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**Municipal Advantage Fund Inc. (MAF)
2006 Tax Reporting Information**

For the year ended December 31, 2006, substantially all income dividends paid by Municipal Advantage Fund Inc. (the "Fund") were exempt from federal income tax. During 2006 the Fund invested in market discount municipal bonds, whose accretion is taxable. Accordingly, 0.21% of dividends paid were taxable, although the Fund did invest in securities which paid interest subject to the federal alternative minimum tax ("AMT").

For 2006, dividends paid from income subject to AMT amounted to 24.0%.

Shareholders should consult their tax adviser as to the state and local tax status of dividend income received from the Fund.

The information below may also be of value in reducing a shareholder's state or local tax liability, if any, in connection with dividend income received from the Fund.

**Dividend Income - Percentage by State/U.S. Treasury Obligations
January 1, 2006 through December 31, 2006**

Alabama	0.05%	Louisiana	-	Oklahoma	-
Alaska	-	Maine	1.73%	Oregon	-
Arizona	-	Maryland	-	Pennsylvania	2.04%
Arkansas	-	Massachusetts	2.76%	Puerto Rico	2.50%
California	12.54%	Michigan	2.89%	Rhode Island	-
Colorado	0.96%	Minnesota	-	South Carolina	-
Connecticut	-	Mississippi	-	South Dakota	0.70%
Delaware	-	Missouri	-	Tennessee	0.91%
District of Columbia	1.69%	Montana	-	Texas	11.60%
Florida	6.65%	Nebraska	-	Utah	0.02%
Georgia	4.85%	Nevada	1.00%	Vermont	-
Hawaii	3.15%	New Hampshire	0.08%	Virginia	0.22%
Idaho	-	New Jersey	1.82%	Washington	7.80%
Illinois	8.23%	New Mexico	5.20%	West Virginia	0.83%
Indiana	0.68%	New York	7.98%	Wisconsin	3.21%
Iowa	-	North Carolina	-	Wyoming	0.87%
Kansas	-	North Dakota	0.33%		
Kentucky	1.55%	Ohio	5.16%	Total	100.00%