BLACKROCK MUNIYIELD NEW JERSEY FUND, INC.
Form N-CSR
October 03, 2012

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 811-06570

Name of Fund: BlackRock MuniYield New Jersey Fund, Inc. (MYJ)

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

Name and address of agent for service: John M. Perlowski, Chief Executive Officer, BlackRock MuniYield New Jersey Fund, Inc., 55 East 52nd Street, New York, NY 10055

Registrant's telephone number, including area code: (800) 882-0052, Option 4

Date of fiscal year end: 07/31/2012

Date of reporting period: 07/31/2012

Item 1 – Report to Stockholders

July 31, 2012

Annual Report

BlackRock Muni New York Intermediate Duration Fund, Inc. (MNE)

BlackRock MuniYield Arizona Fund, Inc. (MZA)

BlackRock MuniYield California Fund, Inc. (MYC)

BlackRock MuniYield Investment Fund (MYF)

BlackRock MuniYield New Jersey Fund, Inc. (MYJ)

Not FDIC Insured   No Bank Guarantee   May Lose Value

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Dear Shareholder

About this time one year ago, financial markets fell into turmoil, triggered by Standard & Poor s historic downgrade of US government debt. Since then, asset prices have continued to move broadly in risk-on rallies and risk-off retreats driven by macro-level concerns, primarily the sovereign debt crisis in Europe and uncertainty about global economic growth.

Equity markets crumbled in the third quarter of 2011 as fearful investors fled riskier assets in favor of traditionally safe investments including US Treasuries and gold. In October, however, improving economic data and more concerted efforts among European leaders toward stemming the region s debt crisis drew investors back to the markets. Improving sentiment carried over into early 2012 as investors saw some relief from the world s financial woes. Volatility abated and risk assets (including stocks, commodities and high yield bonds) moved boldly higher through the first two months of 2012 while climbing Treasury yields pressured higher-quality fixed income assets.

Markets reversed course in the spring when Europe s debt problems boiled over once again. High levels of volatility returned as political instability in Greece threatened the country s membership in the euro zone. Spain faced severe deficit issues while the nation s banks clamored for liquidity. Yields on Spanish and Italian government debt rose to levels deemed unsustainable. European leaders conferred and debated vehemently over the need for fiscal integration among the 17 nations comprising the euro currency bloc as a means to resolve the crisis for the long term.

Alongside the drama in Europe, investors were discouraged by gloomy economic reports from various parts of the world. A slowdown in China, a key powerhouse for global growth, became particularly worrisome. In the United States, disappointing jobs reports dealt a crushing blow to sentiment. Risk assets sold off in the second quarter as investors again retreated to safe haven assets.

The summer brought a modest rebound in most asset classes. However, financial markets continued to swing sharply in both directions as investors reacted to mixed economic data as well as comments and policy actions or lack of action from central banks around the globe.

On the whole, higher quality investments outperformed riskier asset classes for the 12 months ended July 31, 2012 as investors continued to focus on safety. US Treasury bonds delivered the strongest returns, followed by tax-exempt municipal bonds. Some higher-risk investments, including US large-cap stocks and corporate bonds, managed to post gains for the one-year period, and while US small-cap stocks generated a slight gain for the 12-month period, they posted a marginal loss for the last 6 months. International and emerging equities, which experienced significant downturns in 2011, lagged other asset classes amid ongoing global uncertainty. US large-cap stocks and high yield bonds rallied higher in recent months as many investors increased their appetite for risk. Continued low short-term interest rates kept yields on money market securities near their all-time lows.

We know that investors continue to face a world of uncertainty and highly volatile markets, but we also believe these challenging times present many opportunities. We remain committed to working with you and your financial professional to identify actionable ideas for your portfolio. We encourage you to visit **www.blackrock.com/newworld** for more information.

Sincerely,

Rob Kapito
President, BlackRock Advisors, LLC

We know that investors continue to face a world of uncertainty and highly volatile markets, but we also believe these challenging times present many opportunities.

Rob Kapito
President, BlackRock Advisors, LLC

Total Returns as of July 31, 2012

	6-month	12-month
US large cap equities (S&P 500® Index)	6.25 %	9.13 %
US small cap equities (Russell 2000® Index)	(0.03)	0.19
International equities (MSCI Europe, Australasia, Far East Index)	(1.15)	(11.45)
Emerging market equities (MSCI Emerging Markets Index)	(4.83)	(13.93)
3-month Treasury bill (BofA Merrill Lynch 3-Month US Treasury Bill Index)	0.05	0.07
US Treasury securities (BofA Merrill Lynch 10-Year US Treasury Index)	4.31	15.58
US investment grade bonds (Barclays US Aggregate Bond Index)	2.88	7.25
Tax-exempt municipal bonds (S&P Municipal Bond Index)	3.22	10.70
US high yield bonds (Barclays US Corporate High Yield 2% Issuer Capped Index)	6.05	8.00

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

Municipal Market Overview

For the 12-Month Period Ended July 31, 2012

One year ago, the municipal bond market was rebounding from a prolonged weak period stemming from events in the fourth quarter of 2010. Municipals had suffered severe losses in late 2010 amid a steepening US Treasury yield curve, political uncertainty and a flood of inflated headlines about municipal finance troubles. A significant supply-demand imbalance had developed by the end of the year, leading to wider quality spreads and higher yields for municipal bonds heading into 2011.

Having lost confidence in municipals, retail investors retreated from the market, resulting in municipal mutual fund outflows totaling $35.1 billion from the middle of November 2010 until the trend finally broke in June 2011. However, weak demand in the first half of 2011 was counterbalanced by lower supply. According to Thomson Reuters, total new issuance was down 32% in 2011 as compared to the prior year.

On August 5, 2011, Standard & Poor s (S&P) downgraded the US government s credit rating from AAA to AA+. While this led to the downgrade of approximately 11,000 municipal issues directly tied to the US debt rating, this represented a very small fraction of the municipal market and said nothing about the individual municipal credits themselves. In fact, demand for municipal bonds increased as severe volatility in US equities drove investors to more stable asset classes. The municipal market benefited from an exuberant Treasury market and continued muted new issuance. As supply remained constrained, demand from both traditional and non-traditional buyers was strong, pushing long-term municipal bond yields lower and sparking a curve-flattening trend that continued through year end. Ultimately, 2011 was one of the strongest performance years in municipal market history. The S&P Municipal Bond Index returned 10.62% in 2011, making municipal bonds a top-performing fixed income asset class for the year.

Strong demand carried over into 2012 as investors continued to search for yield in a low-rate environment. Municipal market supply-and-demand technicals typically strengthen considerably upon the conclusion of tax season as net negative supply takes hold. This theme remained intact for 2012. In the spring, a resurgence of concerns about Europe s financial crisis and weakening US economic data drove municipal bond yields lower and prices higher as investors were drawn to the asset class for its relatively low volatility in addition to the income and capital preservation it offers. The S&P Municipal Bond Index has gained 5.75% year-to-date.

Overall, the municipal yield curve flattened during the period from July 29, 2011 to July 31, 2012. As measured by Thomson Municipal Market Data, yields declined by 151 basis points (bps) to 2.84% on AAA-rated 30-year municipal bonds and by 101 bps to 1.66% on 10-year bonds, while yields on 5-year issues fell 51 bps to 0.65%. While the entire municipal curve flattened over the 12-month time period, the spread between 2- and 30-year maturities tightened by 140 bps, and in the 2- to 10-year range, the spread tightened by 90 bps.

The fundamental picture for municipalities continues to improve. Austerity has been the general theme across the country as states set their budgets, although a small number of states continue to rely on a kick-the-can approach to close their budget gaps, using aggressive revenue projections and accounting gimmicks. It has been over a year and a half since the fiscal problems plaguing state and local governments first became highly publicized. Thus far, the prophecy of widespread defaults across the municipal market has not materialized. Through the first half of 2012, approximately $1.07 billion in par value of municipal bonds have entered into debt service default for the first time. This represents only 0.540% of total issuance for that period and 0.029% of total municipal bonds outstanding, as compared to 0.065% for the full year 2011. (Data provided by Bank of America Merrill Lynch.) BlackRock maintains the view that municipal bond defaults will remain in the periphery and the overall market is fundamentally sound. We continue to recognize that careful credit research and security selection remain imperative amid uncertainty in this economic environment.

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

Fund Summary as of July 31, 2012 **BlackRock Muni New York Intermediate Duration Fund, Inc.**

Fund Overview

BlackRock Muni New York Intermediate Duration Fund, Inc. s (MNE) (the Fund) investment objective is to provide shareholders with high current income exempt from federal income tax and New York State and New York City personal income taxes. The Fund seeks to achieve its investment objective by investing at least 80% of its assets in municipal obligations exempt from federal income tax (except that the interest may be subject to the federal alternative minimum tax) and New York State and New York City personal income taxes. Under normal market conditions, the Fund invests at least 75% of its assets in municipal obligations that are investment grade quality at the time of investment. Under normal market conditions, the Fund invests at least 80% of its assets in municipal obligations with a duration of three to ten years. The Fund may invest directly in such securities or synthetically through the use of derivatives.

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

Performance

For the 12 months ended July 31, 2012, the Fund returned 28.00% based on market price and 15.73% based on net asset value (NAV). For the same period, the closed-end Lipper Intermediate Municipal Debt Funds category posted an average return of 25.86% based on market price and 13.86% based on NAV. All returns reflect reinvestment of dividends. The Fund 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. The Fund s long duration posture (greater sensitivity to interest rates) contributed positively to performance as interest rates declined over the period. The Fund s holdings were concentrated on the long end of the yield curve (within the Fund s intermediate duration investment mandate), which benefited performance as the curve flattened and long-term interest rates declined more than rates on shorter-dated securities. Also having a positive impact were the Fund s heavy exposures to transportation, health and education, which were among the better performing sectors for the period. The Fund s lower quality holdings also enhanced results as credit spreads narrowed during the period. Conversely, the Fund s most significant credit exposure was in the tax-backed sector, which was one of the weaker performing sectors for the period. The strongest performing sector during the period was tobacco, to which the Fund held limited exposure.

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Fund Information

Symbol on New York Stock Exchange (NYSE)	MNE
Initial Offering Date	August 1, 2003
Yield on Closing Market Price as of July 31, 2012 ($15.80)[1]	4.75%
Tax Equivalent Yield [2]	7.31%
Current Monthly Distribution per Common Share[3]	$0.0625

Current Annualized Distribution per Common Share[3]	$0.7500
Economic Leverage as of July 31, 2012[4]	35%

1 Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.

2 Tax equivalent yield assumes the maximum federal tax rate of 35%.

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

4 Represents Variable Rate Demand Preferred Shares (VRDP Shares) and tender option bond trusts (TOBs) as a percentage of total managed assets, which is the total assets of the Fund, including any assets attributable to VRDP Shares and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 10.

The table below summarizes the changes in the Fund s market price and NAV per share:

	7/31/12	**7/31/11**	**Change**	**High**	**Low**
Market Price	$15.80	$12.98	21.73%	$15.81	$12.87
Net Asset Value	$15.97	$14.51	10.06%	$16.02	$14.51

The following charts show the sector and credit quality allocations of the Fund s long-term investments:

Sector Allocations

	7/31/12	**7/31/11**
Transportation	17%	16%
County/City/Special District/School District	17	15
State	14	11
Health	14	14
Utilities	13	10
Education	10	11
Housing	7	11
Corporate	7	11
Tobacco	1	1

Credit Quality Allocations[5]

	7/31/12	**7/31/11**
AAA/Aaa	6%	5%
AA/Aa	48	41
A	29	25
BBB/Baa	9	18
BB/Ba	2	6
B	1	

CCC/Caa		2
Not Rated[6]	5	3

5 Using the higher of S&P s or Moody s Investors Service (Moody s) ratings.

6 The investment advisor has deemed certain of these non-rated securities to be of investment grade quality. As of July 31, 2012 and July 31, 2011, the market value of these securities was $1,922,828, representing 2%, and $2,875,100, representing 3%, respectively, of the Fund s long-term investments.

Fund Summary as of July 31, 2012 **BlackRock MuniYield Arizona Fund, Inc.**

Fund Overview

BlackRock MuniYield Arizona Fund, Inc. s (MZA) (the Fund) investment objective is to provide shareholders with as high a level of current income exempt from federal and Arizona income taxes as is consistent with its investment policies and prudent investment management. The Fund seeks to achieve its investment objective by investing at least 80% of its assets in municipal obligations exempt from federal income taxes (except that the interest may be subject to the federal alternative minimum tax) and Arizona income taxes. Under normal market conditions, the Fund expects to invest at least 75% of its assets in municipal obligations that are investment grade quality at the time of investment. The Fund may invest directly in such securities or synthetically through the use of derivatives.

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

Performance

For the 12 months ended July 31, 2012, the Fund returned 29.05% based on market price and 19.86% based on NAV. For the same period, the closed-end Lipper Other States Municipal Debt Funds category posted an average return of 26.92% based on market price and 16.67% based on NAV. All returns reflect reinvestment of dividends. The Fund moved from a discount to NAV to a premium by period-end, which accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV. Over the one-year period, the Fund benefited from the declining interest rate environment (bond prices rise as interest rates fall), the flattening of the yield curve (long interest rates fell more than short and intermediate rates) and tightening of credit spreads. The Fund s exposure to zero-coupon bonds and the health sector had a positive impact on performance as these holdings derived the greatest benefit from the decline in interest rates and spread tightening during the period. The Fund s strategy for hedging interest rate risk was a modest detractor from performance as the Fund held a short position in US Treasury futures while rates generally declined.

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Fund Information

Symbol on NYSE Amex		MZA
Initial Offering Date		October 29, 1993
Yield on Closing Market Price as of July 31, 2012 ($15.61)[1]		5.34%
Tax Equivalent Yield [2]		8.22%
Current Monthly Distribution per Common Share[3]		$0.0695
Current Annualized Distribution per Common Share[3]		$0.8340
Economic Leverage as of July 31, 2012[4]	37%	

1 Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.

2 Tax equivalent yield assumes the maximum federal tax rate of 35%.
3 The distribution rate is not constant and is subject to change.
4 Represents VRDP Shares and TOBs as a percentage of total managed assets, which is the total assets of the Fund, including any assets attributable to VRDP Shares and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 10.

The table below summarizes the changes in the Fund s market price and NAV per share:

	7/31/12	7/31/11	Change	High	Low
Market Price	$15.61	$12.83	21.67%	$16.25	$12.19
Net Asset Value	$15.12	$13.38	13.00%	$15.17	$13.38

The following charts show the sector and credit quality allocations of the Fund s long-term investments:

Sector Allocations

	7/31/12	7/31/11
County/City/Special District/School District	27%	34%
State	21	19
Utilities	19	15
Health	12	11
Education	9	10
Corporate	6	3
Transportation	4	5
Housing	2	3

Credit Quality Allocations[5]

	7/31/12	7/31/11
AAA/Aaa	14%	17%
AA/Aa	42	44
A	30	25
BBB/Baa	11	9
BB/Ba		1
B	[6]	1
Not Rated[7]	3	3

5 Using the higher of S&P s or Moody s ratings.
6 Includes a less than 1% investment.
7 The investment advisor has deemed certain of these non-rated securities to be of investment grade quality. As of July 31, 2012 and July 31, 2011, the market value of these securities was $1,172,270, representing 1%, and $2,615,595, representing 3%, respectively, of the Fund s long-term investments.

Fund Summary as of July 31, 2012 **BlackRock MuniYield California Fund, Inc.**

Fund Overview

BlackRock MuniYield California Fund, Inc. s (MYC) (the Fund) investment objective is to provide shareholders with as high a level of current income exempt from federal and California income taxes as is consistent with its investment policies and prudent investment management. The Fund seeks to achieve its investment objective by investing at least 80% of its assets in municipal obligations exempt from federal income taxes (except that the interest may be subject to the federal alternative minimum tax) and California income taxes. Under normal market conditions, the Fund invests primarily in long-term municipal obligations that are investment grade quality at the time of investment. The Fund may invest directly in such securities or synthetically through the use of derivatives.

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

Performance

For the 12 months ended July 31, 2012, the Fund returned 38.46% based on market price and 25.45% based on NAV. For the same period, the closed-end Lipper California Municipal Debt Funds category posted an average return of 30.47% based on market price and 21.65% based on NAV. All returns reflect reinvestment of dividends. The Fund moved from a discount to NAV to a premium by period-end, which accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV. The Fund s long duration posture (sensitivity to interest rate movements) had a positive impact on performance as interest rates generally declined amid the investor flight-to-quality in the US Treasury market. Leverage achieved through the use of tender option bonds while the municipal yield curve was historically steep boosted returns. The Fund s holdings of higher quality essential service revenue bonds contributed positively, as did holdings of select general obligation bonds and school district credits with stronger underlying fundamentals. Investments in the health, education, transportation and utilities sectors were particularly strong contributors. Additionally, purchases of zero-coupon bonds deemed undervalued added to the Fund s total return. The Fund used US Treasury financial futures contracts to hedge against rising interest rates. These positions had a modestly negative impact on returns as interest rates declined over the period.

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Fund Information

Symbol on NYSE		MYC
Initial Offering Date		February 28, 1992
Yield on Closing Market Price as of July 31, 2012 ($17.31)[1]		5.48%
Tax Equivalent Yield[2]		8.43%
Current Monthly Distribution per Common Share[3]		$0.079
Current Annualized Distribution per Common Share[3]		$0.948
Economic Leverage as of July 31, 2012[4]	38%	

1 Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.
2 Tax equivalent yield assumes the maximum federal tax rate of 35%.
3 The distribution rate is not constant and is subject to change.
4 Represents VRDP Shares and TOBs as a percentage of total managed assets, which is the total assets of the Fund, including any assets attributable to VRDP Shares and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 10.

The table below summarizes the changes in the Fund s market price and NAV per share:

	7/31/12	7/31/11	Change	High	Low
Market Price	$17.31	$13.29	30.25%	$17.52	$13.07
Net Asset Value	$16.97	$14.38	18.01%	$17.02	$14.38

The following charts show the sector and credit quality allocations of the Fund s long-term investments:

Sector Allocations

	7/31/12	7/31/11
County/City/Special District/School District	41%	43%
Utilities	18	24
Health	14	10
Education	12	7
State	8	4
Transportation	6	5
Housing	1	1
Corporate	[5]	6

5 Includes a less than 1% investment.

Credit Quality Allocations[6]

	7/31/12	7/31/11
AAA/Aaa	7%	7%
AA/Aa	69	66
A	23	18
BBB/Baa	1	9

6 Using the higher of S&P s or Moody s ratings.

Fund Summary as of July 31, 2012 **BlackRock MuniYield Investment Fund**

Fund Overview

BlackRock MuniYield Investment Fund s (MYF) (the Fund) investment objective is to provide shareholders with as high a level of current income exempt from federal income taxes as is consistent with its investment policies and prudent investment management. The Fund seeks to achieve its investment objective by investing at least 80% of its assets in municipal obligations exempt from federal income taxes (except that the interest may be subject to the federal alternative minimum tax). Under normal market conditions, the Fund primarily invests in municipal bonds that are investment grade quality at the time of investment. The Fund may invest directly in such securities or synthetically through the use of derivatives.

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

Performance

For the 12 months ended July 31, 2012, the Fund returned 34.44% based on market price and 26.55% based on NAV. For the same period, the closed-end Lipper General & Insured Municipal Debt Funds (Leveraged) category posted an average return of 29.37% based on market price and 20.77% based on NAV. All returns reflect reinvestment of dividends. The Fund moved from a discount to NAV to a premium by period end, which accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV. The Fund s long duration posture (greater sensitivity to interest rates) contributed positively to performance as the yield curve flattened (i.e., longer-term interest rates fell more than shorter rates) and bond prices moved higher on the long end of the municipal curve. The Fund s longer-dated holdings in the health, transportation and utilities sectors experienced the best price appreciation. The Fund used US Treasury financial futures contracts as a means of hedging interest rate risk. These positions had a slight negative impact on results as interest rates declined over the period.

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Fund Information

Symbol on NYSE		MYF
Initial Offering Date		February 28, 1992
Yield on Closing Market Price as of July 31, 2012 ($16.52)[1]		5.74%
Tax Equivalent Yield[2]		8.83%
Current Monthly Distribution per Common Share[3]		$0.079
Current Annualized Distribution per Common Share[3]		$0.948
Economic Leverage as of July 31, 2012[4]	40%	

1

Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.

2 Tax equivalent yield assumes the maximum federal tax rate of 35%.

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

4 Represents VRDP Shares and TOBs as a percentage of total managed assets, which is the total assets of the Fund, including any assets attributable to VRDP Shares and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 10.

The table below summarizes the changes in the Fund s market price and NAV per share:

	7/31/12	7/31/11	Change	High	Low
Market Price	$16.52	$13.08	26.30%	$16.80	$12.48
Net Asset Value	$16.30	$13.71	18.89%	$16.35	$13.71

The following charts show the sector and credit quality allocations of the Fund s long-term investments:

Sector Allocations

	7/31/12	7/31/11
County/City/Special District/School District	20%	25%
Transportation	20	22
Health	17	17
Utilities	16	16
State	11	5
Education	9	7
Housing	3	4
Corporate	3	3
Tobacco	1	1

Credit Quality Allocations[5]

	7/31/12	7/31/11
AAA/Aaa	14%	10%
AA/Aa	60	56
A	19	25
BBB/Baa	6	7
Not Rated	1	2[6]

5 Using the higher of S&P s or Moody s ratings.

6 The investment advisor has deemed certain of these non-rated securities to be of investment grade quality. As of July 31, 2011, the market value of these securities was $5,683,625, representing 2% of the Fund s long-term investments.

Fund Summary as of July 31, 2012 **BlackRock MuniYield New Jersey Fund, Inc.**

Fund Overview

BlackRock MuniYield New Jersey Fund, Inc. s (MYJ) (the Fund) investment objective is to provide shareholders with as high a level of current income exempt from federal income taxes and New Jersey personal income tax as is consistent with its investment policies and prudent investment management. The Fund seeks to achieve its investment objective by investing at least 80% of its assets in municipal obligations exempt from federal income taxes (except that the interest may subject to the federal alternative minimum tax) and New Jersey personal income taxes. Under normal market conditions, the Fund invests primarily in long-term municipal obligations that are investment grade quality at the time of investment. The Fund may invest directly in such securities or synthetically through the use of derivatives.

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

Performance

For the 12 months ended July 31, 2012, the Fund returned 33.59% based on market price and 20.72% based on NAV. For the same period, the closed-end Lipper New Jersey Municipal Debt Funds category posted an average return of 30.62% based on market price and 18.72% based on NAV. All returns reflect reinvestment of dividends. The Fund moved from a discount to NAV to a premium by period end, which accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV. The Fund s long duration posture (greater sensitivity to interest rates) contributed positively to performance as the yield curve flattened (i.e., longer-term interest rates fell more than shorter rates) and bond prices moved higher on the long end of the municipal curve. The Fund s longer-dated holdings in the health, corporate-backed and utilities sectors experienced the best price appreciation. The Fund used US Treasury financial futures contracts as a means of hedging interest rate risk. These positions had a slight negative impact on results as interest rates declined over the period.

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Fund Information

Symbol on NYSE		MYJ
Initial Offering Date		May 1,1992
Yield on Closing Market Price as of July 31, 2012 ($17.07)[1]		5.20%
Tax Equivalent Yield[2]		8.00%
Current Monthly Distribution per Common Share[3]		$0.074
Current Annualized Distribution per Common Share[3]		$0.888
Economic Leverage as of July 31, 2012[4]	35%	

1

Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.

2 Tax equivalent yield assumes the maximum federal tax rate of 35%.

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

4 Represents VRDP Shares and TOBs as a percentage of total managed assets, which is the total assets of the Fund, including any assets attributable to VRDP Shares and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 10.

The table below summarizes the changes in the Fund s market price and NAV per share:

	7/31/12	7/31/11	Change	High	Low
Market Price	$17.07	$13.53	26.16%	$17.07	$13.23
Net Asset Value	$16.92	$14.84	14.02%	$16.98	$14.84

The following charts show the sector and credit quality allocations of the Fund s long-term investments:

Sector Allocations

	7/31/12	7/31/11
State	35%	24%
Transportation	16	20
Education	14	14
County/City/Special District/School District	10	12
Health	9	11
Utilities	7	3
Housing	6	11
Corporate	3	4
Tobacco		1

Credit Quality Allocations[5]

	7/31/12	7/31/11
AAA/Aaa	5%	10%
AA/Aa	39	38
A	48	40
BBB/Baa	7	12
Not Rated	1[6]	

5 Using the higher of S&P s or Moody s ratings.

6 The investment advisor has deemed certain of these non-rated securities to be of investment grade quality. As of July 31, 2012, the market value of these securities was $3,600,470, representing 1% of the Fund s long-term investments.

The Benefits and Risks of Leveraging

The Funds may utilize leverage to seek to enhance the yield and NAV of their common shares (Common Shares). However, these objectives cannot be achieved in all interest rate environments.

To obtain leverage, the Funds issue Variable Rate Demand Preferred Shares (VRDP Shares) and previously issued and had outstanding Auction Market Preferred Shares (AMPS) (VRDP Shares, and as applicable AMPS, are collectively referred to as Preferred Shares). Preferred Shares pay dividends at prevailing short-term interest rates, and the Funds invest the proceeds in long-term municipal bonds. In general, the concept of leveraging is based on the premise that the financing cost of assets to be obtained from leverage, which will be based on short-term interest rates, will normally be lower than the income earned by each Fund on its longer-term portfolio investments. To the extent that the total assets of each Fund (including the assets obtained from leverage) are invested in higher-yielding portfolio investments, each Fund s shareholders will benefit from the incremental net income.

The interest earned on securities purchased with the proceeds from leverage is paid to shareholders in the form of dividends, and the value of these portfolio holdings is reflected in the per share NAV. However, in order to benefit shareholders, the yield curve must be positively sloped; that is, short-term interest rates must be lower than long-term interest rates. If the yield curve becomes negatively sloped, meaning short-term interest rates exceed long-term interest rates, income to shareholders will be lower than if the Funds had not used leverage.

To illustrate these concepts, assume a Fund s Common Shares capitalization is $100 million and it issues Preferred Shares for an additional $50 million, creating a total value of $150 million available for investment in long-term municipal bonds. If prevailing short-term interest rates are 3% and long-term interest rates are 6%, the yield curve has a strongly positive slope. In this case, the Fund pays dividends on the $50 million of Preferred Shares based on the lower short-term interest rates. At the same time, the securities purchased by the Fund with assets received from Preferred Shares issuance earn income based on long-term interest rates. In this case, the dividends paid to holders of Preferred Shares (Preferred Shareholders) are significantly lower than the income earned on the Fund s long-term investments, and therefore the Common Shareholders are the beneficiaries of the incremental net income.

If short-term interest rates rise, narrowing the differential between short-term and long-term interest rates, the incremental net income pickup will be reduced or eliminated completely. Furthermore, if prevailing short-term interest rates rise above long-term interest rates, the yield curve has a negative slope. In this case, the Fund pays higher short-term interest rates whereas the Fund s total portfolio earns income based on lower long-term interest rates.

Furthermore, the value of the Funds portfolio investments generally varies inversely with the direction of long-term interest rates, although other factors can influence the value of portfolio investments. In contrast, the redemption value of the Funds Preferred Shares does not fluctuate in relation to interest rates. As a result, changes in interest rates can influence the Funds NAVs positively or negatively in addition to the impact on Fund performance from leverage from Preferred Shares discussed above.

The Funds may also leverage their assets through the use of TOBs, as described in Note 1 of the Notes to Financial Statements. TOB investments generally will provide the Funds with economic benefits in periods of declining short-term interest rates, but expose the Funds to risks during periods of rising short-term interest rates similar to those associated with Preferred Shares issued by the Funds, as described above. Additionally, fluctuations in the market value of municipal bonds deposited into the TOB trust may adversely affect each Fund s NAV per share.

The use of leverage may enhance opportunities for increased income to the Funds and Common Shareholders, but as described above, it also creates risks as short- or long-term interest rates fluctuate. Leverage also will generally cause greater changes in the Funds NAVs, market prices and dividend rates than comparable portfolios without leverage. If the income derived from securities purchased with assets received from leverage exceeds the cost of leverage, the Funds net income will be greater than if leverage had not been used. Conversely, if the income from the securities purchased is not sufficient to cover the cost of leverage, each Fund s net income will be less than if leverage had not been used, and therefore the amount available for distribution to Common Shareholders will be reduced. Each Fund may be required to sell portfolio securities at inopportune times or at distressed values in order to comply with regulatory requirements applicable to the use of leverage or as required by the terms of leverage instruments, which may cause a Fund to incur losses. The use of leverage may limit each Fund s ability to invest in certain types of securities or use certain types of hedging strategies, such as in the case of certain restrictions imposed by rating agencies that rate the Preferred Shares issued by the Funds. Each Fund will incur expenses in connection with the use of leverage, all of which are borne by Common Shareholders and may reduce income to the Common Shares.

Under the Investment Company Act of 1940, as amended (the 1940 Act), the Funds are permitted to issue senior securities in the form of equity securities (e.g. Preferred Shares) up to 50% of their total managed assets (each Fund s total assets less the sum of its accrued liabilities). In addition, each Fund voluntarily limits its economic leverage to 50% of its total managed assets and 45% for Funds with VRDP Shares. As of July 31, 2012, the Funds had economic leverage from Preferred Shares and/or TOBs as a percentage of their total managed assets as follows:

	Percent of Economic Leverage
MNE	35%
MZA	37%
MYC	38%
MYF	40%
MYJ	35%

Derivative Financial Instruments

The Funds may invest in various derivative financial instruments, including financial futures contracts, as specified in Note 2 of the Notes to Financial Statements, which may constitute forms of economic leverage. Such derivative financial instruments are used to obtain exposure to a security, index and/or market without owning or taking physical custody of securities or to hedge market and/or interest rate risks. Derivative financial instruments involve risks, including the imperfect correlation between the value of a derivative financial instrument and the underlying asset, possible default of the counterparty to the transaction or illiquidity of the derivative financial instrument. The Funds ability to use a derivative financial instrument successfully depends on the investment advisor s ability to predict pertinent market movements accurately, which cannot be assured. The use of derivative financial instruments may result in losses greater than if they had not been used, may require a Fund to sell or purchase portfolio investments at inopportune times or for distressed values, may limit the amount of appreciation a Fund can realize on an investment, may result in lower dividends paid to shareholders or may cause a Fund to hold an investment that it might otherwise sell. The Funds investments in these instruments are discussed in detail in the Notes to Financial Statements.

Schedule of Investments July 31, 2012

BlackRock Muni New York Intermediate Duration Fund, Inc. (MNE)
(Percentages shown are based on Net Assets)

Municipal Bonds	Par (000)	Value
New York 124.4%		
Corporate 11.0%		
Essex County Industrial Development Agency, Refunding RB, International Paper, Series A, AMT, 5.20%, 12/01/23	$ 1,000	$ 1,032,410
Jefferson County Industrial Development Agency New York, Refunding RB, Solid Waste, Series A, AMT, 5.20%, 12/01/20	500	521,405
New York City Industrial Development Agency, RB, AMT:		
British Airways Plc Project, 7.63%, 12/01/32	1,000	1,027,790
Continental Airlines, Inc. Project, 8.38%, 11/01/16	1,000	1,010,240
New York City Industrial Development Agency, Refunding RB, Terminal One Group Association Project, AMT (a):		
5.50%, 1/01/18	1,000	1,097,640
5.50%, 1/01/24	1,000	1,056,910
New York State Energy Research & Development Authority, Refunding RB:		
Brooklyn Union Gas/Keyspan, Series A, AMT (FGIC), 4.70%, 2/01/24	500	529,115
Rochester Gas & Electric Corp., Series C (NPFGC), 5.00%, 8/01/32 (a)	1,000	1,104,270
		7,379,780
County/City/Special District/School District 19.0%		
Amherst Development Corp., RB, University at Buffalo Foundation Faculty-Student Housing Corp., Series A (AGM), 4.00%, 10/01/24	1,000	1,078,690
City of New York New York, GO:		
Refunding, Series A, 5.00%, 8/01/24	250	287,300
Refunding, Series E, 5.00%, 8/01/27	600	705,588
Sub-Series G-1, 5.00%, 4/01/28	850	1,020,935
Sub-Series I-1, 5.13%, 4/01/25	750	892,125
Hudson New York Yards Infrastructure Corp., RB, Series A, 5.75%, 2/15/47	1,000	1,172,070
New York City Industrial Development Agency, RB, Queens		

Baseball Stadium, PILOT (AMBAC), 5.00%, 1/01/31	1,500	1,532,085
New York City Industrial Development Agency,		
Refunding RB, Terminal One Group Association Project,		
AMT, 5.50%, 1/01/21 (a)	250	268,715
New York City Transitional Finance Authority, RB:		
Fiscal 2007, Series S-1 (FGIC), 5.00%, 7/15/24	500	565,640
Fiscal 2009, Series S-3, 5.00%, 1/15/23	575	687,706
Series S-1, 4.00%, 7/15/42	500	507,800
New York Convention Center Development Corp., RB,		
Hotel Unit Fee Secured (AMBAC), 5.00%, 11/15/35	120	125,730
New York Liberty Development Corp., Refunding RB:		
5.00%, 11/15/31	1,000	1,145,340
Second Priority, Bank of America Tower at One Bryant		
Park Project, 5.63%, 7/15/47	1,000	1,120,950

Municipal Bonds	**Par (000)**	**Value**
New York (continued)		
County/City/Special District/School District (concluded)		
United Nations Development Corp. New York,		
Refunding RB, Series A, 4.25%, 7/01/24	$ 1,500	$ 1,652,235
		12,762,909
Education 15.4%		
Nassau County Industrial Development Agency,		
Refunding RB, New York Institute of Technology Project,		
Series A, 5.00%, 3/01/21	1,000	1,147,800
New York State Dormitory Authority, RB:		
Convent of the Sacred Heart (AGM),		
4.00%, 11/01/18	880	977,161
Convent of the Sacred Heart (AGM),		
5.00%, 11/01/21	120	140,845
Fordham University, Series A, 5.25%, 7/01/25	500	599,550
Haverstraw King s Daughters Public Library,		
5.00%, 7/01/26	1,015	1,196,675
Mount Sinai School of Medicine, 5.50%, 7/01/25	1,000	1,158,470
Mount Sinai School of Medicine, Series A (NPFGC),		
5.15%, 7/01/24	570	669,043
New York State Dormitory Authority, Refunding RB, NYU,		
Series A, 5.00%, 7/01/37	600	700,014
Schenectady County Capital Resource Corp, Refunding RB		
Union College:		

5.00%, 7/01/32	940	1,094,066	
4.25%, 7/01/33	845	900,610	
Schenectady County Industrial Development Agency,			
Refunding RB, Union College Project, 5.00%, 7/01/26	1,000	1,128,160	
Suffolk County Industrial Development Agency,			
Refunding RB, New York Institute of Technology Project,			
5.25%, 3/01/21	600	634,098	
			10,346,492
Health 20.9%			
Dutchess County Industrial Development Agency, RB,			
Vassar Brothers Medical Center (AGC),			
5.00%, 4/01/21	215	253,919	
Dutchess County Local Development Corp., Refunding RB,			
Health Quest System, Inc., Series A (AGM),			
5.25%, 7/01/25	1,000	1,151,400	
Erie County Industrial Development Agency, RB, Episcopal			
Church Home, Series A, 5.88%, 2/01/18	725	726,153	
Genesee County Industrial Development Agency New York,			
Refunding RB, United Memorial Medical Center Project,			
4.75%, 12/01/14	215	215,813	
New York City Industrial Development Agency, RB, PSCH,			
Inc. Project, 6.20%, 7/01/20	1,415	1,420,830	
New York State Dormitory Authority, RB:			
New York State Association for Retarded Children,			
Inc., Series A, 5.30%, 7/01/23	450	517,234	

Portfolio Abbreviations

To simplify the listings of portfolio holdings in the Schedules of Investments, the names and descriptions of many of the securities have been abbreviated according to the following list:

AGC	Assured Guaranty Corp.
AGM	Assured Guaranty Municipal Corp.
AMBAC	American Municipal Bond Assurance Corp.
AMT	Alternative Minimum Tax (subject to)
ARB	Airport Revenue Bonds
BHAC	Berkshire Hathaway Assurance Corp.
CAB	Capital Appreciation Bonds
CIFG	CDC IXIS Financial Guaranty
COP	Certificates of Participation

EDA	Economic Development Authority
EDC	Economic Development Corp.
ERB	Education Revenue Bonds
FGIC	Financial Guaranty Insurance Co.
Freddie Mac	Federal Home Loan Mortgage Corporation
Ginnie Mae	Government National Mortgage Association
GO	General Obligation Bonds
HFA	Housing Finance Agency
HRB	Housing Revenue Bonds
IDA	Industrial Development Authority
IDB	Industrial Development Board
IDRB	Industrial Development Revenue Bond
ISD	Independent School District
LRB	Lease Revenue Bonds
MBIA	MBIA Insurance Corp.
M/F	Multi-Family
NPFGC	National Public Finance Guarantee Corp.
PILOT	Payment in Lieu of Taxes
Radian	Radian Financial Guaranty
RB	Revenue Bonds
SONYMA	State of New York Mortgage Agency
S/F	Single-Family
Syncora	Syncora Guarantee

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock Muni New York Intermediate Duration Fund, Inc. (MNE)
(Percentages shown are based on Net Assets)

Municipal Bonds	Par (000)	Value
New York (continued)		
Health (concluded)		
New York State Dormitory Authority, RB: (concluded)		
North Shore-Long Island Jewish Health System,		
Series A, 5.25%, 5/01/25	$ 780	$ 810,124
North Shore-Long Island Jewish Health System,		
Series D, 5.00%, 5/01/39	160	174,422
NYU Hospitals Center, Series A, 5.00%, 7/01/22	1,000	1,145,670
NYU Hospitals Center, Series B, 5.25%, 7/01/24	405	444,415
New York State Dormitory Authority, Refunding RB:		
Mount Sinai Hospital, Series A, 4.25%, 7/01/23	250	271,045
North Shore-Long Island Jewish Health System,		
Series A, 5.00%, 5/01/32	500	559,680
North Shore-Long Island Jewish Health System,		
Series E, 5.00%, 5/01/22	650	746,590
Teachers College, Series A, 5.00%, 7/01/31	375	437,160
Saratoga County Industrial Development Agency New York,		
Refunding RB, The Saratoga Hospital Project, Series A		
(Radian), 4.38%, 12/01/13	365	378,666
Suffolk County Industrial Development Agency New York,		
Refunding RB, Jeffersons Ferry Project,		
4.63%,11/01/16	800	854,776
Westchester County Healthcare Corp. New York,		
Refunding RB, Senior Lien:		
5.00%, 11/01/30	250	275,247
Series B, 6.00%, 11/01/30	240	285,499
Westchester County Industrial Development Agency		
New York, RB:		
Kendal on Hudson Project, Series A, 6.38%, 1/01/24	1,000	1,006,270
Special Needs Facilities Pooled Program, Series D-1,		
6.80%, 7/01/19	515	523,868
Westchester County New York Health Care Corp.,		

Refunding RB, Senior Lien, Series A, 5.00%, 11/01/24	910	1,027,536
Yonkers Industrial Development Agency New York, RB,		
Sacred Heart Associations Project, Series A, AMT		
(SONYMA), 4.80%, 10/01/26	750	794,925
		14,021,242
Housing 8.8%		
New York City Housing Development Corp., RB,		
Series H-2-A, AMT, 5.00%, 11/01/30	780	813,197
New York Mortgage Agency, Refunding RB, AMT:		
Homeowner Mortgage, Series 130, 4.75%, 10/01/30	2,500	2,553,825
Series 133, 4.95%, 10/01/21	395	413,292
Series 143, 4.85%, 10/01/27	500	519,675
Yonkers EDC, Refunding RB, Riverview II (Freddie Mac),		
4.50%, 5/01/25	1,500	1,631,010
		5,930,999
State 18.1%		
Buffalo & Erie County Industrial Land Development Corp.,		
RB, Buffalo State College Foundation Housing,		
6.00%, 10/01/31	1,000	1,220,580
Metropolitan Transportation Authority, Refunding RB,		
Series D, 4.00%, 11/15/32 (b)	1,000	1,031,490
New York State Dormitory Authority, ERB, Series F,		
5.00%, 3/15/30	1,290	1,400,850
New York State Dormitory Authority, LRB, Municipal Health		
Facilities, Sub- Series 2-4, 5.00%, 1/15/27	600	667,632
New York State Dormitory Authority, RB:		
Education, Series D, 5.00%, 3/15/31	500	564,770
School Districts Financing Program, Series C,		
5.00%, 10/01/26	2,360	2,832,024
New York State Dormitory Authority, Refunding RB:		
Department of Health, Series A (CIFG),		
5.00%, 7/01/25	1,500	1,646,100
Saint John s University, Series A, 5.00%, 7/01/27 (b)	220	260,187

Municipal Bonds	**Par (000)**	**Value**
New York (concluded)		
State (concluded)		
New York State Thruway Authority, Refunding RB,		

Series A-1, 5.00%, 4/01/22	$ 1,000	$ 1,195,160
New York State Urban Development Corp., RB, State Personal Income Tax:		
Series A, 3.50%, 3/15/28	750	792,307
State Facilities, Series A-1 (NPFGC), 5.00%, 3/15/24	485	522,141
		12,133,241
Tobacco — 1.5%		
Tobacco Settlement Financing Corp. New York, RB, Asset-Backed Series B-1C, 5.50%, 6/01/22	1,000	1,042,220
Transportation — 16.5%		
Metropolitan Transportation Authority, RB:		
Series A (NPFGC), 5.00%, 11/15/24	2,000	2,302,620
Series B (NPFGC), 5.25%, 11/15/19	860	1,055,478
Series E, 5.00%, 11/15/42	85	95,541
Sub-Series B-1, 5.00%, 11/15/24	460	566,573
Sub-Series B-4, 5.00%, 11/15/24	300	369,504
Transportation, Series A, 5.00%, 11/15/27	1,000	1,168,110
Metropolitan Transportation Authority, Refunding RB, Series B, 5.25%, 11/15/25	750	894,660
New York State Thruway Authority, RB, Series I, 5.00%, 1/01/37	370	418,947
Port Authority of New York & New Jersey, RB:		
Consolidated 152nd, Series, AMT, 5.00%, 11/01/24	1,000	1,120,450
JFK International Air Terminal, 5.00%, 12/01/20	1,000	1,107,180
Port Authority of New York & New Jersey, Refunding RB, AMT:		
152nd Series, 5.00%, 11/01/23	500	568,895
Consolidated, 138th Series, 4.75%, 12/01/30	205	214,551
Triborough Bridge & Tunnel Authority, RB, Series A, 5.00%, 1/01/27	1,000	1,199,300
		11,081,809
Utilities — 13.2%		
Long Island Power Authority, RB, General, Series A, 5.00%, 5/01/36	250	280,243
Long Island Power Authority, Refunding RB:		
Series A, 5.50%, 4/01/24	875	1,054,917
Series D (NPFGC), 5.00%, 9/01/25	2,000	2,244,300
New York City Municipal Water Finance Authority, Refunding RB:		
Series DD, 5.00%, 6/15/32	500	574,040
Series EE, 5.00%, 6/15/34	3,000	3,509,280

New York State Environmental Facilities Corp.,		
Refunding RB, NYC Municipal Water, 5.00%, 6/15/31	1,000	1,189,910
		8,852,690
Total Municipal Bonds in New York		83,551,382
Puerto Rico — 8.8%		
Housing — 2.6%		
Puerto Rico Housing Finance Authority, Refunding RB,		
Subordinate, Capital Fund Modernization,		
5.13%, 12/01/27	1,570	1,740,235
State — 0.8%		
Puerto Rico Public Buildings Authority, Refunding RB,		
Government Facilities, Series M -3 (NPFGC),		
6.00%, 7/01/28	500	564,270
Transportation — 5.4%		
Puerto Rico Highway & Transportation Authority, RB,		
Series Y (AGM), 6.25%, 7/01/21	3,000	3,621,510
Total Municipal Bonds in Puerto Rico		5,926,015

See Notes to Financial Statements.

Schedule of Investments (concluded)

BlackRock Muni New York Intermediate Duration Fund, Inc. (MNE)
(Percentages shown are based on Net Assets)

Municipal Bonds	Par (000)	Value
US Virgin Islands — 1.6%		
State — 1.6%		