

DTF TAX-FREE INCOME INC
Form N-Q
March 28, 2006

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED
MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-06416

DTF Tax-Free Income Inc.

(Exact name of registrant as specified in charter)

55 East Monroe Street, Suite 3600, Chicago, Illinois 60603

(Address of principal executive offices) (Zip code)

Alan M. Meder
DTF Tax-Free Income Inc.
55 East Monroe Street, Suite 3600
Chicago, Illinois 60603

John R. Sagan
Mayer, Brown, Rowe & Maw LLP
71 South Wacker Drive
Chicago, Illinois 60606

(Name and address of agents for service)

Registrant's telephone number, including area code: (312) 541-5555

Date of fiscal year end: October 31

Date of reporting period: January 31, 2006

Item 1 Schedule of Investments

DTF TAX FREE INCOME INC.

Portfolio of Investments

January 31, 2006

Moody s Rating	Principal Amount (000)	Description (a)	Value
LONG-TERM INVESTMENTS			143.2%
Alabama			6.5%
		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	\$ 3,168,870
Aaa	2,100 (b)	5.00%, 2/1/33, Ser. A, F.G.I.C. Prerefunded 2/1/09 @ \$101	2,210,775
Aaa	1,900 (b)	5.00%, 2/1/33, Ser. A, F.G.I.C. Prerefunded 2/1/09 @ \$101	2,003,569
Aaa	1,600	5.25%, 2/1/15, Ser. B, F.S.A.	1,694,784
			9,077,998
Alaska			0.4%
		Alaska St. Hsg. Fin. Corp. Rev., 5.00%, 12/1/11, Ser. B-2	518,205
Aaa	500		
Arizona			1.1%
		Chandler Ariz Incl. Dev. Auth. Rev. 4.375%, 12/1/35	1,532,235
A1	1,500		
California			25.8%
		Burbank Elec. Rev., 5.375%, 6/1/18, M.B.I.A.	1,504,490
Aaa	1,380		
		Foothill/Eastern Corr. Agency Toll Road Rev., 6.00%, 1/1/34, Ser. A Prerefunded 1/1/07 @ \$100	5,784,440
Aaa	5,640 (b)		
		Fresno Swr. Rev., 6.00%, 9/1/09, Ser. A-1, A.M.B.A.C.	3,302,548
Aaa	3,030		
		6.25%, 9/1/14, Ser. A-1, A.M.B.A.C.	2,358,040
Aaa	2,000		
		Los Angeles Wastewtr. Sys. Rev., 5.00%, 6/1/26, Ser. A, M.B.I.A.	2,084,580
Aaa	2,000		
		Los Angeles Wtr. & Pwr. Rev., Ser. A, 5.25%, 7/1/21, F.S.A.	1,067,320
Aaa	1,000		
		5.375%, 7/1/21, M.B.I.A.	1,078,960
Aaa	1,000		
		Metro Wtr. Dist. Southern California Waterwork Rev., 5.00%, 10/1/29, Ser. B, M.B.I.A.	1,566,375
Aaa	1,500		
		Pomona Sngl. Fam. Mtge. Rev., 7.375%, 8/1/10, Ser. B, GNMA Collateral Escrowed to maturity	2,013,953
Aaa	1,870 (b)		
		Riverside Cnty. Sngl. Fam. Rev., Mtge. Backed, 7.80%, 5/1/21, Ser. A, GNMA Collateral Escrowed to maturity	3,421,200
Aaa	2,500 (b)		
		San Bernardino Cnty. Residential	

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		Mtge. Rev.,	
Aaa	7,840 (b)	9.60%, 9/1/15,	
		Escrowed to maturity	11,314,610
		Saratoga Unified Sch. Dist., Gen. Oblig.	
Aaa	1,040	Zero Coupon, 9/1/20, Ser. A, F.G.I.C.	542,714
			36,039,230
		Connecticut	4.1%
		Connecticut St. Health & Edl. Rev.,	
Aa3	1,000	5.00%, 7/1/25, Ser. C, Radian	1,033,340
		Connecticut St. Spl. Tax Oblig. Rev.,	
Aaa	1,000	5.25%, 7/1/17, Ser. B, A.M.B.A.C.	1,121,440
		Mashantucket Western Pequot	
		Tribe Spl. Rev., 144A,	
Baa3	3,500 (c)	5.75%, 9/1/18, Ser. B	3,630,130
			5,784,910

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Moody s Rating	Principal Amount (000)	Description (a)	Value
District of Columbia			1.1%
Aaa	\$ 1,500	District of Columbia Wtr. & Swr. Rev., 5.00%, 10/1/33, F.G.I.C.	\$1,541,235
Florida			10.8%
Aaa	3,000	Dade Cnty. Wtr. & Swr. Sys. Rev., 5.25%, 10/1/26, F.G.I.C.	3,099,090
A3	1,170	Escambia Cnty. Hlth Fac. Rev., 5.125%, 10/1/19	1,197,015
Aaa	2,210	Florida Mun. Ln. Council Rev. North Miami Beach Wtr. Proj., 5.375%, 8/1/20, Ser. B, M.B.I.A.	2,416,768
Aaa	2,000	Miami-Dade Cnty. FL Storm Wtr. Util Rev., 5.00%, 4/1/27, M.B.I.A.	2,098,840
Aaa	1,000	Sarasota Cnty. Util. Sys. Rev., 5.25%, 10/1/16, Ser C, F.G.I.C.	1,083,100
Aaa	5,000	St. Petersburg Public Util. Rev., 5.00%, 10/1/28, Ser. A, F.S.A.	5,120,800
			15,015,613
Georgia			16.3%
Aaa	2,385	Atlanta Wtr. & Wastewtr. Rev., Ser. A, 5.00%, 11/1/29, F.G.I.C.	2,432,223
Aaa	2,615 (b)	5.00%, 11/1/29, F.G.I.C. Prerefunded 5/1/09 @ \$101	2,765,179
Aaa	715	5.00%, 11/1/38, F.G.I.C.	725,489
Aaa	785 (b)	5.00%, 11/1/38, F.G.I.C. Prerefunded 5/1/09 @ \$101	830,082
Aa2	4,000	De Kalb Cnty. Wtr. & Swr. Rev., 5.00%, 10/1/24	4,188,480
Aa2	2,000	Fulton Cnty. Sch. Dist., Gen. Oblig. 5.375%, 1/1/16	2,240,620
Aaa	145 (b)	Georgia Mun. Elec. Auth. Pwr. Rev., Ser. Y, Escrowed to Maturity 6.40%, 1/1/13, A.M.B.A.C.	164,475
Aaa	2,440	6.40%, 1/1/13, A.M.B.A.C.	2,769,083
Aaa	30(b)	6.40%, 1/1/13, A.M.B.A.C. Prerefunded 1/1/11 @ \$100	33,825
Aaa	5,500	Georgia Mun. Elec. Auth. Pwr. Rev., 6.50%, 1/1/20, Ser. X, A.M.B.A.C.	6,591,200
			22,740,656
Hawaii			1.4%
Aaa	2,000	Hawaii Dept. Budget & Fin., 4.80%, 1/1/25, Ser. A, F.G.I.C.	1,998,440
Idaho			1.0%
Aa1	915	Idaho Hsg. Agcy., Sngl. Fam. Mtge. Sr., Ser. B, 6.65%, 7/1/14	924,141
Aaa	483	6.60%, 7/1/27, F.H.A.	484,874
			1,409,015

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Illinois			3.9%
		Chicago Gen. Oblig.,	
Aaa	4,000	6.25%, 1/1/11, A.M.B.A.C.	4,402,920
		Chicago Park Dist., Gen. Oblig.,	
Aaa	1,000	5.00%, 1/1/27, Ser. A, A.M.B.A.C.	1,041,070
			5,443,990

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Moody s Rating	Principal Amount (000)	Description (a)	Value
Indiana			5.7%
		Indiana Mun. Pwr. Agcy., Pwr. Supply Sys. Rev.,	
Aaa	\$ 5,000	6.00%, 1/1/13, Ser. B, M.B.I.A.	\$5,653,650
		Indianapolis Local Pub. Impvt. Bond Bank Waterworks Proj.,	
	2,100 (b)	5.25%, 7/1/33, Ser. A, M.B.I.A.	
Aaa		Prerefunded 7/1/12 @ \$100	2,295,636
			7,949,286
Kentucky			1.5%
		Louisville & Jefferson Cnty. Met. Swr. Dist., Swr. & Drain Sys. Rev.,	
Aaa	2,000	5.00%, 5/15/30, Ser. A, F.G.I.C.	2,062,360
Massachusetts			5.0%
		Boston Wtr. & Swr. Comm. Rev.,	
Aaa	2,000	5.00%, 11/1/28, Ser. D, F.G.I.C.	2,065,020
		Massachusetts St. Tpk. Auth., Metro. Highway Sys. Rev.,	
Aaa	2,355	5.125%, 1/1/23, Ser. B, M.B.I.A.	2,433,045
Aaa	2,500	4.75%, 1/1/34, Ser. A, A.M.B.A.C.	2,505,225
			7,003,290
Michigan			3.0%
		Detroit Wtr. Supply Sys. Rev., Sr. Lien, Ser. A,	
Aaa	2,000	5.00%, 7/1/30, F.G.I.C.	2,050,420
Aaa	2,000	5.50%, 7/1/24, F.G.I.C.	2,160,900
			4,211,320
Nebraska			4.8%
		Lincoln San. Swr. Rev.,	
Aaa	1,000	5.00%, 6/15/16, M.B.I.A.	1,072,960
		Omaha Pub. Pwr. Dist., Elec. Rev., Ser. B,	
Aa2	2,500 (b)	6.15%, 2/1/12 Escrowed to maturity	2,759,150
Aa2	2,500 (b)	6.20%, 2/1/17 Escrowed to maturity	2,911,450
			6,743,560

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Moody s Rating	Principal Amount (000)	Description (a)	Value
Nevada			3.3%
		Las Vegas Valley Wtr. Dist., Gen. Oblig.,	
Aaa	\$ 1,400	5.00%, 6/1/25, Ser. B, M.B.I.A.	\$1,469,286
Aaa	3,000	5.00%, 6/1/32, Ser. A, F.G.I.C.	3,085,440
			4,554,726
New Jersey			1.6%
		New Jersey St. Gen. Oblig.,	
Aa3	2,000	5.25%, 7/1/17, Ser. H	2,215,660
New York			7.5%
		Long Island Pwr. Auth. Elec. Sys. Rev.,	
Aaa	4,000	5.25%, 12/1/26, Ser. A, M.B.I.A.	4,180,280
		Metro. Trans. Auth. Rev.,	
Aaa	1,000	5.25%, 11/15/31, Ser. A, F.G.I.C.	1,066,090
		New York City Mun. Wtr. Fin. Auth., Wtr & Swr. Sys. Rev.,	
Aaa	5,000	5.00%, 6/15/29, Ser. B, F.S.A.	5,195,650
			10,442,020
Ohio			4.3%
		Hamilton Elec. Sys. Rev.	
Aaa	1,000	4.60%, 10/15/20, Ser. A, F.S.A.	1,027,120
		Mason City Sch. Dist. Gen. Oblig.	
Aaa	1,000	5.25%, 12/1/21, F.G.I.C.	1,129,170
		Ohio St. Wtr. Dev. Auth. Rev.,	
Aaa	2,445	5.50%, 6/1/20, Ser. B, F.S.A.	2,819,990
		Springboro Swr. Sys. Rev.	
Aaa	1,045	5.00%, 6/1/26, M.B.I.A.	1,094,972
			6,071,252
Pennsylvania			2.2%
		Delaware Cnty. Auth. Rev., Elwyn Inc. Proj.,	
Aa3	2,000	5.00%, 6/1/21, Ser. A, Radian	2,076,960
		Pennsylvania Economic Dev. Fin. Auth. Res. Recov. Rev.,	
Aaa	1,000	4.625%, 12/1/18, Ser. F, A.M.B.A.C.	1,007,340
			3,084,300
Puerto Rico			0.8%
		Puerto Rico Elec. Auth. Rev.,	
Aaa	1,000	5.00%, 7/1/25, Ser. PP, F.G.I.C.	1,054,740
South Carolina			1.9%
		Berkeley Cnty. Wtr. & Swr. Rev.,	
Aaa	1,000	5.25%, 6/1/16, M.B.I.A.	1,089,920
		Spartanburg Waterworks Rev., Jr. Lien.,	
Aaa	1,500	5.25%, 6/1/28, F.G.I.C.	1,605,330

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Moody s Rating	Principal Amount (000)	Description (a)	Value
		Texas	16.3%
		Bexar Met. Wtr. Dist. Waterworks Sys. Rev., Aaa \$ 2,500 5.00%, 5/1/25, M.B.I.A.	\$2,564,225
		Coastal Wtr. Auth. Contract Rev., City Of Houston Proj., Aaa 4,000 5.00%, 12/15/25, F.S.A.	4,094,400
		El Paso Wtr. & Swr. Rev., Aaa 1,555 5.50%, 3/1/12, Ser. A, F.S.A.	1,702,367
		Harris Cnty. Toll Road Sub. Lien, Gen. Oblig., Aa1 1,650 7.00%, 8/15/10, Ser. A	1,882,435
		Houston Wtr. & Swr. Sys. Rev., Aaa 1,500 (b) 5.25%, 12/1/23, Ser. B, F.G.I.C.	1,607,445
		Prerefunded 12/1/10 @ \$100 Aaa 3,500 (b) 5.00%, 12/1/28, Ser. A, F.S.A.	3,695,650
		Prerefunded 12/1/09 @ \$100 Lower Colorado River Auth. Rev., Refunding & Impvmt., Aaa 2,000 5.00%, 5/15/31, F.S.A.	2,042,700
		San Antonio Elec. & Gas Rev., Aa1 4,000 5.00%, 2/1/18, Ser. A	4,175,840
		University North Texas Rev., Aaa 1,000 4.50%, 4/15/25, F.G.I.C.	993,580
			22,758,642
		Virginia	3.0%
		Henrico Cnty. Wtr & Swr. Rev., Aa2 3,985 5.00%, 5/1/28	4,148,584
		Washington	5.6%
		Energy Northwest Wind Proj. Rev., Aaa 500 4.75%, 7/1/21, M.B.I.A.	514,665
		Aaa 1,170 5.00%, 7/1/19, A.M.B.A.C.	1,221,457
		King Cnty. Swr. Rev., Aaa 2,500 5.00%, 1/1/31, F.G.I.C.	2,561,600
		Seattle Wtr. Sys. Rev., Aaa 1,000 5.00%, 9/1/18, M.B.I.A.	1,061,440
		Washington St. Pub. Pwr. Supply, Nuclear Proj. No. 2 Rev., Aaa 2,400 6.00%, 7/1/07, Ser. A	2,487,888
			7,847,050
		West Virginia	1.1%
		Monongalia Cnty. Building Commission Hospital Rev. A-* 1,500 5.00%, 7/1/30, Ser. A	1,477,065
		Wyoming	3.2%
		Wyoming St. Farm Loan Brd. Cap. Facs. Rev., AA* 4,000 5.75%, 10/1/20	4,429,840
		Total long-term investments (cost \$182,067,728)	199,850,472

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Moody's Rating	Principal Amount (000)	Description (a)	Value
		SHORT-TERM INVESTMENT	1.6%
		Goldman Sachs Tax Exempt Money Market Fund,	
NR	2,250,427	(cost \$2,250,427)	\$ 2,250,427
		Total Investments	144.8%
		(cost \$184,318,155)	202,100,899
		Other assets in excess of liabilities	1.8% 2,446,170
		Liquidation Value of Remarketed Preferred Stock	(46.6)% (65,000,000)
		Net Assets Applicable to Common Stock	100.0% \$139,547,069
		Net Asset Value per Common Share (\$139,547,069 / 8,507,456)	\$16.40

* 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) Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. At January 31, 2006, these securities amounted to a value of \$3,630,130 or 2.6% of net assets applicable to common stock.

The United States federal income tax basis of the Fund's investments and the net unrealized appreciation as of January 31, 2006 was as follows:

Tax Basis of			Net Unrealized
Investment	Appreciation	Depreciation	Appreciation
\$ 183,880,605	\$18,291,275	\$70,981	\$18,220,294

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 Exchange Act.

(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 second fiscal quarter of the fiscal half-year 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.

(Registrant) DTF TAX-FREE INCOME INC.

By (Signature and Title) Alan M. Meder
Alan M. Meder

Treasurer and Principal Financial Officer

Date March 24, 2006

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 (Signature and Title) Nathan I. Partain
Nathan I. Partain

President and Chief Executive Officer

Date March 24, 2006

By (Signature and Title) Alan M. Meder
Alan M. Meder

Treasurer and Principal Financial Officer

Date March 24, 2006