DUFF & PHELPS UTILITIES TAX FREE INCOME INC
Form N-30D
July 12, 2002

Letter to Shareholders

June 3, 2002

Dear Shareholder:

New Fund Name

The Securities Exchange Commission (SEC) has adopted a new rule that goes into effect July 1, 2002, whereby a fund whose name suggests an investment focus in a certain industry must adopt a policy to invest at least 80% of the value of its assets in that particular industry. Duff & Phelps Utilities Tax-Free Income Inc. (the DTF Fund), has over 65% of its assets invested in municipal utilities as required under the Fund's investment policy. The Board of Directors of the DTF Fund believes that it would not be in the best interests of the Fund to increase the minimum level of such utility obligations from 65% to 80% as would be required by the SEC's new rule if the Fund's name remained the Duff & Phelps Utilities Tax-Free Income Inc. Instead, the Board has decided to change the name of the Fund to "DTF Tax-Free Income Inc." While the Fund has a new name, its current investment policy and objectives remain unchanged. This new name will enable the Fund to maintain its existing investment policy and thereby preserve its current flexibility to pursue its investment objective of current income exempt from regular federal income tax consistent with the preservation of capital.

Fund Performance

Dividend

The DTF Fund provided an attractive level of tax-free income over the past six months ending April 30, 2002. On April 30th, the stock closed at $14.86. The $0.07 cent monthly dividend translated to a tax-free current yield of 5.65%.

The Board of Directors increased the dividend for the second time this year at its meeting on May 22, 2002. The monthly dividend was increased from $0.07 per common share to $0.075 per common share. The increase in the dividend has been the result of the Fund's higher earnings due primarily to the low interest rate on its remarketed preferred stock (its leverage). This rate has declined from almost 5% in May of 2000 to as low as 1.15% in early

March 2002. Based on the May 31, 2002 closing stock price of $15.15, the $0.075 monthly dividend translates into a tax-free current yield of 5.94%. This level of income continues to be generated by a high quality, well-diversified investment portfolio.

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Return Analysis

The DTF's total return for one, three and five year periods is compared to its Lipper Leveraged Municipal Peer Group below:

ANNUALIZED TOTAL RETURN
(04/30/02)

	One Year	Three Years	Five Years	Since Inception1
DTF	8.76%	5.46%	6.74%	7.62%
Lipper Leveraged Municipal Peer Group	8.22	4.60	6.33	7.03

1 Inception date 11/30/91.

General Economic Commentary
The bond market experienced a steady increase in U.S. Treasury rates over the past six months, as the U.S. economy has begun to show signs of growth after the Federal Reserve (Fed) lowered interest rates by 475 basis points in 2001. Over the six months ending April 30, 2002, two-year U.S. Treasury rates increased by 80 basis points while 30-year U.S. Treasury rates increased by 72 basis points. This similar rise in interest rates across all maturities has kept the U.S. Treasury yield curve at steep levels, as the market wrestles with conflicting economic indicators and the timing of a reversal in the Fed's accommodative interest rate policy. We expect the U.S. Treasury yield curve to remain steep over the near term as the Fed waits for solid evidence that the forces restraining economic expansion have abated and an economic recovery is firmly underway.

During the first few months of 2002, U.S. economic activity slowly rebounded after dipping briefly into a recession during 2001. Consumer spending, housing starts, and GDP have all rebounded since the start of the year. Consumer spending, ex-automobiles, has been strong during 2002 as consumer confidence improved considerably since September 11th. Housing starts, buoyed by an unusually warm and dry winter and very low mortgage rates also rebounded from a decline in late 2001. GDP hit its highest level since the fourth quarter of 1999 as consumers increased expenditures on items like furniture and clothing while businesses saw only a moderate decline in inventory levels. Inflation, as measured by the Consumer Price Index (CPI), remains tame as it ended April 2002 on a year-over-year basis at 1.6%, unchanged from December 2001. This low rate of inflation should help keep the Fed on hold and provide the necessary stimulus to ensure the economy continues to expand. However, these signs of a renewed economic climate are being tempered by higher unemployment, weak corporate profits, higher energy costs, and heightened tensions in the Middle East. The national unemployment rate, which bottomed in October 2000 at 3.9%, rose to 6.0% in April 2002 as company layoffs continued to impact employment. Corporations are still struggling with declining profits thereby negatively impacting capital spending and employment. Energy costs have increased

steadily during the year and the escalating tensions in the Middle East should continue to keep prices high until this uncertainty diminishes. Despite the recent evidence that an economic recovery is underway, we expect the Fed to remain on hold in the near term until it gains more confidence that the economy is more firmly entrenched and risks of slipping back into a recession have diminished.

The Municipal Market and Your Fund

Two major themes have dominated the tax-exempt market over the past six months: a steep tax-exempt yield curve and increased supply of municipal bonds. The very accommodative monetary policy stance by the Fed in attempt to stimulate the economy has caused the municipal yield curve to remain very steep. Since April 2001, long maturity tax-exempt rates have declined by only 10-15 basis points. However, there was a pronounced decline in rates seven years and shorter, causing the yield curve to steepen to levels not seen since the early 1990's. The second theme has been increased supply. Through April 2002, issuance of municipal bonds is up 12% on a year over year basis. Growing infrastructure needs and a cash crunch brought about by the recession has helped contribute to this strong issuance. The demand for new projects continues, but the slower economy is providing less current revenues to cover the costs of projects forcing municipalities to issue more debt. Generally, new issues are heavily weighted toward longer-dated maturities when rates are low. As such, this higher proportion of longer-dated bonds has contributed to the steepening of the municipal yield curve. Finally, concerns about credit risk have spilled over from corporate bonds to municipals causing municipal credit spreads to widen somewhat over the past six months. However, credit spreads still remain narrow when taking the risks of lower rated securities into consideration, making higher quality bonds still good relative value.

Within the DTF Fund, we continue to emphasize higher quality bonds. The Fund currently has an average quality rating of AA+ with over 90% of its issues rated AA or higher. Within the utility segment of the portfolio, the Fund is well diversified between electric utility, pollution control, and water/sewer issues. The Fund has continued the theme of increasing exposure to the water and sewer utility sector while slowly reducing exposure to electric utility bonds due to the higher quality, liquidity, and essential nature that water and sewer bonds offer relative to electric utilities. Specifically, the power crisis that plagued California, the bankruptcy of Enron, and the accounting questions surrounding independent power producers has cast a negative shadow over the electric utility industry which has spilled over into municipal electric utility bonds. As a result, the portfolio remains well diversified in an effort to minimize exposure to any one sector, with electric utility exposure currently at 18%, which historically is a low level of exposure for the Fund. Further, the Fund has no exposure to any California electric utilities.

The Fund's diversification by market sector is shown below:

Fund Diversification

Market Sectors	
Water/Sewer Revenue	33%
Electric Utilities	18
Pollution Control	10
Pre-Refunded Utilities	7
Non-Utilities	31
Cash	1

Outlook

As we move forward into the second half of 2002, factors that could drive the relative value of municipal bonds over the balance of the year include: the fragility of the economic recovery, possible Federal Reserve policy changes, and future U.S. military actions abroad that could cause a flight to U.S. Treasury bonds. Finally, should the U.S. stock market continue to experience the same level of volatility and negative returns that it has experienced over the past two years, nervous equity investors could continue to move money into tax-exempt issues, which could be positive for the market. In spite of many uncertainties, we believe the municipal market represents good relative value at current levels.

We continue to appreciate your interest in the DTF Tax-Free Income Fund and look forward to being of continued service in the future.

Sincerely,

Francis E. Jeffries, CFA
Chairman of the Board
President and Chief Executive Officer

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DTF TAX-FREE INCOME INC.
Portfolio of Investments
April 30, 2002 (Unaudited)

Moody's Rating	Principal Amount (000)	Description (a)	Value (Note 1)
		LONG-TERM INVESTMENTS--143.7%	
		Alabama--4.8%	
		Jefferson Cnty. Swr. Rev. Capital Impvt.	
Aaa	$ 3,000	5.125%, 2/1/29, Ser. A, F.G.I.C.	$ 2,925,120
Aaa	4,000	5.00%, 2/1/33, Ser. A, F.G.I.C.	3,795,360
			6,720,480
		California--21.8%	
		Foothill/Eastern Corr. Agency Toll Road Rev.,	
Aaa	5,640(b)	6.00%, 1/1/34, Ser. A, Perefunded 1/01/07 @ $100	6,374,441
		Fresno Swr. Rev.,	
Aaa	3,030	6.00%, 9/1/09, A.M.B.A.C.	3,472,531
Aaa	2,000	6.25%, 9/1/14, A.M.B.A.C.	2,359,680
		Pomona Sngl. Fam. Mtge. Rev.,	
Aaa	2,705	7.375%, 8/1/10, Escrowed to maturity	3,138,963
		Riverside Cnty. Sngl.	

Moody's Rating	Principal Amount (000)	Description (a)	Value (Note 1)
		Fam.	
		Rev., Mtge. Backed,	
Aaa	2,500	7.80%, 5/1/21, Ser. A,	
		Escrowed to maturity...	3,264,300
		San Bernardino Cnty.	
		Residential Mtge. Rev.,	
Aaa	7,840	9.60%, 9/1/15,	
		Escrowed to maturity...	11,718,370
			30,328,285
		Colorado--0.6%	
		Colorado Hsg. Fin. Auth.,	
		Sngl. Fam. Prog.,	
Aa2	545	8.00%, 6/1/25...........	567,192
Aa2	200	8.125%, 6/1/25..........	208,576
			775,768
		Connecticut--4.9%	
		Connecticut St. Airport	
		Rev.,	
Aaa	925(b)	7.65%, 10/1/12,	
		F.G.I.C...............	1,037,859
		Prerefunded 10/1/04 @	
		$100	
Aaa	2,075	7.65%, 10/1/12,	
		F.G.I.C...............	2,295,407

Moody's Rating	Principal Amount (000)	Description (a)	Value (Note 1)
		Mashantucket Western	
		Pequot Tribe Spl. Rev.,	
Baa3	$ 3,500	5.75%, 9/1/18, Ser. B....	$ 3,466,820
			6,800,086
		Delaware--2.6%	
		Delaware St., Econ. Dev.	
		Auth. Rev., Delmarva	
		Pwr.,	
Aaa	3,500	6.75%, 5/1/19, Ser. B,	
		A.M.B.A.C.............	3,582,985
		Florida--5.6%	
		Dade Cnty. Wtr. & Swr.	
		Sys. Rev.,	
Aaa	3,000	5.25%, 10/1/26,	
		F.G.I.C...............	3,003,510
		St. Petersburg Public	
		Utility Rev.,	
Aaa	5,000	5.00%, 10/1/28, Ser. A,	
		F.S.A.................	4,846,550
			7,850,060
		Georgia--16.0%	
		Atlanta Wtr. & Wastewater	
		Rev., Ser. A	
Aaa	2,385	5.00%, 11/1/29,	

		F.G.I.C................	2,305,460
Aaa	715	5.00%, 11/1/38, F.G.I.C................	681,631
Aaa	2,615(b)	5.00%, 11/1/29, F.G.I.C. Prefunded 5/1/09 @ $101...................	2,823,102
Aaa	785(b)	5.00%, 11/1/38, F.G.I.C. Prefunded 5/1/09 @ $101...................	847,470
		De Kalb Cnty Wtr. & Swr. Rev.,	
Aa2	4,000	5.00%, 10/1/24...........	3,915,360
		Fulton Cnty. Schl. Dist.,	
Aa2	2,000	5.375%, 1/1/16...........	2,149,540
		Georgia Mun. Elec. Auth. Pwr. Rev., Ser. Y,	
Aaa	145	6.40%, 1/1/13, A.M.B.A.C..............	170,964
Aaa	2,470	6.40%, 1/1/13, A.M.B.A.C..............	2,889,159
		Georgia Mun. Elec. Auth. Rev.,	
Aaa	5,500	6.50%, 1/1/20, Ser. X, A.M.B.A.C..............	6,531,965
			22,314,651

See Notes to Financial Statements.

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Moody's Rating	Principal Amount (000)	Description (a)	Value (Note 1)
		Idaho--4.3%	
		Idaho Hsg. Agcy., Sngl. Fam. Mtge. Sr.,	
Aa1	$ 3,415	6.65%, 7/1/14, Ser. B....	$ 3,571,339
Aaa	2,348	6.60%, 7/1/27, Ser. B, F.H.A.................	2,428,677
			6,000,016
		Illinois--6.7%	
		Chicago Gas Supply Rev., (People's Gas, Lt. & Coke Co.),	
Aa2	4,600	6.875%, 3/1/15...........	4,709,066
		Chicago Gen. Oblig.,	
Aaa	4,000	6.25%, 1/1/11, A.M.B.A.C..............	4,584,160
			9,293,226

		Indiana--4.1%	
Aaa	5,000	Indiana Mun. Pwr. Agcy., Pwr. Supply Sys. Rev., 6.00%, 1/1/13, Ser. B, M.B.I.A.	5,665,900
		Kentucky--1.4%	
Aaa	2,000	Louisville & Jefferson Cnty. Met. Swr. District, Swr. & Drain Sys. Rev., 5.00%, 5/15/30, F.G.I.C.	1,915,660
		Louisiana--0.9%	
Aaa	1,250	St. Charles Parish, Solid Waste Disp. Rev., (Louisiana Pwr. & Lt. Co.), 7.00%, 12/1/22, F.S.A.	1,305,462
		Massachusetts--8.9%	
Aaa	2,000	Boston Wtr. & Swr. Comm. Rev., 5.00%, 11/1/28, Ser. D, F.G.I.C.	1,934,980
		Massachusetts St Tpk. Auth., Metro. Highway Sys. Rev.,	
Aaa	2,355	5.125%, 1/1/23, Ser. B	2,338,515
Aaa	2,500	4.75%, 1/1/34, Ser. A, A.M.B.A.C.	2,237,200
		Massachusetts St., Wtr. Res. Auth.,	
Aaa	5,330(b)	7.00%, 8/1/13, Ser A., M.B.I.A., Prerefunded 8/01/04 @ $101 1/2	5,933,409
			12,444,104

Moody's Rating	Principal Amount (000)	Description (a)	Value (Note 1)
		Michigan--1.4%	
Aaa	$ 2,000	Detroit Wtr. Supply Sys. Rev., Sr. Lien, 5.00%, 7/1/30, Ser. A, F.G.I.C.	$ 1,915,400
		Nebraska--4.1%	
		Omaha Pub. Pwr. Dist., Elec. Rev.,	
Aa2	2,500	6.15%, 2/1/12, Ser. B Escrowed to maturity	2,852,725
Aa2	2,500	6.20%, 2/1/17, Ser. B Escrowed to maturity	2,870,250
			5,722,975

		New Jersey--1.5%	
		New Jersey St. Gen. Oblig., Ser. H,	
Aa2	2,000	5.25%, 7/1/17...........	2,107,100
		New York--15.4%	
		Long Island Pwr. Auth. Elec. Sys. Rev.,	
Aaa	4,000	5.25%, 12/1/26, Ser. A, M.B.I.A...............	4,005,040
		New York City Mun. Wtr. Fin. Auth. Wtr & Swr. Sys. Rev.,	
Aaa	5,000	5.00%, 6/15/29, Ser. B...	4,827,000
		New York St. Dorm. Auth. Rev., Comsewogue Pub. Lib. Insd.,	
Aaa	2,380	6.00%, 7/1/15, M.B.I.A...............	2,574,827
		New York St. Energy Research & Dev. Auth. Facs. Rev., (Con Edison Co. of NY),	
A1	4,000	7.125%, 12/1/29..........	4,456,840
		New York St. Envir. Fac. Corp. Poll. Ctrl. Rev.,	
Aaa	5,000	6.90%, 11/15/15, Ser. D.....................	5,562,500
			21,426,207
		Ohio--1.9%	
		Ohio St. Wtr. Dev. Auth. Rev.,	
Aaa	2,445	5.50%, 6/1/20, Ser. B, F.S.A.................	2,628,693
		South Carolina--1.1%	
		Spartanburg Waterworks Rev., Jr. Lien,	
Aaa	1,500	5.25%, 6/1/28...........	1,500,585

See Notes to Financial Statements.

Moody's Rating	Principal Amount (000)	Description (a)	Value (Note 1)
		Tennessee--2.4%	
		Tennessee Hsg. Dev. Agcy., Mtge. Fin.,	
Aaa	$ 3,135	6.15%, 7/1/15, Ser. B,	

		M.B.I.A.	$ 3,294,509

		Texas--14.8%	
		Bexar Met. Wtr. Dist. Waterworks Sys. Rev.,	
Aaa	2,500	5.00%, 5/1/25, M.B.I.A.	2,400,975
		Coastal Wtr. Auth. Contract Rev., City Of Houston Proj.,	
Aaa	4,000	5.00%, 12/15/25, F.S.A.	3,839,120
		El Paso Wtr. & Swr. Rev.,	
Aaa	1,555	5.50%, 3/1/12, Ser. A, F.S.A.	1,698,075
		Harris Cnty. Toll Road Sub. Lien.,	
Aa1	1,650	7.00%, 8/15/10, Ser. A	1,971,816
		Houston Wtr. & Swr. Sys. Rev.,	
Aaa	1,500	5.25%, 12/1/23, Ser. B	1,499,925
Aaa	3,500	5.00%, 12/1/28, Ser. A	3,295,460
		Lower Colorado River Auth. Rev., Refunding & Impvmnt.,	
Aaa	2,000	5.00%, 5/15/31, F.S.A.	1,877,760
		San Antonio Elec. & Gas Rev.,	
Aaa	4,000	5.00%, 2/1/18, Ser. A	3,978,120

			20,561,251

		Virginia--2.8%	
		Henrico Cnty. Wtr & Swr. Rev.,	
Aa2	3,985	5.00%, 5/1/28	3,887,049

		Washington--12.6%	
		Conservation & Renewable Energy Sys., Cons. Proj. Rev.,	
Aa1	2,600	6.875%, 10/1/11	2,879,136
		King Cnty. Swr. Rev.,	
Aaa	2,500	5.00%, 1/1/31, F.G.I.C.	2,354,825
		Snohomish Cnty., Pub. Utils. Dist. No. 1 Elec. Rev.,	
A1	1,500	6.90%, 1/1/06, Ser. A Prerefunded 1/01/03 @ $100	1,549,845
A1	8,000	5.80%, 1/1/24, Ser. B	8,023,600

Moody's Rating	Principal Amount (000)	Description (a)	Value (Note 1)
		Washington St. Pub. Pwr. Supply, Nuclear Proj. No. 2 Rev.,	
Aa1	$ 2,400	6.00%, 7/1/07, Ser. A	$ 2,653,848

			17,461,254
		Wyoming--3.1%	
		Wyoming St. Farm Loan Brd. Cap. Fas. Rev.,	
AA-*	4,000	5.75%, 10/1/20..........	4,351,920
		Total long-term investments (cost $182,861,311)....	199,853,626
		SHORT-TERM INVESTMENT--0.7%	
	Shares		
		Goldman Sachs Tax Exempt Money Market Fund,	
NR	1,036	(cost $1,036,150)........	1,036,150
		Total Investments--144.4% (cost $183,897,461)....	200,889,776
		Other assets in excess of liabilities--2.3%......	3,214,051
		Liquidation Value of Remarketed Preferred Stock--(46.7%).........	(65,000,000)
		Net Assets Applicable to Common Stock--100%.....	$139,103,827

(a) The following abbreviations are used in portfolio descriptions:
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.

(b) Prerefunded issues are secured by escrowed cash and/or direct U.S. guaranteed obligations.

* Standard & Poor's rating.
NR--Not Rated by Moody's or Standard & Poor's.

See Notes to Financial Statements.

DTF TAX-FREE INCOME INC.
Statement of Assets and Liabilities
April 30, 2002
(Unaudited)

Assets	
Investments, at value (cost $183,897,461).......................	$200,889,776
Cash..................................	49,788
Interest receivable...................	3,412,025
Deferred expenses.....................	690
Total assets........................	204,352,279

Liabilities	
Advisory fee payable (Note 2)..........	83,915
Dividends payable to common shareholders........................	71,774
Accrued expenses......................	67,589
Administration fee payable (Note 2)....	25,174
Total liabilities..................	248,452
Remarketed preferred stock ($.01 par value; 1,300 preferred shares, issued and outstanding, liquidation preference $50,000 per share; Note 4)...........	$ 65,000,000
Net Assets Applicable to Common Stock..............................	$139,103,827
Net assets applicable to common stock were comprised of:	
Common stock at par ($.01 par value; 600,000,000 shares authorized and 8,507,456 issued and outstanding)......................	85,075
Paid-in capital.....................	120,408,778
Undistributed net investment income............................	1,684,500
Accumulated net realized loss on investments.......................	(66,841)
Net unrealized appreciation on investments.......................	16,992,315
Net assets applicable to common stock (equivalent to $16.35 per share based on 8,507,456 shares outstanding)......................	139,103,827

DTF TAX-FREE INCOME INC.
Statement of Operations
Six Months Ended April 30, 2002 (Unaudited)

Net Investment Income	
Income	
Interest..............................	$ 5,442,370
Expenses	
Investment advisory fee................	508,595
Administration fee.....................	152,579
Remarketing expense....................	82,000
Directors' fees and expenses...........	64,000
Custodian's fees and expenses..........	34,000
Transfer agent's fees and expenses.....	30,000
Reports to shareholders................	25,000
Audit fee and expenses.................	22,000
Legal fees and expenses................	13,000
Registration fees......................	12,000
Miscellaneous.........................	6,705

Total expenses	949,879
Net investment income	4,492,491
Realized and Unrealized Gain (Loss) on Investments	
Net realized gain on investment transactions	160,016
Net change in unrealized appreciation on investments	(3,821,185)
Net realized and unrealized loss on investments	(3,661,169)
Dividends on remarketed preferred stock	(479,954)
Net Increase in Net Assets Resulting from Operations	$ 351,368

See Notes to Financial Statements. See Notes to Financial Statements.

DTF TAX-FREE INCOME INC.
Statement of Changes
In Net Assets
(Unaudited)

Increase in Net Assets	Six Months Ended April 30, 2002	Year Ended October 31, 2001(a)
Operations:		
Net investment income	$ 4,492,491	$ 9,247,226
Net realized gain (loss) on investment transactions	160,016	(41,497)
Net change in unrealized appreciation on investments	(3,821,185)	10,205,803
Dividends on remarketed preferred stock	(479,954)	(2,103,589)
Net increase in net assets resulting from operations	351,368	17,307,943
Dividends:		
Dividends to common shareholders from net investment income	(3,322,777)	(6,392,060)
Total increase (decrease)	(2,971,409)	10,915,883
Net Assets Applicable to Common Stock		
Beginning of period	142,075,236	131,159,353

End of period(b)............	$139,103,827	$142,075,236

(a) Amounts have been restated to conform to new requirements under generally accepted accounting principles.

(b) Includes undistributed net investment income of...	$ 1,684,500	$ 994,740

See Notes to Financial Statements.

DTF TAX-FREE INCOME INC.
Financial Highlights (Unaudited)

PER SHARE OPERATING PERFORMANCE OF COMMON SHAREHOLDERS:	Six Months Ended April 30, 2002	Year Ended October 31, 2001(g)	2000(g)	1999(g)
Net asset value, beginning of period.....	$ 16.70	$ 15.42	$ 14.96	$ 16.62
Net investment income(d)...............	.53	1.09	1.13	1.14
Net realized and unrealized gain (loss) on investments(d)....................	(.43)	1.19	.50	(1.59)
Dividends from net investment income to remarketed preferred shareholders	(.06)	(.25)	(.32)	(.25)
Net increase (decrease) from investment operations...........................	.04	2.03	1.31	(.70)
Dividends from net investment income to common shareholders...................	(.39)	(.75)	(.85)	(.96)(e
Net asset value, end of period(a)........	$ 16.35	$ 16.70	$ 15.42	$ 14.96
Per share market value, end of period(a)............................	$ 14.86	$ 14.45	$ 12.69	$ 14.13
TOTAL INVESTMENT RETURN OF COMMON SHAREHOLDERS(b).........................	5.63%	20.14%	(4.08)%	(13.34)%
RATIOS TO AVERAGE NET ASSETS OF COMMON SHAREHOLDERS:(c)				
Operating expenses......................	1.38%(f)	1.38%	1.38%	1.39%
Net investment income...................	6.54%(f)	6.73%	7.51%	7.10%
SUPPLEMENTAL DATA:				
Average net assets of common shareholders (000)................................	$ 138,590	$137,104	$127,639	$136,111
Portfolio turnover rate.................	7%	8%	26%	6%
Net assets of common shareholders, end of period (000).........................	$ 139,104	$142,075	$131,159	$127,239

Asset coverage per share of preferred stock, end of period..................	$ 157,003	$159,289	$150,892	$147,876
Preferred stock outstanding (000)........	$ 65,000	$ 65,000	$ 65,000	$ 65,000

(a) NAV and market value are published in The Wall Street Journal each Monday.
(b) Total investment return is calculated assuming a purchase of common stock at the current market value on the first day and a sale at the current market value on the last day of each period reported. Dividends are assumed, for purposes of this calculation, to be reinvested at prices obtained under the Fund's dividend reinvestment plan. Brokerage commissions are not reflected. Total return for periods of less than a full year are not annualized.
(c) Ratios calculated on the basis of income and expenses applicable to both the common and preferred shares relative to the average net assets of common shareholders. Ratios do not reflect the effect of dividend payments to preferred shareholders.
(d) Calculated based upon weighted average shares outstanding during the period.
(e) The unrounded amount is $0.955.
(f) Annualized.
(g) Certain amounts have been reclassified to conform to new requirements under generally accepted accounting principles.

See Notes to Financial Statements.

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DTF TAX-FREE INCOME INC.
Notes to Financial Statements (Unaudited)

DTF Tax-Free Income Inc. (formerly known as Duff & Phelps Utilities Tax-Free Income Inc.) (the 'Fund') was organized in Maryland on September 24, 1991 as a diversified, closed-end management investment company. The Fund had no operations until November 20, 1991 when it sold 8,000 shares of common stock for $112,400 to Duff & Phelps Corporation. Investment operations commenced on November 29, 1991.

The Fund's investment objective is current income exempt from regular federal income tax consistent with preservation of capital. The Fund will seek to achieve its investment objective by investing primarily in a diversified portfolio of investment grade tax-exempt utility obligations. The ability of the issuers of the securities held by the Fund to meet their obligations may be affected by economic developments in a specific state, industry or region.

Note 1. Significant Accounting Policies

The following is a summary of significant accounting policies followed by the Fund in the preparation of its financial statements.

Securities Valuation: The Fund values its fixed income securities by using market quotations, prices provided by market makers or estimates of market values obtained from yield data relating to instruments or securities with similar characteristics in accordance with procedures established by the Board of Directors of the Fund. The relative liquidity of some securities in the Fund's portfolio may adversely affect the ability of the Fund to accurately value such securities. Any securities or other assets for which such current market quotations are not readily available are valued at fair value as determined in good faith under procedures established by and under the general supervision and responsibility of the Fund's Board of Directors.

Debt securities having a remaining maturity of 60 days or less when purchased and debt securities originally purchased with maturities in excess of 60 days but which currently have maturities of 60 days or less are valued at cost adjusted for amortization of premiums and accretion of discounts.

Securities Transactions and Investment Income: Securities transactions are recorded on the trade date. Realized gains and losses on sales of securities are calculated on the identified cost basis. Interest income is recorded on the accrual basis. The Fund amortizes premiums and accretes original issue discount on securities using the effective interest method.

Federal Income Taxes: It is the Fund's intention to meet the requirements of the Internal Revenue Code applicable to regulated investment companies and to distribute sufficient net income to shareholders to qualify as a regulated investment company. For this reason, no federal income tax provision is required.

Dividends and Distributions: The Fund will declare and pay dividends to common shareholders monthly from net investment income. Net long-term capital gains, if any, in excess of loss carryforwards are expected to be distributed annually. The Fund will make a determination at the end of its fiscal year as to whether to retain or distribute such gains. Dividends and distributions are recorded on the ex-dividend date. Dividends to preferred shareholders are accrued on a weekly basis and are determined as described in Note 4.

Income distributions and capital gain distributions are determined in accordance with income tax regulations which may differ from investment income and capital gains recorded in accordance with generally accepted accounting principles.

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Change in Accounting Principle: In July 2001, a Securities and Exchange Commission staff announcement, Emerging Issues Task Force Discussion ('EITF D')-98, Classification and Measurement of Redeemable Securities, was issued providing new guidance related to the presentation of preferred shares in financial statements, EITF D-98 is required to be applied beginning with fiscal quarters ending after December 15, 2001 on a retroactive basis, by restating the prior year's financial statements. In accordance with the announcement, the Fund has presented its remarketed preferred shares outside of net assets and has presented dividends to preferred shareholders on such remarketed preferred shares in the net change in net assets attributable to common shareholders resulting from operations for all periods presented. Therefore, beginning net assets attributable to common shareholders have been restated and dividend activity related to preferred shares has been reclassified from the capital activity in the statements of changes in net assets and the financial highlights to the operating activity. The application of EITF D-98 related entirely to presentation and had no impact on net asset value or the

allocation of net income or capital gains or losses to common shareholders.

Note 2. Agreements

The Fund has an Advisory Agreement with Duff & Phelps Investment Management Co. (the 'Adviser'), a subsidiary of Phoenix Duff & Phelps Corporation, and an Administration Agreement with Prudential Investments LLC ('PI'), an indirect, wholly-owned subsidiary of Prudential Financial, Inc.

The investment fee paid to the Adviser is computed weekly and payable monthly at an annual rate of .50% of the Fund's average weekly managed assets. The administration fee paid to PI is also computed weekly and payable monthly at an annual rate of .15% of the Fund's average weekly managed assets.

Pursuant to the agreements, the Adviser provides continuous supervision of the investment portfolio and pays the compensation of officers of the Fund who are affiliated persons of the Adviser. PI pays occupancy and certain clerical and accounting costs of the Fund. The Fund bears all other costs and expenses.

Note 3. Portfolio Securities

Purchases and sales of investment securities, other than short-term investments, for the six months ended April 30, 2002 aggregated $13,934,454 and $13,981,224, respectively.

The Federal income tax basis of the Fund's investments at April 30, 2002 was substantially the same as the basis for financial reporting and, accordingly, net unrealized appreciation for federal income tax purposes was $16,992,315 (gross unrealized appreciation--$17,253,256; gross unrealized depreciation--$260,941).

The Fund had a capital loss carryforward as of October 31, 2001 of approximately $226,900, of which $62,100 expires in 2006, $123,300 expires in 2007 and $41,500 expires in 2009. Accordingly, no capital gains distribution is expected to be paid to shareholders until net realized gains have been realized in excess of such amounts.

Note 4. Capital

There are 600 million shares of $.01 par value common stock authorized.

For the year ended October 31, 2001 and the six months ended April 30, 2002, the Fund did not issue any common shares in connection with the reinvestment of dividends.

Note 5. Remarketed Preferred Stock

The Fund's Articles of Incorporation authorize the issuance of Remarketed Preferred Stock ('RP'). Accordingly, the Fund issued 1,300 shares of RP on February 4, 1992. The RP has a liquidation value of $50,000 per share plus any accumulated but unpaid dividends.

Dividends on shares of RP are cumulative from their date of original issue and payable on each dividend payment date. Dividend rates ranged from 1.15% to 2.05% during the six months ended April 30, 2002.

Under the Investment Company Act of 1940, the Fund may not declare dividends or make other distributions on shares of common stock or purchase any such shares if, at the time of the declaration, distribution or purchase, asset coverage with respect to the outstanding preferred stock would be less than 200%.

The RP is redeemable at the option of the Fund, in whole or in part, on any dividend payment date at $50,000 per share plus any accumulated or unpaid dividends whether or not declared. The RP is also subject to a mandatory redemption at $50,000 per share plus any accumulated or unpaid dividends, whether or not declared, if certain requirements relating to the composition of the assets and liabilities of the Fund as set forth in the Articles of Incorporation are not satisfied.

The holders of RP have voting rights equal to the holders of common stock (one vote per share) and will vote together with holders of shares of common stock as a single class. However, holders of RP are also entitled to elect two of the Fund's directors. In addition, the Investment Company Act of 1940 requires that along with approval by shareholders that might otherwise be required, the approval of the holders of a majority of any outstanding preferred shares, voting separately as a class would be required to (a) adopt any plan of reorganization that would adversely affect the preferred shares, and (b) take any action requiring a vote of security holders, including, among other things, changes in the Fund's subclassification as a closed-end investment company or changes in its fundamental investment restrictions.

Note 6. Dividends Subsequent to April 30, 2002, dividends declared and paid on preferred shares totalled $86,697. On May 1, 2002, the Board of Directors of the Fund declared a dividend of $.07 per common share payable on May 31, to common shareholders of record on May 15. On May 22, 2002, the Board of Directors approved a dividend of $.075 per common share to be declared on June 3, 2002 payable on June 28, to common shareholders of record on June 14.

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OTHER INFORMATION (Unaudited)

Pursuant to certain rules of the Securities and Exchange Commission the following additional disclosure is required.

Pursuant to the Fund's Dividend Reinvestment Plan (the 'Plan'), common shareholders may elect to have all distributions of dividends and capital gains automatically reinvested by State Street Bank & Trust Company (the 'Plan Agent') in shares of common stock of the Fund ('Fund Shares') pursuant to the Plan; provided that such election is subject to the power of the Board of Directors to declare capital gains distributions in the form of stock (if such a declaration is made by the Board of Directors, all shareholders who do not elect to receive cash will receive the distribution in the form of stock whether or not they elect to participate in the Plan). Common shareholders who do not participate in the Plan will receive all distributions in cash (except as described above) paid by check in United States dollars mailed directly to the shareholder of record (or if the shares are held in street or other nominee name, then to the nominee) by the Custodian, as dividend disbursing agent. Common shareholders who wish to participate in the Plan should contact the Fund at P.O. Box 43011, Providence, Rhode Island, 02940-3011 or call toll free (800) 451-6788.

The Plan Agent serves as agent for the common shareholders in administering the Plan. After the Fund declares a dividend or determines to make a capital gain distribution, if (1) the market price is lower than net asset value, the participants in the Plan will receive the equivalent in Fund Shares valued at the market price determined as of the time of purchase (generally, the payment date of the dividend or distribution); or if (2) the market price of Fund Shares on the payment date of the dividend or distribution is equal to or exceeds their net asset value, participants will be issued Fund Shares at the higher of net asset value or 95% of the market price. This discount reflects savings in underwriting and other costs that the Fund otherwise will be required to incur to raise additional capital. If net asset value exceeds the market price of Fund Shares on the payment date or the Fund declares a dividend or other distribution payable only in cash (i.e., if the board of directors precludes reinvestment in Fund Shares for that purpose), the Plan Agent will, as agent for the participants, receive the cash payment and use it to buy Fund Shares in the open market, on the New York Stock Exchange, other national securities exchanges on which the Fund's common stock is listed or elsewhere, for the participants' accounts. If, before the Plan Agent has completed its purchases, the market price exceeds the net asset value of a Fund Share, the average per share purchase price paid by the Plan Agent may exceed the net asset value of Fund Shares, resulting in the acquisition of fewer shares than if the dividend or distribution had been paid in shares issued by the Fund. The Fund will not issue shares under the Plan below net asset value.

Participants in the Plan may withdraw from the Plan upon written notice to the Plan Agent and will receive certificates for whole Fund Shares and a cash payment will be made for any fraction of a Fund Share.

There is no charge to participants for reinvesting dividends or capital gain distributions, except for certain brokerage commissions, as described below. The Plan Agent's fees for the handling of the reinvestment of dividends and distributions will be paid by the Fund. There will be no brokerage commissions charged with respect to shares issued directly by the Fund. However, each participant will pay a pro rata share of brokerage commissions incurred with respect to the Plan Agent's open market purchases in connection with the reinvestment of dividends and distributions. The automatic reinvestment of dividends and distributions will not relieve participants of any federal income tax that may be payable on such dividends or distributions.

Experience under the Plan may indicate that changes are desirable. Accordingly, the Fund reserves the right to amend or terminate the Plan as applied to any dividend or distribution paid subsequent to written notice of the change sent to all shareholders of the Fund at least 90 days before the record date for the dividend or distribution. The Plan also may be amended or terminated by the Plan Agent upon at least 90 days written notice to all common shareholders of the Fund. All correspondence concerning the Plan should be directed to the Fund at the address on the front of this report.

The Plan has been amended to permit Plan participants periodically to purchase additional common shares through the Plan by delivering to the Plan Agent a check for at least $100, but not more than $5,000, in any month. The Plan Agent will use the funds to purchase shares in the open market or in private transactions as described above with respect to reinvestment of dividends and distributions. This amendment to the Plan was approved by the Board on May 27, 1998 and is effective September 1, 1998. Thereafter, purchases made pursuant to the Plan will be made commencing at the time of the first dividend or distribution payment following the second business day after receipt of the funds for additional purchases, and may be aggregated with

purchases of shares for reinvestment of the dividends and distributions. Shares will be allocated to the accounts of participants purchasing additional shares at the average price per share, plus a service charge imposed by the Plan Agent and brokerage commissions (or equivalent purchase costs) paid by the Plan Agent for all shares purchased by it, including for reinvestment of dividends and distributions. Checks drawn on a foreign bank are subject to collection and collection fees, and will be invested at the time of the next distribution after funds are collected by the Plan Agent.

The Plan Agent will make every effort to invest funds promptly, and in no event more than 30 days after the Plan Agent receives a dividend or distribution, except where postponement is deemed necessary to comply with applicable provisions of the federal securities laws.

Funds sent to the Plan Agent for voluntary additional share investment may be recalled by the participant by written notice received by the Plan Agent not later than two business days before the next distribution payment date. If for any reason a regular monthly distribution is not paid by the Fund, funds for voluntary additional share investment will be returned to the participant, unless the participant specifically directs that they continue to be held by the Plan Agent for subsequent investment.

There have been no material changes in the Fund's investment objectives or policies, charter or by-laws and principal risk factors associated with investment in the Fund.

Directors
Francis E. Jeffries, Chairman
E. Virgil Conway
William W. Crawford
William N. Georgeson
Philip R. McLoughlin
Everett L. Morris
Eileen A. Moran
Richard A. Pavia
Harry Dalzell-Payne

Officers
Francis E. Jeffries, President & Chief Executive Officer
James D. Wehr, Vice President & Chief Investment Officer
Timothy M. Heaney, Vice President
Nancy Engberg, Secretary, Vice President & Counsel
Alan M. Meder, Treasurer & Assistant Secretary

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The accompanying financial statements as of April 30, 2002 were not audited and accordingly, no opinion is expressed on them.

This report is for stockholder information. This is not a prospectus intended for use in the purchase or sale of Fund shares.

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Income Inc.

Semi-Annual Report
April 30, 2002