

DTF TAX-FREE INCOME INC  
Form N-Q  
September 27, 2005

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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

**FORM N-Q**

**CERTIFIED SHAREHOLDER REPORT OF REGISTERED**  
**MANAGEMENT INVESTMENT COMPANIES**

|                                                     |                                                                                                    |
|-----------------------------------------------------|----------------------------------------------------------------------------------------------------|
| Investment Company Act file number:                 | 811-006416                                                                                         |
| Exact name of registrant as specified in charter:   | DTF Tax-Free Income Inc.                                                                           |
| Address of principal executive offices:             | 55 East Monroe St<br>Suite 3600<br>Chicago, IL 60603                                               |
| Name and address of agent for service:              | Alan Meder<br>Principal Financial Officer<br>55 East Monroe St.<br>Suite 3600<br>Chicago, IL 60603 |
| Registrant's telephone number, including area code: | 312-541-5555                                                                                       |
| Date of fiscal year end:                            | 10/31/05                                                                                           |
| Date of reporting period:                           | 7/31/05                                                                                            |

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Item 1 Schedule of Investments

## DTF TAX FREE INCOME INC.

## STATEMENT OF NET ASSETS (UNAUDITED)

As of July 31, 2005

Moody's

| Rating<br>(Unaudited)        | Principal<br>Amount<br>(000) | Description (a)                                     | Value            |
|------------------------------|------------------------------|-----------------------------------------------------|------------------|
| <b>LONG-TERM INVESTMENTS</b> |                              |                                                     | <b>142.9%</b>    |
| <b>Alabama</b>               |                              |                                                     | <b>5.3%</b>      |
|                              |                              | Jefferson Cnty. Swr. Rev. Capital Impvt.            |                  |
| Aaa                          | \$ 3,000(b)                  | 5.125%, 2/1/29, Ser. A, F.G.I.C.                    |                  |
|                              |                              | Prerefunded 2/1/09 @ \$101                          | \$ 3,211,020     |
| Aaa                          | 2,100(b)                     | 5.00%, 2/1/33, Ser. A, F.G.I.C.                     |                  |
|                              |                              | Prerefunded 2/1/09 @ \$101                          | 2,239,083        |
| Aaa                          | 1,900(b)                     | 5.00%, 2/1/33, Ser. A, F.G.I.C.                     |                  |
|                              |                              | Prerefunded 2/1/09 @ \$101                          | 2,032,373        |
|                              |                              |                                                     | <b>7,482,476</b> |
| <b>Alaska</b>                |                              |                                                     | <b>0.4%</b>      |
|                              |                              | Alaska St. Hsg. Fin. Corp., Rev.,                   |                  |
| Aaa                          | 500                          | 5.00%, 12/1/11, Ser. B-2                            | 523,155          |
| <b>California</b>            |                              |                                                     | <b>25.8%</b>     |
|                              |                              | Burbank Elec. Rev.,                                 |                  |
| Aaa                          | 1,380                        | 5.375%, 6/1/18, M.B.I.A.                            | 1,516,717        |
|                              |                              | Foothill/Eastern Corr. Agency Toll Road Rev.,       |                  |
| Aaa                          | 5,640(b)                     | 6.00%, 1/1/34, Ser. A                               |                  |
|                              |                              | Prerefunded 1/1/07 @ \$100                          | 5,897,015        |
|                              |                              | Fresno Swr. Rev.,                                   |                  |
| Aaa                          | 3,030                        | 6.00%, 9/1/09, A.M.B.A.C.                           | 3,364,179        |
| Aaa                          | 2,000                        | 6.25%, 9/1/14, A.M.B.A.C.                           | 2,393,440        |
|                              |                              | Los Angeles Wastewtr. Sys. Rev.,                    |                  |
| Aaa                          | 2,000                        | 5.00%, 6/1/26, Ser. A, M.B.I.A.                     | 2,104,460        |
|                              |                              | Los Angeles Wtr. & Pwr. Rev., Ser. A,               |                  |
| Aaa                          | 1,000                        | 5.25%, 7/1/21, F.S.A.                               | 1,074,570        |
| Aaa                          | 1,000                        | 5.375%, 7/1/21, M.B.I.A.                            | 1,081,690        |
|                              |                              | Metro Wtr. Dist. Southern California Waterwork Rev. |                  |
| Aaa                          | 1,500                        | 5.00%, 10/1/29, M.B.I.A.                            | 1,586,970        |
|                              |                              | Pomona Sngl. Fam. Mtge. Rev.,                       |                  |
| Aaa                          | 2,025(b)                     | 7.375%, 8/1/10                                      |                  |
|                              |                              | Escrowed to maturity                                | 2,219,947        |
|                              |                              | Riverside Cnty. Sngl. Fam. Rev., Mtge. Backed,      |                  |
| Aaa                          | 2,500(b)                     | 7.80%, 5/1/21, Ser. A,                              |                  |
|                              |                              | Escrowed to maturity                                | 3,480,950        |
|                              |                              | San Bernardino Cnty. Residential Mtge. Rev.,        |                  |
| Aaa                          | 7,840(b)                     | 9.60%, 9/1/15,                                      |                  |
|                              |                              | Escrowed to maturity                                | 11,532,405       |
|                              |                              | Saratoga Unified Sch. Dist.,                        |                  |

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|                    |       |                                                                       |             |
|--------------------|-------|-----------------------------------------------------------------------|-------------|
| Aaa                | 1,040 | Zero Coupon, 9/1/20, Ser. A, F.G.I.C.                                 | 529,589     |
|                    |       |                                                                       | <hr/>       |
|                    |       |                                                                       | 36,781,932  |
|                    |       |                                                                       | <hr/>       |
| <b>Connecticut</b> |       |                                                                       | <b>3.4%</b> |
|                    |       |                                                                       |             |
| Aaa                | 1,000 | Connecticut St. Tax Oblig. Rev.,<br>5.25%, 7/1/17, Ser. B, A.M.B.A.C. | 1,132,810   |
|                    |       |                                                                       |             |
| Baa3               | 3,500 | Mashantucket Western Pequot Tribe Spl. Rev.,<br>5.75%, 9/1/18, Ser. B | 3,657,080   |
|                    |       |                                                                       | <hr/>       |
|                    |       |                                                                       | 4,789,890   |
|                    |       |                                                                       | <hr/>       |

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| Moody's<br>Rating<br>(Unaudited) | Principal<br>Amount<br>(000) | Description (a)                                                                                 | Value        |
|----------------------------------|------------------------------|-------------------------------------------------------------------------------------------------|--------------|
| <b>District of Columbia</b>      |                              |                                                                                                 | <b>1.1%</b>  |
| Aaa                              | \$ 1,500                     | District of Columbia Wtr. & Swr. Rev.,<br>5.00%, 10/1/33, F.G.I.C.                              | \$ 1,561,125 |
| <b>Florida</b>                   |                              |                                                                                                 | <b>10.6%</b> |
| Aaa                              | 3,000                        | Dade Cnty. Wtr. & Swr. Sys. Rev.,<br>5.25%, 10/1/26, F.G.I.C.                                   | 3,141,060    |
| A3                               | 1,170                        | Escambia Cnty. Hlth Fac. Rev.,<br>5.125%, 10/1/19                                               | 1,199,484    |
| Aaa                              | 2,210                        | Florida Mun. Ln. Council Rev. North Miami Beach Wtr. Proj.,<br>5.375%, 8/1/20, Ser. B, M.B.I.A. | 2,441,895    |
| Aaa                              | 2,000                        | Miami-Dade Cnty. FL Storm Wtr. Util Rev.,<br>5.00%, 4/1/27, M.B.I.A.                            | 2,124,360    |
| Aaa                              | 1,000                        | Sarasota Cnty. Util. Sys. Rev.,<br>5.25%, 10/1/16, Ser C, F.G.I.C.                              | 1,096,150    |
| Aaa                              | 5,000                        | St. Petersburg Public Util. Rev.,<br>5.00%, 10/1/28, Ser. A, F.S.A.                             | 5,165,150    |
|                                  |                              |                                                                                                 | 15,168,099   |
| <b>Georgia</b>                   |                              |                                                                                                 | <b>16.2%</b> |
| Aaa                              | 2,385                        | Atlanta Wtr. & Wastewtr. Rev., Ser. A,<br>5.00%, 11/1/29, F.G.I.C.                              | 2,466,710    |
| Aaa                              | 2,615(b)                     | 5.00%, 11/1/29, F.G.I.C.                                                                        |              |
|                                  |                              | Prerefunded 5/1/09 @ \$101                                                                      | 2,809,478    |
| Aaa                              | 715                          | 5.00%, 11/1/38, F.G.I.C.                                                                        | 736,729      |
| Aaa                              | 785(b)                       | 5.00%, 11/1/38, F.G.I.C.                                                                        |              |
|                                  |                              | Prerefunded 5/1/09 @ \$101                                                                      | 843,380      |
| Aa2                              | 4,000                        | De Kalb Cnty. Wtr. & Swr. Rev.,<br>5.00%, 10/1/24                                               | 4,196,920    |
| Aa2                              | 2,000                        | Fulton Cnty. Sch. Dist., Gen. Oblig.<br>5.375%, 1/1/16                                          | 2,265,260    |
| Aaa                              | 145(b)                       | Georgia Mun. Elec. Auth. Pwr. Rev., Ser. Y,<br>6.40%, 1/1/13, A.M.B.A.C.                        |              |
|                                  |                              | Escrowed to Maturity                                                                            | 167,562      |
| Aaa                              | 2,440                        | 6.40%, 1/1/13, A.M.B.A.C.                                                                       | 2,816,297    |
| Aaa                              | 30(b)                        | 6.40%, 1/1/13, A.M.B.A.C.                                                                       |              |
|                                  |                              | Prerefunded 1/1/11 @ \$100                                                                      | 34,454       |
| Aaa                              | 5,500                        | Georgia Mun. Elec. Auth. Rev.,<br>6.50%, 1/1/20, Ser. X, A.M.B.A.C.                             | 6,668,805    |
|                                  |                              |                                                                                                 | 23,005,595   |
| <b>Hawaii</b>                    |                              |                                                                                                 | <b>1.4%</b>  |
| Aaa                              | 2,000                        | Hawaii Dept. Budget & Fin.,<br>4.80%, 1/1/25, Ser. A, F.G.I.C.                                  | 2,014,700    |
| <b>Idaho</b>                     |                              |                                                                                                 | <b>1.1%</b>  |
| Aa1                              | 1,075                        | Idaho Hsg. Agcy., Sngl. Fam. Mtge. Sr., Ser. B,<br>6.65%, 7/1/14                                | 1,086,760    |
| Aaa                              | 533                          | 6.60%, 7/1/27, F.H.A.                                                                           | 544,278      |
|                                  |                              |                                                                                                 | 1,631,038    |

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|     |       |                                    |             |
|-----|-------|------------------------------------|-------------|
|     |       | <b>Illinois</b>                    | <b>4.7%</b> |
|     |       | Chicago Gen. Oblig.,               |             |
| Aaa | 4,000 | 6.25%, 1/1/11, A.M.B.A.C.          | 4,469,800   |
|     |       | Chicago Park Dist., Gen. Oblig.,   |             |
| Aaa | 1,000 | 5.00%, 1/1/27, Ser. A, A.M.B.A.C.  | 1,051,380   |
|     |       | Lake Cnty., Wtr. & Swr. Sys. Rev., |             |
| Aaa | 1,000 | 5.50%, 12/1/10, Ser. A, A.M.B.A.C. | 1,102,460   |
|     |       |                                    | <hr/>       |
|     |       |                                    | 6,623,640   |
|     |       |                                    | <hr/>       |

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| Moody's<br>Rating<br>(Unaudited) | Principal<br>Amount<br>(000) | Description (a)                                                                                                       | Value            |
|----------------------------------|------------------------------|-----------------------------------------------------------------------------------------------------------------------|------------------|
| <b>Indiana</b>                   |                              |                                                                                                                       | <b>5.6%</b>      |
| Aaa                              | \$ 5,000                     | Indiana Mun. Pwr. Agcy., Pwr. Supply Sys. Rev.,<br>6.00%, 1/1/13, Ser. B, M.B.I.A.                                    | \$ 5,733,300     |
| Aaa                              | 2,100                        | Indianapolis Local Pub. Impvt. Bond Bank Waterworks Proj.,<br>5.25%, 7/1/33, Ser. A, M.B.I.A.                         | 2,247,798        |
|                                  |                              |                                                                                                                       | <u>7,981,098</u> |
| <b>Kentucky</b>                  |                              |                                                                                                                       | <b>1.5%</b>      |
| Aaa                              | 2,000                        | Louisville & Jefferson Cnty. Met. Swr. Dist., Swr. & Drain Sys. Rev.,<br>5.00%, 5/15/30, Ser. A, F.G.I.C.             | 2,087,180        |
| <b>Louisiana</b>                 |                              |                                                                                                                       | <b>0.9%</b>      |
| Aaa                              | 1,250                        | St. Charles Parish, Solid Waste & Disp. Rev.,<br>(Louisiana Pwr. & Lt. Co.),<br>7.00%, 12/1/22, Ser. A, F.S.A.        | 1,254,262        |
| <b>Massachusetts</b>             |                              |                                                                                                                       | <b>5.0%</b>      |
| Aaa                              | 2,000                        | Boston Wtr. & Swr. Comm. Rev.,<br>5.00%, 11/1/28, Ser. D, F.G.I.C.                                                    | 2,098,180        |
| Aaa                              | 2,355                        | Massachusetts St. Tpk. Auth., Metro. Highway Sys. Rev.,<br>5.125%, 1/1/23, Ser. B, M.B.I.A.                           | 2,460,810        |
| Aaa                              | 2,500                        | 4.75%, 1/1/34, Ser. A, A.M.B.A.C.                                                                                     | 2,519,750        |
|                                  |                              |                                                                                                                       | <u>7,078,740</u> |
| <b>Michigan</b>                  |                              |                                                                                                                       | <b>3.0%</b>      |
| Aaa                              | 2,000                        | Detroit Wtr. Supply Sys. Rev., Sr. Lien, Ser. A,<br>5.50%, 7/1/24, F.G.I.C.                                           | 2,192,060        |
| Aaa                              | 2,000                        | 5.00%, 7/1/30, F.G.I.C.                                                                                               | 2,072,440        |
|                                  |                              |                                                                                                                       | <u>4,264,500</u> |
| <b>Mississippi</b>               |                              |                                                                                                                       | <b>1.2%</b>      |
| AAA*                             | 1,500(b)                     | Mississippi Gulf Coast Reg. Wastewtr. Auth. Rev., Wastewtr. Treatment Facs.,<br>7.00%, 7/1/12<br>Escrowed to maturity | 1,751,385        |
| <b>Nebraska</b>                  |                              |                                                                                                                       | <b>4.8%</b>      |
| Aaa                              | 1,000                        | Lincoln San. Swr. Rev.,<br>5.00%, 6/15/16, M.B.I.A.                                                                   | 1,082,870        |
| Aa2                              | 2,500(b)                     | Omaha Pub. Pwr. Dist., Elec. Rev., Ser. B,<br>6.15%, 2/1/12<br>Escrowed to maturity                                   | 2,820,450        |
| Aa2                              | 2,500(b)                     | 6.20%, 2/1/17<br>Escrowed to maturity                                                                                 | 2,958,700        |
|                                  |                              |                                                                                                                       | <u>6,862,020</u> |

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| Moody's<br>Rating<br>(Unaudited) | Principal<br>Amount<br>(000) | Description (a)                                           | Value             |
|----------------------------------|------------------------------|-----------------------------------------------------------|-------------------|
| <b>Nevada</b>                    |                              |                                                           | <b>3.2%</b>       |
|                                  |                              | Las Vegas Valley Wtr. Dist., Gen. Oblig.,                 |                   |
| Aaa                              | \$ 1,400                     | 5.00%, 6/1/25, Ser. B, M.B.I.A.                           | \$ 1,474,144      |
| Aaa                              | 3,000                        | 5.00%, 6/1/32, Ser. A, F.G.I.C.                           | 3,119,310         |
|                                  |                              |                                                           | <b>4,593,454</b>  |
| <b>New Jersey</b>                |                              |                                                           | <b>1.6%</b>       |
|                                  |                              | New Jersey St. Gen. Oblig.,                               |                   |
| Aa3                              | 2,000                        | 5.25%, 7/1/17, Ser. H                                     | 2,243,240         |
| <b>New York</b>                  |                              |                                                           | <b>7.6%</b>       |
|                                  |                              | Long Island Pwr. Auth. Elec. Sys. Rev.,                   |                   |
| Aaa                              | 4,000                        | 5.25%, 12/1/26, Ser. A, M.B.I.A.                          | 4,246,000         |
|                                  |                              | Metro. Trans. Auth. Rev., Ser. A,                         |                   |
| Aaa                              | 1,000                        | 5.25%, 11/15/31, Ser. A, F.G.I.C.                         | 1,077,700         |
|                                  |                              | New York City Mun. Wtr. Fin. Auth., Wtr & Swr. Sys. Rev., |                   |
| Aaa                              | 5,000                        | 5.00%, 6/15/29, Ser. B, F.S.A.                            | 5,260,100         |
|                                  |                              | New York St. Envir. Fac. Corp., Poll. Ctrl. Rev.,         |                   |
| Aaa                              | 200                          | 6.90%, 11/15/15, Ser. D                                   | 204,704           |
|                                  |                              |                                                           | <b>10,788,504</b> |
| <b>Ohio</b>                      |                              |                                                           | <b>2.8%</b>       |
|                                  |                              | Ohio St. Wtr. Dev. Auth. Rev.,                            |                   |
| Aaa                              | 2,445                        | 5.50%, 6/1/20, Ser. B, F.S.A.                             | 2,849,305         |
|                                  |                              | Springboro Swr. Sys. Rev.                                 |                   |
| Aaa                              | 1,045                        | 5.00%, 6/1/26, M.B.I.A.                                   | 1,106,143         |
|                                  |                              |                                                           | <b>3,955,448</b>  |
| <b>Pennsylvania</b>              |                              |                                                           | <b>2.2%</b>       |
|                                  |                              | Delaware Cnty. Auth. Rev., Elwyn Inc. Proj.,              |                   |
| Aa3                              | 2,000                        | 5.00%, 6/1/21, Ser. A, Radian                             | 2,094,880         |
|                                  |                              | Pennsylvania Economic Dev. Fin. Auth. Res. Recov. Rev.,   |                   |
| Aaa                              | 1,000                        | 4.625%, 12/1/18, Ser. F, A.M.B.A.C.                       | 1,017,560         |
|                                  |                              |                                                           | <b>3,112,440</b>  |
| <b>Puerto Rico</b>               |                              |                                                           | <b>0.8%</b>       |
|                                  |                              | Puerto Rico Elec. Auth. Rev.,                             |                   |
| Aaa                              | 1,000                        | 5.00%, 7/1/25, Ser. PP, F.G.I.C.                          | 1,066,650         |
| <b>South Carolina</b>            |                              |                                                           | <b>1.9%</b>       |
|                                  |                              | Berkeley Cnty. Wtr. & Swr. Rev.,                          |                   |
| Aaa                              | 1,000                        | 5.25%, 6/1/16, M.B.I.A.                                   | 1,100,300         |
|                                  |                              | Spartanburg Waterworks Rev., Jr. Lien.,                   |                   |
| Aaa                              | 1,500                        | 5.25%, 6/1/28, F.G.I.C.                                   | 1,619,805         |
|                                  |                              |                                                           | <b>2,720,105</b>  |





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| Moody s<br>Rating<br>(Unaudited) | Principal<br>Amount<br>(000) | Description (a)                                                                     | Value        |
|----------------------------------|------------------------------|-------------------------------------------------------------------------------------|--------------|
| <b>Texas</b>                     |                              |                                                                                     | <b>17.5%</b> |
| Aaa                              | \$ 2,500                     | Bexar Met. Wtr. Dist. Waterworks Sys. Rev.,<br>5.00%, 5/1/25, M.B.I.A.              | \$ 2,581,975 |
| Aaa                              | 4,000                        | Coastal Wtr. Auth. Contract Rev., City Of Houston Proj.,<br>5.00%, 12/15/25, F.S.A. | 4,121,720    |
| Aaa                              | 1,555                        | El Paso Wtr. & Swr. Rev.,<br>5.50%, 3/1/12, Ser. A, F.S.A.                          | 1,726,874    |
| Aa1                              | 1,650                        | Harris Cnty. Toll Road Sub. Lien, Gen. Oblig.,<br>7.00%, 8/15/10, Ser. A            | 1,920,121    |
| Aaa                              | 1,000                        | Houston Ind. Sch. Dist., Gen.Oblig.,<br>4.50%, 2/15/26, F.S.A.                      | 1,000,680    |
| Aaa                              | 1,500(b)                     | Houston Wtr. & Swr. Sys. Rev.,<br>5.25%, 12/1/23, Ser. B, F.G.I.C.                  |              |
| Aaa                              | 3,500(b)                     | Prerefunded 12/1/10 @ \$100<br>5.00%, 12/1/28, Ser. A, F.S.A.                       | 1,642,275    |
|                                  |                              | Prerefunded 12/1/09 @ \$100                                                         | 3,751,720    |
| Aaa                              | 1,600(b)                     | Lower Colorado River Auth. Rev., Jr. Lien-Fifth Suppl.,<br>5.25%, 1/1/15, M.B.I.A.  |              |
|                                  |                              | Escrowed to maturity                                                                | 1,790,320    |
| Aaa                              | 2,000                        | Lower Colorado River Auth. Rev., Refunding & Impvmnt.,<br>5.00%, 5/15/31, F.S.A.    | 2,061,700    |
| Aa1                              | 4,000                        | San Antonio Elec. & Gas Rev.,<br>5.00%, 2/1/18, Ser. A                              | 4,224,960    |
|                                  |                              |                                                                                     | 24,822,345   |
| <b>Virginia</b>                  |                              |                                                                                     | <b>2.9%</b>  |
| Aa2                              | 3,985                        | Henrico Cnty. Wtr & Swr. Rev.,<br>5.00%, 5/1/28                                     | 4,179,269    |
| <b>Washington</b>                |                              |                                                                                     | <b>5.6%</b>  |
| Aaa                              | 1,170                        | Energy Northwest Wind Proj. Rev.,<br>5.00%, 7/1/19, A.M.B.A.C.                      | 1,229,986    |
| Aaa                              | 500                          | 4.75%, 7/1/21, M.B.I.A.                                                             | 517,635      |
| Aaa                              | 2,500                        | King Cnty. Swr. Rev.,<br>5.00%, 1/1/31, F.G.I.C.                                    | 2,588,700    |
| Aaa                              | 1,000                        | Seattle Wtr. Sys. Dev. Rev.,<br>5.00%, 9/1/18, M.B.I.A.                             | 1,071,540    |
| Aaa                              | 2,400                        | Washington St. Pub. Pwr. Supply, Nuclear Proj. No. 2 Rev.,<br>6.00%, 7/1/07, Ser. A | 2,534,376    |
|                                  |                              |                                                                                     | 7,942,237    |
| <b>Wisconsin</b>                 |                              |                                                                                     | <b>1.6%</b>  |
| Aa1                              | 2,000(b)                     | Milwaukee Met. Swr. Dist., Gen. Oblig.,<br>5.25%, 10/1/18, Ser. D                   |              |
|                                  |                              | Prerefunded 10/1/13 @ \$100                                                         | 2,218,280    |

| Moody's<br>Rating<br>(Unaudited) | Principal<br>Amount<br>(000) | Description (a)                                                   | Value                        |
|----------------------------------|------------------------------|-------------------------------------------------------------------|------------------------------|
|                                  |                              | <b>Wyoming</b>                                                    | <b>3.2%</b>                  |
| AA*                              | \$4,000                      | Wyoming St. Farm Loan Brd. Cap. Facs. Rev.,<br>5.75%, 10/1/20     | \$ 4,650,720                 |
|                                  |                              | Total long-term investments<br>(cost \$183,147,388)               | 203,153,527                  |
|                                  | <b>Shares</b>                |                                                                   |                              |
|                                  |                              | <b>SHORT-TERM INVESTMENT</b>                                      | <b>1.2%</b>                  |
| NR                               | 1,721,784                    | Goldman Sachs Tax Exempt Money Market Fund,<br>(cost \$1,721,784) | 1,721,784                    |
|                                  |                              | <b>Total Investments</b>                                          | <b>144.1%</b>                |
|                                  |                              | (cost \$184,869,172) (c)                                          | 204,875,311                  |
|                                  |                              | Other assets in excess of liabilities                             | 1.6% 2,291,496               |
|                                  |                              | Liquidation Value of Remarketed Preferred Stock                   | (45.7)% (65,000,000)         |
|                                  |                              | <b>Net Assets Applicable to Common Stock</b>                      | <b>100.0% \$ 142,166,807</b> |
|                                  |                              | Net Asset Value per Common Share (\$142,166,807 / 8,507,456)      | \$ 16.71                     |

\* Standard & Poor rating.

NR Not rated by Moody's or Standard & Poor's.

(a) The following abbreviations are used in portfolio descriptions to indicate providers of credit support, in whole or in part:

A.M.B.A.C. - American Municipal Bond Assurance Corporation.

F.G.I.C. - Financial Guarantee Insurance Company.

F.H.A. - Federal Housing Authority.

F.S.A. - Financial Security Assurance Inc.

M.B.I.A. - Municipal Bond Insurance Association.

Radian- Radian Asset Assurance Inc.

(b) Prerefunded and escrowed to maturity issues are secured by escrowed cash, government obligations, or other securities.

(c) The United States federal income tax basis of the Fund's investments and the net unrealized appreciation as of July 31, 2005 was as follows:

**Tax Basis of**

| Investment    | Appreciation  | Depreciation | Net Unrealized Appreciation |
|---------------|---------------|--------------|-----------------------------|
| \$184,475,470 | \$ 20,563,995 | \$ 164,154   | \$20,399,841                |

Item 2 Controls and Procedures

- (a) The registrant's principal executive officer and principal financial officer have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940 (the "1940 Act")) are effective, based on an evaluation of those controls and procedures made as of a date within 90 days of the filing date of this report as required by Rule 30a-3(b) under the 1940 Act and Rule 13a-15(b) under the Securities Exchange Act of 1934.
- (b) There has been no change in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act) that occurred during the last fiscal quarter covered by this report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

Item 3 Exhibits

Exhibit 99.CERT- Certifications pursuant to Section 302 of the Sarbanes-Oxley Act Attached hereto

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

DTF Tax-Free Income Inc.

By: */s/ Nathan I. Partain*

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Nathan I. Partain  
Principal Executive Officer of  
DTF Tax-Free Income Inc.

Date: September 16, 2005

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

By: */s/ Nathan I. Partain*

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Nathan I. Partain  
Principal Executive Officer of  
DTF Tax-Free Income Inc.

Date: 09/16/05

By: */s/ Alan M. Meder*

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Alan M. Meder,  
Principal Financial Officer of  
DTF Tax-Free Income Inc.

Date: 09/16/05