

# SECURITIES AND EXCHANGE COMMISSION

## FORM N-30D

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#### **MORGAN STANLEY DEAN WITTER MUNICIPAL PREMIUM INCOME TRUST**

CIK: **842891** | IRS No.: **133498050** | State of Incorporation: **NY** | Fiscal Year End: **0531**  
Type: **N-30D** | Act: **40** | File No.: **811-05688** | Film No.: **99671083**

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*TWO WORLD TRADE CENTER  
NEW YORK NY 10048  
2123922550*

MORGAN STANLEY DEAN WITTER MUNICIPAL PREMIUM INCOME TRUST Two World Trade Center

LETTER TO THE SHAREHOLDERS May 31, 1999

New York, New York 10048

DEAR SHAREHOLDER:

We are pleased to present the annual report on the operations of Morgan Stanley Dean Witter Premium Municipal Income Trust (PIA) for the period ended May 31, 1999.

The financial markets have begun to recover from last year's global economic difficulties. The turmoil which included the Asian crisis, the Russian debt default and the near collapse of a major U.S. hedge fund has given way to more normal financial conditions. The major catalyst for this return to stability was the liquidity provided by the Federal Reserve Board's 75-basis-point reduction in the federal-funds rate during the fourth quarter of 1998.

These international economic problems precipitated a "flight to quality" rally in fixed-income securities and U.S. Treasury yields reached 30-year lows in October 1998. As the world markets recovered, foreign investors repatriated funds and Treasury yields began to rise. Interest rates also rose in response to the surprisingly robust domestic economic growth reported over the second half of 1998. The bond market became concerned that the central bank might become more restrictive by taking back some of the liquidity provided during the crisis. On June 30, 1999, the Federal Reserve Board raised the Federal Funds rate 25 basis points to 5.00 percent.

#### MUNICIPAL MARKET CONDITIONS

During 1998 municipal yields were less volatile than Treasury yields. This pattern of stability continued into 1999. Long-term insured municipal index yields stood at 5.30 percent at the end of May only 30 basis points higher than November 1998. In contrast, Treasury bond yields rose 80 basis points from 5.05 to 5.85 percent. During the past six months, the yield pickup for extending tax-exempt maturities from one to 30 years averaged 225 basis points.

The modest rally of municipals during 1998 created a more favorable relationship relative to Treasuries. Municipals underperformed Treasuries and the ratio of municipal yields to Treasury yields climbed to 99 percent by December. The higher the ratio, the more attractive municipals are

MORGAN STANLEY DEAN WITTER MUNICIPAL PREMIUM INCOME TRUST

LETTER TO THE SHAREHOLDERS May 31, 1999, continued

relative to Treasuries. Municipals have outperformed Treasuries this year and the ratio declined to 91 percent by May. The high-to-low annual range of municipal/Treasury yields for the past five years has averaged from 93 to 84 percent.

In addition to lagging 1998's Treasury rally, municipals also experienced a glut of new-issue supply. Underwriting volume of \$284 billion was up 28 percent from the prior year and approached 1993's record. Issuers actively refinanced at lower interest rates and refundings were 29 percent of total volume. This year's rise in interest rates has reduced the amount of refunding activity. Refunding volume was down 45 percent in the first five months of 1999. Total underwriting declined 24 percent.

#### 30-YEAR BOND YIELDS 1994 - 1999

<TABLE>  
<CAPTION>

<S>	Insured Municipal Yields <C>	U.S. Treasury Yields <C>	Insured Municipal Yields as a Percentage of U.S. Treasury Yields <C>
1994	5.40	6.34	85.17
	5.40	6.24	86.54
	5.80	6.66	87.09
	6.40	7.09	90.27
	6.35	7.32	86.75
	6.25	7.43	84.12
	6.50	7.61	85.41

	6.25	7.39	84.57
	6.30	7.45	84.56
	6.55	7.81	83.87
	6.75	7.96	84.80
	7.00	8.00	87.50
1995	6.75	7.88	85.66
	6.40	7.70	83.12
	6.15	7.44	82.66
	6.15	7.43	82.77
	6.20	7.34	84.47
	5.80	6.66	87.09
	6.10	6.62	92.15
	6.10	6.86	88.92
	6.00	6.66	90.09
	5.95	6.48	91.82
	5.75	6.33	90.84
	5.50	6.14	89.58
	5.35	5.94	90.07
1996	5.40	6.03	89.55
	5.60	6.46	86.69
	5.85	6.66	87.84
	5.95	6.89	86.36
	6.05	6.99	86.55
	5.90	6.89	85.63
	5.85	6.97	83.93
	5.90	7.11	82.98
	5.70	6.93	82.25
	5.65	6.64	85.09
	5.50	6.35	86.61
	5.60	6.63	84.46
1997	5.70	6.79	83.95
	5.65	6.80	83.09
	5.90	7.10	83.10
	5.75	6.94	82.85
	5.65	6.91	81.77
	5.60	6.78	82.60
	5.30	6.30	84.13
	5.50	6.61	83.21
	5.40	6.40	84.38
	5.35	6.15	86.99
	5.30	6.05	87.60
	5.15	5.92	86.99
1998	5.15	5.80	88.79
	5.20	5.92	87.84
	5.25	5.93	88.53
	5.35	5.95	89.92
	5.20	5.80	89.66
	5.20	5.65	92.04
	5.18	5.71	90.72
	5.03	5.27	95.45
	4.95	5.00	99.00
	5.05	5.16	97.87
	5.00	5.06	98.81
	5.05	5.10	99.02
1999	5.00	5.09	98.23
	5.10	5.58	91.40
	5.15	5.63	91.47
	5.20	5.66	91.87
	5.30	5.83	90.91

</TABLE>

#### PERFORMANCE

The Fund's total net asset value (NAV) return for the 12-month period ending May 31, 1999 was 4.60 percent. This return is based on the NAV change plus reinvestment of tax-free dividends totaling \$0.54 per share and a long-term capital gain distribution of \$0.26 per share. PIA's value on the New York Stock Exchange decreased from \$9.625 per share to \$8.75 per share during the same period. Based on this change plus reinvestment of dividends and distributions, the Fund's total market

[LARGEST TERM SECTORS LINE GRAPH]

<TABLE>  
 <CAPTION>  
 LARGEST SECTORS as of May 31, 1999 (% of Net Assets)

<S>	<C>
Hospital	18%
IDR/PCR*	16%
Transportation	15%
Electric	14%
General Obligation	8%
Mortgage	8%
Water & Sewer	7%

\* Industrial Development/Pollution Control Revenue

Portfolio structure is subject to change.

</TABLE>

[CREDIT RATINGS PIE CHART]

<TABLE>  
 <CAPTION>  
 CREDIT RATINGS as of May 31, 1999 (% of Total Long-Term Portfolio)

<S>	<C>
Aaa or AAA	66%
Aa or AA	20%
A or A	2%
Baa or BBB	9%
NR	3%

As measured by Moody's Investors Service, Inc. or Standard & Poor's Corp.

Portfolio structure is subject to change.

</TABLE>

[CALL STRUCTURE BAR CHART]

<TABLE>  
 <CAPTION>  
 CALL STRUCTURE as of May 31, 1999  
 (% of Total Long-Term Portfolio)  
 Percent Callable

WEIGHTED AVERAGE  
 CALL PROTECTION: 6 YEARS

Years Bonds Callable <S>	Percent Callable <C>
1999	4%
2000	8%
2001	7%
2002	8%
2003	0%
2004	10%
2005	12%
2006	13%
2007	4%
2008	27%
2009	3%
2010+	4%

</TABLE>

Years Bonds Callable

Portfolio structure is subject to change.

return was -1.21 percent. As of May 31, 1999, PIA's share price represented a 12.7 percent discount to its NAV.

Monthly dividends for the second quarter of 1999 remained at \$0.0425 per share. The Fund's level of undistributed net investment income was \$0.107 per share on May 31, 1999 versus \$0.09 per share on November 30, 1998.

#### PORTFOLIO STRUCTURE

The Fund's investments were diversified among 13 long-term sectors and 75 credits. At the end of May, the portfolio's average maturity was 20 years. Portfolio duration, a measure of sensitivity to interest rate changes, was 6.9 years. The accompanying charts provide current information on the portfolio's call structure, largest sectors and distribution of credit ratings.

#### THE IMPACT OF LEVERAGING

As discussed in previous reports, the total income available for distribution to common shareholders includes incremental income provided by the Fund's outstanding Auction Rate Preferred Shares (ARPS). ARPS dividends reflect prevailing short-term interest rates on maturities normally ranging from one week to one year. Incremental income to common shareholders depends on two factors. The first factor is the amount of ARPS outstanding. The second is the spread between the portfolio's cost yield and ARPS expenses (ARPS auction rate and expenses). The greater the spread and the amount of ARPS outstanding, the greater the amount of incremental income available for distribution to common shareholders. The level of net investment income available for distribution to common shareholders varies with the level of short-term interest rates.

During the 12-month period, ARPS leverage contributed approximately \$0.08 per share to common share earnings. Weekly ARPS yields ranged between 2.95 and 5.00 percent. Five ARPS series totaling \$100 million represented 30 percent of net assets.

ARPS leverage also increases the price volatility of common shares by effectively extending portfolio duration.

#### LOOKING AHEAD

The combination of a "flight to quality" and the flood of new municipal issues made the municipal-to-Treasury yield relationship more favorable late last year than it had been in the previous 10 years. Although municipals have outperformed Treasuries thus far in 1999, we believe that municipals still offer investors considerable value versus their historical relationship with Treasuries.

4

5

MORGAN STANLEY DEAN WITTER MUNICIPAL PREMIUM INCOME TRUST

LETTER TO THE SHAREHOLDERS May 31, 1999, continued

The Fund's procedure for reinvestment of all dividends and distributions on common shares is through purchases in the open market. This method helps support the market value of the Fund's shares. In addition, we would like to remind you that the Trustees have approved a procedure whereby the Fund 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 Fund may also utilize procedures to reduce or eliminate the amount of outstanding ARPS, including their purchase in the open market or in privately negotiated transactions. During the fiscal year ended May 31, 1999, the Fund purchased and retired 848,200 shares of common stock at a weighted average market discount of 9.68 percent.

On May 1, 1999, Mitchell M. Merin was named President of the Morgan Stanley Dean Witter Funds. Mr. Merin is also the President and Chief Operating Officer of Asset Management for Morgan Stanley Dean Witter & Co. and President, Chief Executive Officer and Director of Morgan Stanley Dean Witter Advisors Inc., the Fund's Investment Advisor. He also serves as Chairman, Chief Executive Officer and Director of Morgan Stanley Dean Witter Distributors Inc. and Morgan Stanley Dean Witter Trust FSB.

We appreciate your ongoing support of Morgan Stanley Dean Witter Municipal

Premium Income Trust and look forward to continuing to serve your investment needs.

Very truly yours,  
/S/ CHARLES A. FIUMEFREDDO  
CHARLES A. FIUMEFREDDO  
Chairman of the Board

/S/ MITCHELL M. MERIN  
MITCHELL M. MERIN  
President

MORGAN STANLEY DEAN WITTER MUNICIPAL PREMIUM INCOME TRUST

RESULTS OF ANNUAL MEETING (unaudited)

\* \* \*

On December 17, 1998, an annual meeting of the Fund's shareholders was held for the purpose of voting on two separate matters, the results of which were as follows:

(1) ELECTION OF TRUSTEES BY ALL SHAREHOLDERS:

<TABLE>	
<S>	
Edwin J. Garn	<C>
For.....	18,606,044
Withheld.....	550,746
Michael E. Nugent	
For.....	18,627,838
Withheld.....	528,952
Philip J. Purcell	
For.....	18,620,351
Withheld.....	536,439
</TABLE>	

ELECTION OF TRUSTEE BY PREFERRED SHAREHOLDERS:

<TABLE>	
<S>	
John R. Haire	<C>
For.....	832
Withheld.....	0
</TABLE>	

The following Trustees were not standing for reelection at this meeting:

Michael Bozic, Charles A. Fiumefreddo, Wayne E. Hedien, Dr. Manuel H. Johnson, and John L. Schroeder.

(2) RATIFICATION OF THE SELECTION OF PRICEWATERHOUSECOOPERS LLP AS INDEPENDENT ACCOUNTANTS:

<TABLE>	
<S>	
For.....	18,451,239
Against.....	264,897
Abstain.....	440,624
</TABLE>	

MORGAN STANLEY DEAN WITTER MUNICIPAL PREMIUM INCOME TRUST

PORTFOLIO OF INVESTMENTS May 31, 1999

<TABLE>  
<CAPTION>

PRINCIPAL  
AMOUNT IN  
THOUSANDS

COUPON  
RATE MATURITY  
DATE VALUE

<C>	<S>	<C>	<C>	<C>
	TAX-EXEMPT MUNICIPAL BONDS (96.8%)			
	General Obligation (8.0%)			
\$ 2,000	California, Dtd 10/01/98 Refg (MBIA).....	4.50%	10/01/28	\$ 1,771,160
5,000	Los Angeles Unified School District, California, 1997 Ser B (FGIC).....	5.00	07/01/23	4,849,900
3,500	Massachusetts, 1995 Ser A (AMBAC).....	5.00	07/01/12	3,570,735
2,000	Berkley School District, Michigan, Refg Ser 1998 (FGIC)....	4.75	01/01/19	1,869,160
2,000	Michigan Municipal Bond Authority, School Ser 1998.....	5.25	12/01/13	2,046,860
3,000	Puerto Rico, Public Improvement Ser 1998 (MBIA).....	4.875	07/01/23	2,874,750
3,500	Shelby County, Tennessee, Refg 1995 Ser A.....	5.625	04/01/11	3,672,690
6,000	Washington, Ser 1993 A.....	5.75	10/01/17	6,199,740
-----				-----
27,000				26,854,995
-----				-----
	Educational Facilities Revenue (3.4%)			
5,500	Oakland University, Michigan, Ser 1995 (MBIA).....	5.75	05/15/26	5,750,525
4,000	New York State Dormitory Authority, State University Refg Ser 1993 A.....	5.50	05/15/08	4,234,800
1,350	State University Refg Ser 1990 B.....	7.50	05/15/11	1,621,823
-----				-----
10,850				11,607,148
-----				-----
	Electric Revenue (13.5%)			
5,000	Sacramento Municipal Utility District, California, Refg 1994 Ser I (MBIA).....	6.00	01/01/24	5,326,950
2,950	Kansas City, Kansas, Utility Refg & Impr Ser 1994 (FGIC)....	6.375	09/01/23	3,259,455
7,750	South Carolina Public Service Authority, 1995 Refg Ser A (AMBAC).....	6.25	01/01/22	8,482,298
4,000	Lower Colorado River Authority, Texas, Jr Lien Seventh Ser (FSA).....	4.75	01/01/28	3,650,360
17,000	San Antonio, Texas, Electric & Gas Refg Ser 1994 C.....	4.70	02/01/06	17,389,470
2,000	Intermountain Power Agency, Utah, Refg Ser 1998 A (MBIA).....	5.25	07/01/15	2,020,200
5,000	Refg 1997 Ser B (MBIA).....	5.75	07/01/19	5,241,550
-----				-----
43,700				45,370,283
-----				-----
	Hospital Revenue (17.9%)			
5,000	Alabama Special Care Facilities Financing Authority of Birmingham, Daughters of Charity National Health/St Vincent's & Providence Hospitals Ser 1995.....	5.00	11/01/25	4,733,450
5,000	Birmingham-Carraway Special Care Facilities Financing Authority, Alabama, Carraway Methodist Health Ser 1995 A (Connie Lee).....	5.875	08/15/15	5,250,100
3,500	Colbert County - Northwest Health Care Authority, Alabama, Hellen Keller Hospital Refg Ser 1990.....	8.75	06/01/09	3,706,430
3,000	Montgomery Special Care Facilities Financing Authority, Alabama, Baptist Health Ser 1998 B (MBIA).....	5.00	11/15/29	2,830,080
8,000	Fulco Hospital Authority, Georgia, Catholic Health East Ser 1998 A (MBIA).....	5.00	11/15/28	7,609,680
3,000	Hall County and Gainesville Hospital Authority, Georgia, Northeast Georgia Healthcare Ser 1995 (MBIA).....	6.00	10/01/20	3,187,620
9,500	Boston, Massachusetts, Boston City Hospital - FHA Mtg Refg Ser B.....	5.75	02/15/13	9,829,459
4,000	North Carolina Medical Care Commission, Duke University Health Ser 1998 A.....	4.75	06/01/28	3,604,920

</TABLE>

SEE NOTES TO FINANCIAL STATEMENTS

<TABLE>  
 <CAPTION>  
 PRINCIPAL  
 AMOUNT IN  
 THOUSANDS

		COUPON RATE	MATURITY DATE	VALUE
<C>	<S>	<C>	<C>	<C>
\$ 4,000	Montgomery County, Ohio, Franciscan Medical Center - Dayton Ser 1997.....	5.50%	07/01/18	\$ 3,898,320
2,985	Lehigh County General Purpose Authority, Pennsylvania, St Lukes Hospital Ser 1992 (AMBAC).....	6.25	07/01/22	3,213,950
2,750	Jefferson County Health Facilities Development Corporation, Texas, Baptist Health Ser 1989.....	8.30	10/01/14	2,826,835
5,000	Washington Health Care Facilities Authority, Swedish Health Ser 1998 (AMBAC).....	5.125	11/15/22	4,844,050
5,000	Wisconsin Health & Educational Facilities Authority, Wausau Hospital Refg Ser 1998 A (AMBAC).....	5.125	08/15/20	4,845,600
-----				-----
60,735				60,380,494
-----				-----
	Industrial Development/Pollution Control Revenue (15.2%)			
10,360	Pima County Industrial Development Authority, Arizona, Tucson Electric Power Co Refg Ser 1988 A (FSA).....	7.25	07/15/10	11,373,829
10,000	Burlington, Kansas, Kansas Gas & Electric Co Ser 1991 (MBIA).....	7.00	06/01/31	10,738,500
8,000	New York City Industrial Development Agency, New York, Brooklyn Navy Yard Cogeneration Partners LP Ser 1997 (AMT).....	5.65	10/01/28	8,099,600
9,500	Montgomery County Industrial Development Authority, Pennsylvania, Philadelphia Electric Co Refg 1991 Ser B (MBIA).....	6.70	12/01/21	10,220,860
10,000	Alliance Airport Authority, Texas, AMR Corp Ser 1990 (AMT).....	7.50	12/01/29	10,634,900
-----				-----
47,860				51,067,689
-----				-----
	Mortgage Revenue - Multi-Family (3.0%)			
1,250	Lake Charles Non-Profit Housing Development Corporation, Louisiana, Ser 1990 A (FSA).....	7.875	02/15/25	1,263,750
1,925	Massachusetts Housing Finance Agency, Rental 1994 Ser A (AMT) (AMBAC).....	6.60	07/01/14	2,065,679
3,785	Rental 1994 Ser A (AMT) (AMBAC).....	6.65	07/01/19	4,061,154
2,485	Minnesota Housing Finance Agency, Rental 1995 Ser D (MBIA).....	6.00	02/01/22	2,598,092
-----				-----
9,445				9,988,675
-----				-----
	Mortgage Revenue - Single Family (5.1%)			
220	Colorado Housing & Finance Authority, Ser 1990 B-2.....	8.00	02/01/18	227,405
2,500	Ser 1997 A-2 (AMT).....	7.25	05/01/27	2,779,851
215	Idaho Housing Agency, 1988 Ser D-2 (AMT).....	8.25	01/01/20	232,800
760	Kansas City Leavenworth & Lenexa, Kansas, GNMA-Backed Ser 1998 C (AMT).....	8.00	11/01/20	782,367
	Olathe, Kansas,			
120	GNMA Collateralized Ser 1990 B.....	7.50	09/01/10	125,564
295	GNMA Collateralized Ser 1989 A (AMT) (MBIA).....	8.00	11/01/20	304,118
1,235	New Orleans Home Mortgage Authority, Louisiana, GNMA Collateralized 1989 Ser B-1 (AMT).....	8.25	12/01/21	1,261,330
	Maine Housing Authority,			
135	Purchase Ser 1988 D4 (AMT).....	7.55	11/15/19	136,050
1,000	Purchase Ser 1988 D5 (AMT).....	7.55	11/15/19	1,046,090

SEE NOTES TO FINANCIAL STATEMENTS



<TABLE> <CAPTION> PRINCIPAL AMOUNT IN THOUSANDS		COUPON RATE	MATURITY DATE	VALUE
<C>	<S>	<C>	<C>	<C>
\$ 470	Mississippi Housing Finance Corporation, GNMA-Backed Ser 1989 (AMT) (FGIC).....	8.25%	10/15/18	\$ 483,639
2,545	Missouri Housing Development Commission, Homeownership 1996 Ser D (AMT).....	7.10	09/01/27	2,711,393
125	Muskogee County Home Finance Authority, Oklahoma, 1990 Ser A (FGIC).....	7.60	12/01/10	129,298
1,345	Rhode Island Housing & Mortgage Finance Corporation, Homeownership 1988 Ser 1-D (AMT).....	7.875	10/01/22	1,380,091
1,955	South Carolina Housing Finance & Development Authority, Homeownership 1998 Ser C-1 (AMT).....	8.125	07/01/21	1,996,602
1,220	Homeownership 1991 Ser A (AMT).....	7.40	07/01/23	1,274,083
125	Utah Housing Finance Agency, Ser 1991 B-1.....	7.50	07/01/16	130,246
145	Ser 1989 B (AMT).....	8.25	07/01/21	147,926
2,000	Virginia Housing Development Authority, 1992 Ser A.....	7.10	01/01/25	2,057,660
-----				-----
16,410				17,206,513
-----				-----
	Nursing & Health Related Facilities Revenue (0.6%) New York State Medical Care Facilities Finance Agency,			
825	Mental Health Ser 1987.....	8.875	08/15/07	833,820
565	Mental Health Ser 1990 A (Secondary MBIA).....	7.75	02/15/20	591,956
405	Mental Health Ser 1991 A.....	7.50	02/15/21	434,763
-----				-----
1,795				1,860,539
-----				-----
	Public Facilities Revenue (1.7%) Metropolitan Pier & Exposition Authority, Illinois, McCormick Place Refg Ser 1998 A (FGIC).....	5.50	06/15/18	2,091,700
2,000	Saint Paul Independent School District #625, Minnesota, Ser 1995 C COPs.....	5.45	02/01/11	1,775,650
1,700	Ser 1995 C COPs.....	5.50	02/01/12	1,872,684
-----				-----
5,500				5,740,034
-----				-----
	Transportation Facilities Revenue (14.3%) Alameda Corridor Transportation Authority, California, Sr Lien Ser 1999 A (MBIA).....	5.25	10/01/21	3,016,050
3,000	Atlanta, Georgia, Airport Ser 1994 B (AMT) (AMBAC).....	6.00	01/01/21	3,713,955
3,500	Chicago, Illinois, Chicago-O'Hare International Airport Ser 1996 A (AMBAC)....	5.625	01/01/12	5,230,050
5,000	Midway Airport 1994 Ser A (AMT) (MBIA).....	6.25	01/01/24	7,565,250
7,000	Regional Transportation Authority, Illinois, Ser 1994 A (AMBAC).....	6.25	06/01/24	5,461,400
5,000	New Jersey Transportation Trust Authority, 1998 Ser A (FSA).....	4.50	06/15/19	4,620,050
3,000	New York State Thruway Authority, Local Highway & Bridge Ser 1998 A (MBIA).....	5.00	04/01/18	2,931,780
8,000	Austin, Texas, Airport Prior Lien Ser 1995 A (AMT) (MBIA)...	6.125	11/15/25	8,603,360

SEE NOTES TO FINANCIAL STATEMENTS

PRINCIPAL AMOUNT IN THOUSANDS		COUPON RATE	MATURITY DATE	VALUE
<C>	<S>	<C>	<C>	<C>
\$ 5,000	Pocahontas Parkway Association, Virginia, Route 895 Connector Ser 1998 A.....	5.50%	08/15/28	\$ 4,878,900
2,000	Richmond Metropolitan Authority, Virginia, Expressway & Refg Ser 1998 (FGIC).....	5.25	07/15/17	2,049,400
-----				-----
46,500				48,070,195
-----				-----
	Water & Sewer Revenue (7.1%)			
2,500	Coachella, California, Ser 1992 COPs (FSA).....	6.10	03/01/22	2,670,950
3,000	Santa Rosa, California, Wastewater Refg 1996 Ser A (FGIC)...	4.75	09/01/16	2,896,920
3,000	Atlanta, Georgia, Water & Wastewater Ser 1999 (FGIC).....	5.50	11/01/06	3,154,410
5,000	Massachusetts Water Resources Authority, 1998 Ser A (FSA)...	4.75	08/01/27	4,572,350
3,000	Detroit, Michigan, Water Supply 1997 Ser A (MBIA).....	5.00	07/01/21	2,894,850
5,000	Cleveland, Ohio, Waterworks Impr & Refg 1998 Ser I (FSA)...	5.00	01/01/23	4,831,750
3,020	Texas Water Resource Finance Authority, Ser 1989 (AMBAC)....	7.50	08/15/13	3,045,579
-----				-----
24,520				24,066,809
-----				-----
	Other Revenue (3.6%)			
10,000	New York Local Government Assistance Corporation, Refg Ser 1997 B (MBIA).....	5.00	04/01/21	9,676,600
2,500	Cuyahoga County, Ohio, The Medical Center Co Ser 1998 (AMBAC).....	5.125	02/15/28	2,421,300
-----				-----
12,500				12,097,900
-----				-----
	Refunded (3.4%)			
1,800	Southwestern Illinois Development Authority, Anderson Hospital Ser 1992 A.....	7.00	08/15/02+	1,989,432
1,340	Missouri Health & Educational Facilities Authority, Missouri Baptist Medical Center Refg Ser 1989 (ETM).....	7.625	07/01/18	1,399,737
3,600	Rio Rancho, New Mexico, Water & Wastewater Ser 1995 A (FSA).....	6.00	05/15/06+	3,964,860
1,000	Shelby County, Tennessee, Refg 1995 Ser A.....	5.625	04/01/05+	1,078,770
3,000	San Antonio, Texas, Electric & Gas Refg Ser 1994 C (ETM)....	4.70	02/01/06	3,034,050
-----				-----
10,740				11,466,849
-----				-----
317,555	TOTAL TAX-EXEMPT MUNICIPAL BONDS (Identified Cost \$312,490,182).....			325,778,123
-----				-----
	SHORT-TERM TAX-EXEMPT MUNICIPAL OBLIGATIONS (1.5%)			
1,900	East Baton Rouge Parish, Louisiana, Exxon Corp Ser 1989 (Demand 06/01/99).....	3.30*	11/01/19	1,900,000
3,000	Missouri Health & Educational Facilities Authority, Washington University Ser C (Demand 06/01/99).....	3.35*	09/01/30	3,000,000
-----				-----
4,900	TOTAL SHORT-TERM TAX-EXEMPT MUNICIPAL OBLIGATIONS (Identified Cost \$4,900,000).....			4,900,000
-----				-----

SEE NOTES TO FINANCIAL STATEMENTS

AMOUNT IN THOUSANDS		VALUE		
<C>	<S>	<C>	<C>	<C>
\$322,455	TOTAL INVESTMENTS (Identified Cost \$317,390,182) (a)		98.3%	\$330,678,123
=====				
	CASH AND OTHER ASSETS IN EXCESS OF LIABILITIES		1.7	5,817,643
			-----	-----
	NET ASSETS		100.0%	\$336,495,766
			=====	=====

</TABLE>

-----

AMT Alternative Minimum Tax.  
COPs Certificates of Participation.  
ETM Escrowed to maturity.  
+ Prerefunded to call date shown.  
\* Current coupon of variable rate demand obligation.  
(a) The aggregate cost for federal income tax purposes approximates identified cost. The aggregate gross unrealized appreciation is \$14,956,771 and the aggregate gross unrealized depreciation is \$1,668,830, resulting in net unrealized appreciation of \$13,287,941.

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.

SEE NOTES TO FINANCIAL STATEMENTS

MORGAN STANLEY DEAN WITTER MUNICIPAL PREMIUM INCOME TRUST

PORTFOLIO OF INVESTMENTS May 31, 1999, continued

GEOGRAPHIC SUMMARY OF INVESTMENTS  
Based on Market Value as a Percent of Net Assets  
May 31, 1999

<TABLE>	<S>	<C>
Alabama		4.9%
Arizona		3.4
California		6.1
Colorado		0.9
Georgia		5.3
Idaho		0.1
Illinois		6.5
Kansas		4.5
Louisiana		1.3
Maine		0.4
Massachusetts		7.2
Michigan		3.7
Minnesota		1.9
Mississippi		0.1
Missouri		2.1
New Mexico		1.2
New Jersey		1.4
New York		8.5
North Carolina		1.1
Ohio		3.3
Pennsylvania		4.0
Puerto Rico		0.9
Rhode Island		0.4

South Carolina.....	3.5
Tennessee.....	1.4
Texas.....	14.6
Utah.....	2.2
Virginia.....	2.7
Washington.....	3.3
Wisconsin.....	1.4
	-----
Total.....	98.3%
	=====

</TABLE>

SEE NOTES TO FINANCIAL STATEMENTS

MORGAN STANLEY DEAN WITTER MUNICIPAL PREMIUM INCOME TRUST

FINANCIAL STATEMENTS

<TABLE>

<S>

<C>

STATEMENT OF ASSETS AND LIABILITIES

May 31, 1999

ASSETS:

Investments in securities, at value (identified cost \$317,390,182).....	\$330,678,123
Cash.....	121,718
Receivable for:	
Interest.....	5,888,241
Investments sold.....	155,000
Prepaid expenses and other assets.....	182,465
	-----

TOTAL ASSETS.....	337,025,547
	-----

LIABILITIES:

Payable for:

Dividends to preferred shareholders.....	167,606
Investment advisory fee.....	115,114
Administration fee.....	71,946
Shares of beneficial interest repurchased.....	35,120
Accrued expenses and other payables.....	139,995
	-----

TOTAL LIABILITIES.....	529,781
	-----

NET ASSETS.....	\$336,495,766
	=====

COMPOSITION OF NET ASSETS:

Preferred shares of beneficial interest (1,000,000 shares authorized of non-participating \$.01 par value, 1,000 shares outstanding).....	\$100,000,000
	-----
Common shares of beneficial interest (unlimited shares authorized of \$.01 par value, 23,585,024 shares outstanding).....	219,071,095
Net unrealized appreciation.....	13,287,941
Accumulated undistributed net investment income.....	2,512,905
Accumulated undistributed net realized gain.....	1,623,825
	-----

NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS.....	236,495,766
	-----

TOTAL NET ASSETS.....	\$336,495,766
	=====

NET ASSET VALUE PER COMMON SHARE

(\$236,495,766 divided by 23,585,024 common share  
 outstanding)..... \$10.03  
 =====

</TABLE>

SEE NOTES TO FINANCIAL STATEMENTS

13

14  
 MORGAN STANLEY DEAN WITTER MUNICIPAL PREMIUM INCOME TRUST

FINANCIAL STATEMENTS, continued

<TABLE>	
<S>	
<C>	
STATEMENT OF OPERATIONS	
For the year ended May 31, 1999	
NET INVESTMENT INCOME:	
INTEREST INCOME.....	\$19,737,293
	-----
EXPENSES	
Investment advisory fee.....	1,398,476
Administration fee.....	874,047
Auction commission fees.....	318,725
Professional fees.....	117,598
Transfer agent fees and expenses.....	93,733
Auction agent fees.....	37,766
Registration fees.....	32,339
Shareholder reports and notices.....	22,547
Trustees' fees and expenses.....	20,586
Custodian fees.....	16,993
Other.....	36,610
	-----
TOTAL EXPENSES.....	2,969,420
Less: expense offset.....	(16,881)
	-----
NET EXPENSES.....	2,952,539
	-----
NET INVESTMENT INCOME.....	16,784,754
	-----
NET REALIZED AND UNREALIZED GAIN (LOSS):	
Net realized gain.....	2,192,129
Net change in unrealized appreciation.....	(6,180,178)
	-----
NET LOSS.....	(3,988,049)
	-----
NET INCREASE.....	\$12,796,705
	=====

</TABLE>

SEE NOTES TO FINANCIAL STATEMENTS

14

15

MORGAN STANLEY DEAN WITTER MUNICIPAL PREMIUM INCOME TRUST

FINANCIAL STATEMENTS, continued

<TABLE>		
<CAPTION>		
STATEMENT OF CHANGES IN NET ASSETS		
	FOR THE YEAR	FOR THE YEAR
	ENDED	ENDED
	MAY 31, 1999	MAY 31, 1998

<S>	<C>	<C>
INCREASE (DECREASE) IN NET ASSETS:		
OPERATIONS:		
Net investment income.....	\$16,784,754	\$ 18,521,251
Net realized gain.....	2,192,129	5,780,796
Net change in unrealized appreciation.....	(6,180,178)	2,044,112
	-----	-----
NET INCREASE.....	12,796,705	26,346,159
	-----	-----
Dividends to preferred shareholders from net investment income.....	(3,464,520)	(3,705,932)
	-----	-----
DIVIDENDS AND DISTRIBUTIONS TO COMMON SHAREHOLDERS FROM:		
Net investment income.....	(13,010,308)	(14,732,173)
Net realized gain.....	(6,255,848)	--
	-----	-----
TOTAL DIVIDENDS AND DISTRIBUTIONS.....	(19,266,156)	(14,732,173)
	-----	-----
Decrease from transactions in common shares of beneficial interest.....	(7,962,618)	(2,810,018)
	-----	-----
NET INCREASE (DECREASE).....	(17,896,589)	5,098,036
NET ASSETS:		
Beginning of period.....	354,392,355	349,294,319
	-----	-----
END OF PERIOD (Including undistributed net investment income of \$2,512,905 and \$2,202,979, respectively).....	\$336,495,766	\$354,392,355
	=====	=====

</TABLE>

SEE NOTES TO FINANCIAL STATEMENTS

15

16

MORGAN STANLEY DEAN WITTER MUNICIPAL PREMIUM INCOME TRUST

NOTES TO FINANCIAL STATEMENTS May 31, 1999

1. ORGANIZATION AND ACCOUNTING POLICIES

Morgan Stanley Dean Witter Municipal Premium Income Trust (the "Fund"), formerly Municipal Premium Income Trust, is registered under the Investment Company Act of 1940, as amended, as a diversified, closed-end management investment company. The Fund's investment objective is to provide a high level of current income exempt from federal income tax. The Fund was organized as a Massachusetts business trust on November 16, 1988 and commenced operations on February 1, 1989.

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.

The following is a summary of significant accounting policies:

A. VALUATION OF INVESTMENTS -- Portfolio securities are valued by an outside independent pricing service approved by the Trustees. The pricing service has informed the Fund that in valuing the portfolio securities, it uses both a computerized 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 bid side of the market each day. 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. 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. FEDERAL INCOME TAX STATUS -- It is the Fund's policy to comply with the requirements of the Internal Revenue Code applicable to regulated investment companies and to distribute all of its taxable and nontaxable income to its shareholders. Accordingly, no federal income tax provision is required.

D. DIVIDENDS AND DISTRIBUTIONS TO SHAREHOLDERS -- The Fund records dividends and distributions to its shareholders on the ex-dividend date. The amount of dividends and distributions from net

16

17

MORGAN STANLEY DEAN WITTER MUNICIPAL PREMIUM INCOME TRUST

NOTES TO FINANCIAL STATEMENTS May 31, 1999, continued

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 financial reporting purposes but not for tax purposes are reported as dividends in excess of net investment income or distributions in excess of net realized capital gains. To the extent they exceed net investment income and net realized capital gains for tax purposes, they are reported as distributions of paid-in-capital.

## 2. INVESTMENT ADVISORY AGREEMENT

Pursuant to an Investment Advisory Agreement with Morgan Stanley Dean Witter Advisors Inc. (the "Investment Advisor"), an affiliate of Morgan Stanley Dean Witter Services Company Inc. (the "Administrator"), the Fund pays the Investment Advisor an advisory fee, calculated weekly and payable monthly, by applying the annual rate of 0.40% to the Fund's weekly net assets.

Under the terms of the Agreement, in addition to managing the Fund's investments, the Investment Advisor pays the salaries of all personnel, including officers of the Fund, who are employees of the Investment Advisor.

## 3. ADMINISTRATION AGREEMENT

Pursuant to an Administration Agreement with the Administrator, the Fund pays an administration fee, calculated weekly and payable monthly, by applying the annual rate of 0.25% to the Fund's weekly net assets.

Under the terms of the Administration Agreement, the Administrator maintains certain of the Fund's books and records and furnishes, at its own expense, office space, facilities, equipment, clerical, bookkeeping and certain legal services and pays the salaries of all personnel, including officers of the Fund who are employees of the Administrator. The Administrator also bears the cost of telephone services, heat, light, power and other utilities provided to the Fund.

17

NOTES TO FINANCIAL STATEMENTS May 31, 1999, continued

## 4. SECURITY TRANSACTIONS AND TRANSACTIONS WITH AFFILIATES

The cost of purchases and proceeds from sales of portfolio securities, excluding short-term investments, for the year ended May 31, 1999 aggregated \$58,129,384 and \$73,236,210, respectively.

Morgan Stanley Dean Witter Trust FSB, an affiliate of the Investment Advisor and Administrator, is the Fund's transfer agent. At May 31, 1999, the Fund had transfer agent fees and expenses payable of approximately \$3,400.

The Fund has an unfunded noncontributory defined benefit pension plan covering all independent Trustees of the Fund who will have served as independent Trustees for at least five years at the time of retirement. Benefits under this plan are based on years of service and compensation during the last five years of service. Aggregate pension costs for the year ended May 31, 1999 included in Trustees' fees and expenses in the Statement of Operations amounted to \$6,385. At May 31, 1999, the Fund had an accrued pension liability of \$51,585 which is included in accrued expenses in the Statement of Assets and Liabilities.

## 5. PREFERRED SHARES OF BENEFICIAL INTEREST

The Fund 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 the approval of the common shareholders. The Fund has issued Series A through E Auction Rate Preferred Shares ("Preferred Shares") which have a liquidation value of \$100,000 per share plus the redemption premium, if any, plus accumulated but unpaid dividends, whether or not declared, thereon to the date of distribution. The Fund may redeem such shares, in whole or in part, at the original purchase price of \$100,000 per share plus accumulated but unpaid dividends, whether or not declared, thereon to the date of redemption.

18

NOTES TO FINANCIAL STATEMENTS May 31, 1999, continued

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

&lt;TABLE&gt;

&lt;CAPTION&gt;

SERIES	SHARES*	AMOUNT IN THOUSANDS*	RATE*	NEXT RESET DATE	RANGE OF DIVIDEND RATES**
<S>	<C>	<C>	<C>	<C>	<C>
A	200	\$20,000	3.25%	06/02/99	2.95%- 5.00%
B	200	20,000	3.15	06/02/99	2.90 - 4.90
C	200	20,000	3.49	08/31/99	3.49 - 3.75
D	200	20,000	3.35	01/11/00	3.50 - 3.69
E	200	20,000	3.55	07/06/99	3.55 - 3.85

\* As of May 31, 1999.

\*\* For the year ended May 31, 1999.

&lt;/TABLE&gt;

Subsequent to May 31, 1999 and up through July 9, 1999, the Fund paid dividends to each of the Series A through E at rates ranging from 3.00% to 3.60% in the aggregate amount of \$332,440.

The Fund is subject to certain restrictions relating to the preferred shares. Failure to comply with these restrictions could preclude the Fund 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.

6. COMMON SHARES OF BENEFICIAL INTEREST

Transactions in shares of beneficial interest were as follows:

<TABLE>  
<CAPTION>

	SHARES	PAR VALUE OF SHARES	CAPITAL PAID IN EXCESS OF PAR VALUE
<S>	<C>	<C>	<C>
Balance, May 31, 1997.....	24,721,924	\$247,219	\$229,596,512
Treasury shares purchased and retired (weighted average discount 5.35%)*.....	(288,700)	(2,887)	(2,807,131)
Balance, May 31, 1998.....	24,433,224	244,332	226,789,381
Treasury shares purchased and retired (weighted average discount 9.68%)*.....	(848,200)	(8,482)	(7,954,136)
Balance, May 31, 1999.....	23,585,024	\$235,850	\$218,835,245

</TABLE>

-----  
\* The Trustees have voted to retire the shares purchased.

20  
MORGAN STANLEY DEAN WITTER MUNICIPAL PREMIUM INCOME TRUST

NOTES TO FINANCIAL STATEMENTS May 31, 1999, continued

7. DIVIDENDS TO COMMON SHAREHOLDERS

The Fund declared the following dividends from net investment income:

<TABLE>  
<CAPTION>

DECLARATION DATE	AMOUNT PER SHARE	RECORD DATE	PAYABLE DATE
<S>	<C>	<C>	<C>
March 30, 1999.....	\$0.0425	June 4, 1999	June 18, 1999
June 29, 1999.....	\$0.0425	July 9, 1999	July 23, 1999
June 29, 1999.....	\$0.0425	August 6, 1999	August 20, 1999
June 29, 1999.....	\$0.0425	September 3, 1999	September 17, 1999

</TABLE>

MORGAN STANLEY DEAN WITTER MUNICIPAL PREMIUM INCOME TRUST

FINANCIAL HIGHLIGHTS

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

<TABLE>  
<CAPTION>

FOR THE YEAR ENDED MAY 31\*

<S>	1999 <C>	1998 <C>	1997 <C>	1996 <C>	1995 <C>
-----					
SELECTED PER SHARE DATA:					
Net asset value, beginning of period.....	\$ 10.41	\$ 10.08	\$ 10.02	\$ 10.36	\$ 10.24
-----					
Income from investment operations:					
Net investment income.....	0.70	0.75	0.78	0.79	0.84
Net realized and unrealized gain (loss).....	(0.18)	0.33	0.19	(0.22)	0.26
-----					
Total income from investment operations.....	0.52	1.08	0.97	0.57	1.10
-----					
Less dividends and distributions from:					
Net investment income.....	(0.54)	(0.60)	(0.60)	(0.65)	(0.72)
Common share equivalent of dividends paid to preferred shareholders.....	(0.14)	(0.15)	(0.14)	(0.15)	(0.16)
Net realized gain.....	(0.26)	--	(0.20)	(0.12)	(0.10)
-----					
Total dividends and distributions.....	(0.94)	(0.75)	(0.94)	(0.92)	(0.98)
-----					
Anti-dilutive effect of acquiring treasury shares.....	0.04	--	0.03	0.01	--
-----					
Net asset value, end of period.....	\$ 10.03	\$ 10.41	\$ 10.08	\$ 10.02	\$ 10.36
=====					
Market value, end of period.....	\$ 8.75	\$ 9.625	\$ 9.375	\$ 9.00	\$ 9.688
=====					
TOTAL RETURN+.....	(1.21)%	9.08%	13.52%	0.67%	8.15%
RATIOS TO AVERAGE NET ASSETS OF COMMON SHAREHOLDERS:					
Expenses.....	1.19% (1)	1.18% (1)	1.14% (1)	1.16% (1)	1.21%
Net investment income before preferred stock dividends.....	6.73%	7.31%	7.70%	7.68%	8.37%
Preferred stock dividends.....	1.39%	1.46%	1.41%	1.44%	1.55%
Net investment income available to common shareholders.....	5.34%	5.85%	6.29%	6.24%	6.82%
SUPPLEMENTAL DATA:					
Net assets, end of period, in thousands.....	\$336,496	\$354,392	\$349,294	\$355,587	\$368,225
Asset coverage on preferred shares at end of period.....	336%	354%	349%	355%	368%
Portfolio turnover rate.....	17%	21%	5%	14%	16%
</TABLE>					

- 
- \* The per share amounts were computed using an average number of shares outstanding during the period.
- + Total return is based upon the current market value on the last day of each period reported. Dividends and distributions are assumed to be reinvested at the prices obtained under the Fund's dividend reinvestment plan. Total investment return does not reflect brokerage commissions.
- (1) Does not reflect the effect of expense offset of 0.01%.

SEE NOTES TO FINANCIAL STATEMENTS

MORGAN STANLEY DEAN WITTER MUNICIPAL PREMIUM INCOME TRUST

REPORT OF INDEPENDENT ACCOUNTANTS

TO THE SHAREHOLDERS AND TRUSTEES  
OF MORGAN STANLEY DEAN WITTER MUNICIPAL PREMIUM INCOME TRUST

In our opinion, the accompanying statement of assets and liabilities, including the portfolio of investments, and the related statements of operations and of changes in net assets and the financial highlights present fairly, in all material respects, the financial position of Morgan Stanley Dean Witter Municipal Premium Income Trust (the "Fund"), formerly Municipal Premium Income Trust, at May 31, 1999, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended and the financial highlights for each of the five years in the period then ended, in conformity with generally accepted accounting principles. These financial statements and financial highlights (hereafter referred to as "financial statements") are the responsibility of the Fund's management; our responsibility is to express an opinion on these financial statements based on

our audits. We conducted our audits of these financial statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities at May 31, 1999 by correspondence with the custodian, provide a reasonable basis for the opinion expressed above.

PricewaterhouseCoopers LLP  
1177 Avenue of the Americas  
New York, New York 10036  
July 9, 1999

1999 FEDERAL TAX NOTICE (unaudited)

During the year ended May 31, 1999, the Fund paid the following per share amounts from tax-exempt income: \$0.54 to common shareholders, \$3,320 to Series A preferred shareholders, \$3,308 to Series B preferred shareholders, \$3,556 to Series C preferred shareholders, \$3,563 to Series D preferred shareholders and \$3,576 to Series E preferred shareholders. For the year ended May 31, 1999, the Fund paid to common shareholders \$0.26 per share from long-term capital gains.

22

23

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24

TRUSTEES

-----  
Michael Bozic  
Charles A. Fiumefreddo  
Edwin J. Garn  
Wayne E. Hedien  
Dr. Manuel H. Johnson  
Michael E. Nugent  
Philip J. Purcell  
John L. Schroeder

OFFICERS

-----  
Charles A. Fiumefreddo  
Chairman and Chief Executive Officer

Mitchell M. Merin  
President

Barry Fink  
Vice President, Secretary and General Counsel

James F. Willison  
Vice President

Thomas F. Caloia  
Treasurer

TRANSFER AGENT

-----  
Morgan Stanley Dean Witter Trust FSB  
Harborside Financial Center -- Plaza Two  
Jersey City, New Jersey 07311

INDEPENDENT ACCOUNTANTS

-----  
PricewaterhouseCoopers LLP  
1177 Avenue of the Americas  
New York, New York 10036

INVESTMENT MANAGER

-----  
Morgan Stanley Dean Witter Advisors Inc.  
Two World Trade Center  
New York, New York 10048

MORGAN STANLEY  
DEAN WITTER  
MUNICIPAL Premium Income Trust

Annual Report  
May 31, 1999