

MFS GOVERNMENT MARKETS INCOME TRUST
Form SC 13D/A
October 06, 2006

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549 SCHEDULE 13D/A
Under the Securities Exchange Act of 1934
(Amendment No. 21) MFS Government Markets Income Trust (MGF)

(Name of Issuer) Common Stock

(Title of Class of Securities) 552939100

(CUSIP Number) George W. Karpus, President
Karpus Management, Inc.,
d/b/a Karpus Investment Management
183 Sully's Trail
Pittsford, New York 14534
(585) 586-4680

**(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications)** October 6, 2006

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(Date of Event which Requires Filing of this Statement) If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D#47A, and is filing this schedule because of 240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box. #127

CUSIP No.#58 552939100

1. Names of Reporting Persons. I.R.S. Identification Nos. of above persons (entities only). Karpus Management, Inc., d/b/a Karpus Investment Management I.D. #16-1290558

2. Check the Appropriate Box if a Member of a Group (See Instructions)

- (a) #127
(b) #32#32X
-

3. SEC Use Only

4. Source of Funds (See Instructions) AF

5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e) N/A

6. Citizenship or Place of Organization New York

Number of Shares Beneficially Owned by Each reporting Person With:

7. Sole Voting Power 3,759,497 **8. Shared Voting Power** N/A **9. Sole Dispositive Power** 3,759,497 **10. Shared Dispositive Power** N/A

11. Aggregate Amount Beneficially Owned by Each Reporting Person 3,759,497

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions) N/A

13. Percent of Class Represented by Amount in Row (11) 6.62%

14. Type of Reporting Person (See Instructions) IA

Item 1. Security and Issuer.

Common Stock

MFS Government Markets Income trust

500 Boylston Street

Boston, Massachusetts 02116 **Item 2. Identity and Background.** (a) Karpus Management, Inc., d/b/a Karpus Investment Management (“KIM”), George W. Karpus, President, Director, and controlling stockholder, Jo Ann Van Degrieff, Vice-President and Director, and Sophie Karpus, Director. (b) The address of KIM’s principal place of business and principal office is: 183 Sully’s Trail, Pittsford, New York 14534. (c) Principal business and occupation - Investment management for individuals, pension plans, profit sharing plans, corporations, endowments, trusts and others. (d) None of George W. Karpus, Jo Ann Van Degrieff or Sophie Karpus (the �Principals”) or KIM has been convicted in the past 5 years of any criminal proceeding (excluding traffic violations). (e) During the last 5 years none of the Principals or KIM has been a party to a civil proceeding as a result of which any of them is subject to a judgment, decree, or final order enjoining future violations of or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws. (f) Each of the Principals is a United States citizen. KIM is a New York corporation. **Item 3. Source and Amount of Funds or Other Considerations.** KIM, an independent investment advisor, has accumulated 3,759,497 shares of MGF on behalf of accounts that are managed by KIM (the “Accounts”) under limited powers of attorney, which represents 6.62% of the outstanding shares. All funds that have been utilized in making such purchases are from such Accounts. **Item 4. Purpose of Transaction.** KIM has purchased Shares for the Accounts for investment purposes. However, KIM reserves the right to contact management with regard to concerns that they have with respect to the Fund. This may include letters to the Board and/or other communications with Fund management. Being an independent registered investment advisor, with a specialty focus in closed end funds, the profile of MGF fit the investment guidelines for various Accounts. Shares have been acquired since October 21, 1992. **Item 5. Interest in Securities of the Issuer.** (a) As of the date of this Report, KIM represents beneficial ownership of 3,759,497 shares, which represents 6.62% of the outstanding Shares. George W. Karpus currently owns 2,400 shares purchased on January 8, 2004 at \$6.82 (1,500 shares) and November 8 at \$6.54 (900 shares). Sophie Karpus presently owns 4,000 shares purchased December 29, 1999 at a price of \$5.75 (300 shares), December 26, 2003 at \$6.77 (550 shares), and November 2, 2004 at \$6.63 (1,300 shares), May 16, 2005 at a price of \$6.63 (1,850 shares). Karpus Profit Sharing Plan presently owns 2,900 shares purchased November 13, 2001 at a price of \$6.73 (1,050 shares), July 2, 2003 at \$6.95 (1,150 shares), July 30, 2004 at \$6.48 (600 shares), and August 2, 2004 at \$6.48 (100 shares). Karpus Investment Management Defined Benefit Plan currently owns 3,300 shares purchased on September 2, 2003 at \$6.65 (850 shares), April 29, 2004 at \$6.53 (270 shares), September 15, at \$6.59 (1,180 shares) and April 20, 2006 at \$6.26 (1,000 shares). None of the other Principles of KIM presently own shares of MGF. (b) KIM has the sole power to dispose of and to vote all of such Shares under limited powers of attorney. (c) Open market purchases for the last 60 days for the Accounts. There have been no dispositions and no acquisitions, other than by such open market purchases:

Date Shares Price Per Share

8/2/2006	5000	6.32
8/2/2006	-170	6.34
8/8/2006	-2300	6.37
8/31/2006	-220	6.52
9/5/2006	-250	6.50
9/14/2006	-1450	6.47
9/18/2006	-700	6.46
9/22/2006	-250	6.49
9/25/2006	-3600	6.49
9/27/2006	500	6.48
9/28/2006	2800	6.48
9/29/2006	1700	6.48

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The Accounts have the right to receive all dividends from, and any proceeds from the sale of the Shares. None of the Accounts has an interest in Shares constituting more than 5% of the Shares outstanding. **Item 6. Contracts, Arrangements, Understandings, or Relationships with Respect to Securities of the Issuer.** Except as described above, there are no contracts, arrangements, understandings or relationships of any kind among the Principals and KIM and between any of them and any other person with respect to any of the MGF securities. **Item 7. Materials to be Filed as Exhibits.** Not applicable.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete, and correct.

Karpus Management, Inc.

By: /s/

Name: Sharon L. Thornton

Title: Director of Investment Personnel and Senior Analyst

Date: October 6, 2006