. As stock prices continued to move higher, investors soon became wary of stretched valuations and a new theme emerged. Stocks that had experienced significant price appreciation in 2013, particularly growth and momentum names, broadly declined as investors fled to stocks with cheaper valuations. This rotation resulted in the strongest performers of 2013 struggling most in 2014, and vice versa. Especially hard hit were U.S. small cap and European stocks, where earnings growth had not kept pace with recent market gains. In contrast, emerging market stocks benefited from the trend after having suffered heavy selling pressure earlier in the year.

However, asset prices tend to be more vulnerable to bad news when investors believe valuations are high. Consequently, markets came under pressure in July as geopolitical turmoil intensified in Gaza, Iraq and Ukraine and financial troubles boiled over in Argentina and Portugal. Investors regained confidence in August and, although volatility ticked up, markets rebounded as low rates and an improving U.S. economy trumped full valuations and lingering geopolitical risks. Concurrently, a slowdown in Europe's recovery fueled hopes for further monetary accommodation from the European Central Bank, driving global equities higher. Additionally, lower yields on European sovereign bonds made U.S. Treasuries more appealing by comparison, contributing to the persistence of low rates in the United States.

Despite a host of challenges, most asset classes generated solid returns for the six- and 12-month periods ended August 31, 2014, with equities generally outperforming fixed income. Emerging market equities delivered impressive gains. Developed markets also performed well, although the expensive U.S. small cap stocks lagged in 2014. Most fixed income assets produced positive results even as the Fed reduced its open-market purchases. Tax-exempt municipal bonds benefited from a favorable supply-and-demand environment. Short-term interest rates remained near zero, keeping yields on money market securities close to historic lows.

At BlackRock, we believe investors need to think globally, extend their scope across a broad array of asset classes and be prepared to move freely as market conditions change over time. We encourage you to talk with your financial advisor and visit **blackrock.com** for further insight about investing in today's world.

Sincerely,

Rob Kapito

President, BlackRock Advisors, LLC

Asset prices pushed higher over the period despite modest global growth, geopolitical risks and a shift toward tighter U.S. monetary policy.

Rob Kapito

President, BlackRock Advisors, LLC

Total Returns as of August 31, 2014

	6-month	12-month
U.S. large cap equities (S&P 500® Index)	8.84 %	25.25 %
U.S. small cap equities (Russell 2000® Index)	(0.06)	17.68
International equities (MSCI Europe, Australasia, Far East Index)	1.24	16.44
Emerging market equities (MSCI Emerging Markets Index)	14.52	19.98
3-month Treasury bills (BofA Merrill Lynch 3-Month U.S. Treasury Bill Index)	0.02	0.05
U.S. Treasury securities (BofA Merrill Lynch 10-Year U.S. Treasury Index)	4.35	7.07
U.S. investment grade bonds (Barclays U.S. Aggregate Bond Index)	2.74	5.66
Tax-exempt municipal bonds (S&P Municipal Bond Index)	4.21	10.55
U.S. high yield bonds (Barclays U.S. Corporate High Yield 2% Issuer Capped Index)	2.89	10.57

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

Trust Summary as of August 31, 2014
Trust Overview

BlackRock Core Bond Trust

BlackRock Core Bond Trust s (BHK) (the Trust) investment objective is to provide current income and capital appreciation. The Trust seeks to achieve its investment objective by investing at least 75% of its assets in bonds that are investment grade quality at the time of investment. The Trust s investments will include a broad range of bonds, including corporate bonds, US government and agency securities and mortgage-related securities. The Trust may invest directly in such securities or synthetically through the use of derivatives.

On June 6, 2014, the Boards of the Trust, BlackRock Income Opportunity Trust, Inc. (BNA) and BlackRock Income Trust, Inc. (BKT) approved the reorganizations of BKT and BNA with and into the Trust, with the Trust continuing as the surviving fund after the reorganizations. At a special meeting of shareholders on September 30, 2014, the shareholders of the Trust and BNA approved the reorganization of BNA with and into the Trust, which is expected to be completed in late 2014. The reorganization of BKT with and into the Trust was not approved by BKT shareholders. Consequently, the reorganization of BKT with and into the Trust will not be completed.

No assurance can be given that the Trust s investment objective will be achieved.

Portfolio Management Commentary

How did the Trust perform?

For the 12-month period ended August 31, 2014, the Trust returned 16.78% based on market price and 16.09% based on NAV. For the same period, the closed-end Lipper Corporate BBB-Rated Debt Funds (Leveraged) category posted an average return of 13.73% based on market price and 11.63% based on NAV. 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. The following discussion relates to performance based on NAV.

What factors influenced performance?

In a generally positive environment for fixed income markets, spread sectors, including investment grade credit and securitized debt, performed well given strong market fundamentals as well as net negative supply, particularly in corporate credit securities. The largest contributors to the Trust s performance were positions in corporate credit, specifically high yield, as well as capital securities and investment grade industrials. The Trust also benefited from exposure to US Treasuries and commercial mortgage-backed securities (CMBS), non-US dollar positions, sovereign-related debt and agency mortgage-backed securities (MBS) 30-year pass-throughs. Based on the view that short-term rates would remain low, the Trust maintained a high level of leverage to augment income generation throughout the period.

Describe recent portfolio activity.

The Trust s allocations remained consistent throughout the 12-month period, with its largest position in investment grade corporate credit, followed by allocations to high yield corporate credit and securitized credits, including CMBS and asset-backed securities (ABS).

Describe portfolio positioning at period end.

At period end, the Trust maintained diversified exposure to non-government spread sectors including investment grade credit, high yield credit, CMBS, ABS and non-agency residential MBS. The Trust also held exposure to government-related sectors including US Treasury securities, agency debt and agency MBS. The Trust ended the period with a long duration profile.

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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BlackRock Core Bond Trust

Trust Information

Symbol on New York Stock Exchange (NYSE)	BHK
Initial Offering Date	November 27, 2001
Current Distribution Rate on Closing Market Price as of August 31, 2014 (\$13.64) ¹	6.64%
Current Monthly Distribution per Common Share ²	\$0.0755
Current Annualized Distribution per Common Share ²	\$0.9060
Economic Leverage as of August 31, 2014 ³	29%

¹ Current distribution rate on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. The current distribution rate may consist of income, net realized gains and/or a tax return of capital. Past performance does not guarantee future results.

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

Represents reverse repurchase agreements outstanding as a percentage of total managed assets, which is the total assets of the Trust (including any assets attributable to borrowings) minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 12.

Market Price and Net Asset Value Per Share Summary

	8/31/14	8/31/13	Change	High	Low
Market Price	\$13.64	\$12.50	9.12%	\$14.00	\$12.27
Net Asset Value	\$15.24	\$14.05	8.47%	\$15.24	\$13.82

Market Price and Net Asset Value History For the Past Five Years

Overview of the Trust's Long-Term Investments

Portfolio Composition	8/31/14	8/31/13
Corporate Bonds	56%	58%
Non-Agency Mortgage-Backed Securities	10	11
U.S. Treasury Obligations	10	8
U.S. Government Sponsored Agency Securities	9	10
Preferred Securities	8	5
Asset-Backed Securities	4	5
Municipal Bonds	2	2
Foreign Agency Obligations	1	1

Credit Quality Allocation ⁴	8/31/14	8/31/13
AAA/Aaa ⁵	24%	14%
AA/Aa	7	15
A	18	21
BBB/Baa	28	23
BB/Ba	13	12
B	7	13

CCC/Caa	1	1
N/R	2	1

For financial reporting purposes, credit quality ratings shown above reflect the highest rating assigned by either Standard & Poor's (S&P) or Moody's Investors Service (Moody's) if ratings differ. These rating agencies are independent, nationally recognized statistical rating organizations and are widely used.

⁴ Investment grade ratings are credit ratings of BBB/Baa or higher. Below investment grade ratings are credit ratings of BB/Ba or lower. Investments designated N/R are not rated by either rating agency. Unrated investments do not necessarily indicate low credit quality. Credit quality ratings are subject to change.

⁵ The investment advisor evaluates the credit quality of not-rated investments based upon certain factors including, but not limited to, credit ratings for similar investments and financial analysis of sectors and individual investments. Using this approach, the investment advisor has deemed U.S. Government Sponsored Agency Securities and U.S. Treasury Obligations as AAA/Aaa.

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Trust Summary as of August 31, 2014
Trust Overview

BlackRock Corporate High Yield Fund, Inc.

BlackRock Corporate High Yield Fund, Inc. s (HYT) (the Trust) primary investment objective is to provide shareholders with current income. The Trust s secondary investment objective is to provide shareholders with capital appreciation. The Trust seeks to achieve its objectives by investing, under normal market conditions, at least 80% of its assets in domestic and foreign high yield securities, including high yield bonds (commonly referred to as junk bonds), corporate loans, convertible debt securities and preferred securities which are below investment grade quality. The Trust may invest directly in such securities or synthetically through the use of derivatives.

No assurance can be given that the Trust s investment objectives will be achieved.

Portfolio Management Commentary

How did the Trust perform?

For the 12-month period ended August 31, 2014, the Trust returned 15.58% based on market price and 16.21% based on NAV. For the same period, the closed-end Lipper High Yield Funds (Leveraged) category posted an average return of 15.47% based on market price and 14.60% based on NAV. 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. The following discussion relates to performance based on NAV.

What factors influenced performance?

The Trust benefited from its allocation to the equity of select high yield companies, which we prefer to higher beta CCC-rated bonds in this environment. In particular, equity positions in General Motors Co., Ally Financial, Inc., The Goodyear Tire & Rubber Co., American International Group, Inc. and American Capital Ltd. were notable contributors. Also adding to performance was issuer selection within high yield bonds and bank loans, with strong returns from Caesars Entertainment Resort Properties, LLC, TXU Corp., HD Supply, Inc. and Amaya Gaming. The Trust s limited exposure to bonds in the BB-rated quality range was a disadvantage as these bonds outperformed B-rated bonds, in which the Trust held a large allocation. The Trust s exposure to bank loans detracted from results as the asset class underperformed high yield bonds during the period.

Describe recent portfolio activity.

After five years of a favorable high yield market, pricing differentials between sectors have compressed. In this environment, the Trust s investment decisions were focused on bottom-up security selection over top-down sector allocation. The Trust held a broader than normal portfolio, allocated across roughly 500 issuers (versus the typical 250 to 300), although 25 names represented about one-third of portfolio exposure. The Trust maintained a low exposure to BB-rated bonds given their low coupons and greater sensitivity to rising interest rates, while maintaining non-benchmark exposure to bank loans and the equity of select high yield companies.

Describe portfolio positioning at period end.

At period end, the Trust held 75% of its total portfolio in corporate bonds, 12% in floating rate loan interests (bank loans) and 8% in common stocks, with the remainder invested in preferred stocks and other interests.

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BlackRock Corporate High Yield Fund, Inc.**Trust Information**

Symbol on NYSE	HYT
Initial Offering Date	May 30, 2003
Current Distribution Rate on Closing Market Price as of August 31, 2014 (\$12.07) ¹	7.51%
Current Monthly Distribution per Common Share ²	\$0.0755
Current Annualized Distribution per Common Share ²	\$0.9060
Economic Leverage as of August 31, 2014 ³	30%

¹ Current distribution rate on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. The current distribution rate may consist of income, net realized gains and/or a tax return of capital. Past performance does not guarantee future results.

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

Represents bank borrowings as a percentage of total managed assets, which is the total assets of the Trust (including any assets attributable to borrowings) minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 12.

Market Price and Net Asset Value Per Share Summary

	8/31/14	8/31/13	Change	High	Low
Market Price	\$12.07	\$11.37	6.16%	\$12.65	\$11.34
Net Asset Value	\$13.47	\$12.62	6.74%	\$13.55	\$12.62

Market Price and Net Asset Value History For the Past Five Years**Overview of the Trust's Long-Term Investments**

Portfolio Composition	8/31/14	8/31/13
Corporate Bonds	75%	76%
Floating Rate Loan Interests	12	14