LETTER TO SHAREHOLDERS

Dear Fellow Shareholders:

December 13, 2018

The Current Municipal Market Environment and Your Fund

We begin our discussion of DTF Tax-Free Income Inc. (the "DTF Fund" or the "Fund") for the twelve months ended October 31, 2018 with a review of the municipal market environment in which the DTF Fund operates.

The municipal bond market experienced uneven performance over the Fund's fiscal year ended October 31, 2018, as municipal interest rates moved higher for the year. The first few months of the Fund's fiscal year were fueled by changes to the tax code that would, among several modifications, eliminate the ability of issuers to advance refund outstanding tax-exempt debt with new tax-exempt debt beginning in 2018. As a result of this tax law change, municipal issuers rushed to the market in the waning weeks of 2017 to bring these soon to be prohibited deals to market. This rush to complete issuance before year end caused a sizable spike in supply levels. However, instead of causing the market to soften, the anticipation of limited supply in 2018 produced strong performance during the final month of 2017. This market strength began to reverse in early 2018, as the fixed income markets began to wrestle with the fear of rising interest rates, a stronger domestic economy and expectations that the Federal Open Market Committee ("FOMC"), the committee within the Federal Reserve that sets domestic monetary policy, would increase the target range for the federal funds rate. This fear of higher interest rates generally caused periods of fits and starts throughout the year, with some months of positive returns and some months of negative returns. The end result was a total return of -0.51% for the Bloomberg Barclays Municipal Bond Index over the twelve months ended October 31, 2018.

During the Fund's fiscal year, shorter maturity bonds and longer maturity bonds outperformed intermediate maturity bonds. This difference in performance among maturities was driven mostly by investors wanting longer dated bonds for higher yields, balanced with shorter dated bonds for interest rate protection. Once again, the lower the credit rating, the better the relative performance during the fiscal year, as investors continued to demand higher yielding bonds amid still generational low municipal bond interest rates. Below investment grade securities (i.e., junk bonds), as measured by the Bloomberg Barclays Municipal High Yield Index, generated the best relative performance among credit quality tiers of the municipal bond market for the twelve months ended October 31, 2018, producing a total return of 4.74% (525 basis points higher than the total return of the Bloomberg Barclays Municipal Bond Index over the same period). This consistent and steady decline in the credit risk spreads of below investment grade rated bonds continues to surprise us. In this regard, it is important to remember that the investment policies of the Fund prohibit the purchase of bonds with ratings below investment grade.

The technical picture for municipal bonds remains mixed, as the market continues to see lower levels of supply, which has helped to offset recent signs of weakening demand. The municipal bond market benefited from lighter new issuance throughout much of 2018 (in part because, as noted above, changes to the tax code eliminated the ability of issuers to issue new tax-exempt debt to advance refund outstanding tax-exempt debt), while fiscal austerity measures have also made municipalities somewhat reluctant to issue new debt. However, slower demand and rising U.S. Treasury bond rates hurt the market in 2018. Demand for municipals has been mixed, as interest rates have risen and the tax code changes have reduced the advantage for banks and corporations to own tax-exempt bonds. Individuals continue to invest in tax-exempt securities, favoring investments in tax-exempt mutual funds, ETFs or separately managed accounts over direct ownership of individual bonds. Banks, on the other hand, which had become a sizable buyer of municipal bonds prior to the reduction of the corporate tax rate from 35% to 21%, have continued to reduce their exposure at a steady pace. While slower issuance had been able to offset slowing demand, a slight increase in issuance later in the fiscal year caused performance to suffer. Overall, we expect the future technical picture for municipals to be supportive for relative valuations of municipal bonds, as we believe that expectations of lower supply will help to offset weakening demand.

Credit fundamentals for the municipal bond market will remain challenged by high fixed cost burdens, including higher debt loads and underfunded pension liabilities. However, an improving job market and a continued general economic recovery are likely to help moderate some of the fiscal strain of pension burdens. While there have been several highly publicized events of struggling municipal credits, with the latest being Puerto Rico, we believe that municipal bonds remain one of the lowest risk asset classes, with credit metrics for the majority of municipalities continuing to improve as the economy expands. This improvement is mostly due to a healthier tax base and better financial management, which has translated into higher revenues and replenished reserves. But even though credit fundamentals have improved, thorough credit analysis is imperative in this market, as issuers are not all created equal—even when they have similar credit ratings.

Looking Ahead

As we head into 2019, our outlook for municipal bonds remains cautiously optimistic. The healthy economy, rising interest rates, and recent equity market volatility have seemed to moderate investor interest in municipal bonds. Nevertheless, valuations of municipal bonds appear increasingly attractive given the rising yields in 2018, especially when considering their taxable-equivalent yields compared to other fixed income investments. Market volatility is expected to remain elevated as 2018 comes to a close, given the uncertainty of U.S. Treasury bond yields and the fact that the markets have priced in a high probability that the FOMC will continue to raise the target federal funds rate. While overall market fundamentals have improved, we continue to believe that now is not the time to take on additional credit risk in the municipal market, especially with credit spreads at historically tight levels. Finally, the ongoing economic recovery, rising inflation expectations and growing budget deficits could set the stage for a sustained and meaningful rise in borrowing costs. If that were to happen, the total return of leveraged bond funds, including the DTF Fund, would likely be reduced, possibly substantially.

The Fund

In managing the DTF Fund, we continue to emphasize an investment strategy of investing mostly higher quality investment grade rated "AA" and "A" callable revenue bonds with coupons of 5% or higher. These bonds with coupons above current market rates have helped to insulate the portfolio from the impact of higher interest rates. While 5% coupon bonds represent the lion's share of the Fund's holdings, we have selectively purchased bonds with coupons below 5% over the past twelve months in an effort to add incremental yield without increasing credit risk. As of October 31, 2018, the DTF Fund held over 90% of its total assets in municipal bonds rated "A" or higher and over 88% in bonds with a 5% or greater coupon across multiple sectors. Healthcare, education, special tax, water & sewer and pre-refunded bonds represented the DTF Fund's top five industry exposures. The DTF Fund continues to favor revenue bonds compared to general obligation bonds (approximately 88% revenue vs. 12% general obligation), as we prefer the predictable revenue streams and more settled legal structure afforded by revenue bonds. The DTF Fund remains well diversified geographically, with exposure to 33 states and the District of Columbia. The Fund remains diversified across the maturity spectrum in order to help moderate the portfolio's risk from potential changes in interest rates and potential changes to the shape of the yield curve that could result from future actions of the FOMC or changing investor sentiment.

Despite the challenges facing the municipal market, we still believe that higher quality municipal bonds offer reasonably good relative value and that investors are being compensated significantly less in risk spreads for owning the lowest-rated bonds. The strong demand for lower-rated issues has decreased the yield advantage of taking on the additional credit risk.

As of October 31, 2018, the DTF Fund was paying a $0.42 per share annualized dividend and had a closing price of $12.34 per share. An extended environment of historically low municipal interest rates combined with more recent increases in leverage costs has added a significant element of risk to leveraged municipal bond funds, including the DTF Fund. When bonds held in a portfolio mature or are called for redemption during a period of low interest rates, the proceeds generally need to be reinvested in lower yielding securities. Due to the DTF Fund's investment policies, which allow it to purchase only investment grade rated bonds, a prolonged period of relatively low interest rates and modest reinvestment opportunities, combined with rising leverage costs has reduced the availability of earnings to the DTF Fund. In addition, a steady increase in the cost of leverage relative to investment yields has further reduced the availability of earnings. If the cost of leverage continues to rise without a similar or greater rise in the available re-investment rate for bonds called and/or maturing, the Fund's earnings will likely be reduced. The Fund's common monthly dividend was reduced to $0.035 per share in

September 2018. The dividend cut was intended to better align the DTF Fund's monthly distribution with its current and projected earnings and is subject to re-evaluation as the interest rate and credit environment changes. If the Fund's net earnings were to fall short of its dividend payout, the Fund's balance of undistributed net income will decline further, possibly necessitating further dividend reductions.

Maturity and duration are measures of the sensitivity of a fund's portfolio of investments to changes in interest rates. More specifically, duration refers to the percentage change in a bond's price for a given change in rates (typically +/- 100 basis points). In general, the greater the duration of a portfolio, the greater is the potential percentage price volatility for a given change in interest rates. As of October 31, 2018, the DTF Fund's portfolio of investments duration was 7.2 years, compared to the Bloomberg Barclays Municipal Bond Index duration of 6.5 years.

In addition to the risk of disruptions in the broader credit market, the level of interest rates can be a primary driver of bond fund total returns, including the DTF Fund's returns. An extended environment of historically low interest rates adds an element of reinvestment risk, since the proceeds of maturing bonds may need to be reinvested in lower-yielding securities. As a practical matter, it is not possible for the DTF Fund to be completely insulated from turmoil in the global financial markets or unexpected moves in interest rates. Any sudden or unexpected rise in interest rates would likely reduce the total return of bond funds, since higher interest rates could be expected to depress the valuations of fixed-rate bonds held in a portfolio. Further, if the municipal yield curve continues to flatten (when the difference between short-term interest rates and long-term rates narrows) or even invert (when short-term rates exceed long-term rates), the Fund's total return may be pressured lower. Management believes that over the long term, the diversification of the portfolio across multiple states and sectors, in addition to the distribution of assets along the yield curve, positions the DTF Fund to take advantage of future opportunities while limiting credit risk and volatility to some degree. However, a sustained and meaningful rise in interest rates from current levels would have the potential to significantly reduce the total return of leveraged bond funds, including the DTF Fund, and would likely put downward pressure on both the net asset value and market prices of such funds.

Fund Performance

The following table compares the DTF Fund's total return and the Bloomberg Barclays Municipal Bond Index:

Total Return[1]
For the period indicated through October 31, 2018

	One Year	Three Years (annualized)	Five Years (annualized)
DTF Tax-Free Income Inc.			
Market Value[2]	-8.7%	-1.7%	2.6%
Net Asset Value[3]	-2.9%	1.1%	3.5%
Bloomberg Barclays Municipal Bond Index[4]	-0.5%	1.9%	3.2%

1. Past performance is not indicative of future results. Current performance may be lower or higher than the performance in historical periods.
2. Total return on market value assumes a purchase of common stock at the opening market price on the first business day and a sale at the closing market price on the last business day of each period shown in the table and assumes reinvestment of dividends at the actual reinvestment prices obtained under the terms of the DTF Fund's dividend reinvestment plan. In addition, when buying or selling stock, you would ordinarily pay brokerage expenses. Because brokerage expenses are not reflected in the above calculations, your total return net of brokerage expenses would be lower than the total returns on market value shown in the table. Source: Administrator of the DTF Fund.
3. Total return on NAV uses the same methodology as is described in note 2, but with use of NAV for beginning, ending and reinvestment values. Because the DTF Fund's expenses (ratios detailed on page 17 of this report) reduce the DTF Fund's NAV, they are already reflected in the DTF Fund's total return on NAV shown in the table. NAV represents the underlying value of the DTF Fund's net assets, but the market price per share may be higher or lower than the NAV. Source: Administrator of the DTF Fund.
4. The Bloomberg Barclays Municipal Bond Index (formerly known as the Barclays Municipal Bond Index) is a market capitalization-weighted index that is designed to measure the long-term tax-exempt bond market. The index is calculated on a total return basis with dividends reinvested. The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and it is not available for direct investment. Source: Bloomberg.

Board of Directors Meeting

At the regular September 2018 meeting of the Fund's Board of Directors (the "Board"), the Board declared the following monthly dividends:

Cents Per Share	Record Date	Payable Date
3.5	October 15	October 31
3.5	November 15	November 30
3.5	December 17	December 31

At the regular December 2018 meeting of the Fund's Board of Directors (the "Board"), the Board declared the following monthly dividends:

Cents Per Share	Record Date	Payable Date
3.5	January 15	January 31
3.5	February 15	February 28
3.5	March 15	March 29

About Your Fund

The Fund's investment objective is current income exempt from regular federal income tax consistent with the preservation of capital. The fund seeks to achieve its investment objective by investing primarily (at least 80% of its total assets) in a diversified portfolio of investment-grade tax-exempt obligations. The Fund may not invest more than 25% of its total assets (taken at market value at the time of each investment) in the securities of issuers in a single industry; provided that, for purposes of this restriction, tax exempt securities of issuers that are states, municipalities or their political subdivisions are not considered to be the securities of issuers in any single industry.

The use of leverage enables the Fund to borrow at short-term rates and invest at longer-term rates. As of October 31, 2018, the Fund's leverage consisted of $65 million of Variable Rate MuniFund Term Preferred Shares (VMTP). On that date, the total amount of leverage represented approximately 35% of the Fund's total assets. The amount and type of leverage used is reviewed by the Board of Directors based on the Fund's expected earnings relative to the anticipated costs (including fees and expenses) associated with the leverage. In addition, the long-term expected benefits of leverage are weighed against the potential effect of increasing the volatility of both the Fund's net asset value and the market value of its common stock. Historically, the tendency of the U.S. yield curve to exhibit a positive slope (i.e. long-term rates higher than short-term rates) has fostered an environment in which leverage can make a positive contribution to the earnings of the Fund. There is no assurance that this will continue to be the case in the future. A decline in the difference between short-term and long-term rates could have an adverse effect on the income provided from leverage. Prolonged periods of low longer-term interest rates can result in modest reinvestment opportunities for the DTF Fund's portfolio and could also adversely affect the income provided from leverage. If the DTF Fund were to conclude that the use of leverage was likely to cease being beneficial, it could modify the amount and type of leverage it uses or eliminate the use of leverage entirely.

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

Timothy M. Heaney, CFA
Vice President and Chief Investment Officer

Nathan I. Partain, CFA
Director, President and Chief Executive Officer

Certain statements in this report are forward-looking statements. Discussions of specific investments are for illustration only and are not intended as recommendations of individual investments. The forward-looking statements and other views expressed herein, are those of the portfolio managers as of the date of this report. Actual future results or occurrences may differ significantly from those anticipated in any forward-looking statements, and the views expressed herein are subject to change at any time, due to numerous market and other factors. The DTF Fund disclaims any obligation to update publicly or revise any forward-looking statements or views expressed herein.

DTF TAX-FREE INCOME INC.
SCHEDULE OF INVESTMENTS
October 31, 2018

Principal Amount (000)	Description (a)	Value
	LONG-TERM INVESTMENTS—149.8%	
	Alabama—1.7%	
$2,000	Jefferson Cnty. Brd. of Ed. Pub. Sch. Warrants, 5.00%, 2/01/46	$2,158,020
	Alaska—0.3%	
290	Anchorage Elec. Util. Rev., 5.00%, 12/01/36	318,629
	Arizona—3.9%	
1,350	Arizona St. Univ. Rev., 5.00%, 7/01/37	1,495,557
650	Arizona St. Hlth. Fac. Auth. Rev., Scottsdale Lincoln Hosp. Proj., 5.00%, 12/01/42	700,381
1,000	Maricopa Cnty. Indl. Dev. Auth. Rev., 4.00%, 1/01/34	1,018,110
500	Northern Arizona Univ. Rev., 5.00%, 6/01/40	543,785
1,000	Northern Arizona Univ. SPEED Rev., (Stimulus Plan for Econ. and Edl. Dev.), 5.00%, 8/01/38	1,076,820
		4,834,653
	California—18.3%	
1,000	California St. Hlth. Facs. Fin. Auth. Rev., Kaiser Permanente, 4.00%, 11/01/44	1,008,280
275	California St. Hlth. Facs. Fin. Auth. Rev., Providence St. Joseph Hlth., 4.00%, 10/01/36	278,910
1,500	California St. Hlth. Facs. Fin. Auth. Rev., Sutter Hlth., 5.00%, 11/15/46	1,628,520
100	California St. Muni. Fin. Auth. Student Hsg. Rev., Bowles Hall Foundation, 5.00%, 6/01/35	106,926
1,000	California St. Gen. Oblig., 5.00% 10/01/28	1,134,860
50	California St. Gen. Oblig., 5.50%, 3/01/40	52,157
2,000	California St. Pub. Wks. Brd. Lease Rev., Dept. of Corrections and Rehab., 5.25%, 9/01/29	2,229,440
$550	California Statewide Communities Dev. Auth. Rev., Marin General Hosp., 4.00%, 8/01/45	$539,335
575	Contra Costa Cnty. Successor Agy. to Redev. Agy., Tax Allocation, 5.00%, 8/01/35, BAM	650,584
1,000	Garden Grove Successor Agy. to Agy. Cmty. Dev., Tax Allocation, 5.00%, 10/01/31, BAM	1,129,910
2,000	Gilroy Unified Sch. Dist. Gen. Oblig., 4.00%, 8/01/41	2,022,520
280	Lancaster Successor Agy. to Redev. Agy., Tax Allocation, 5.00%, 8/01/33, AGM	313,309
1,000	Los Angeles Cnty. Santn. Dists. Fin. Auth. Rev., 5.00%, 10/01/34	1,126,680
250	Palm Desert Successor Agy. to Redev. Agy., Tax Allocation, 5.00%, 10/01/28, BAM	293,220
2,500	Riverside Cnty. Sngl. Fam. Rev., 7.80%, 5/01/21, Escrowed to maturity (b)	2,829,225
1,000	San Jose Unified Sch. Dist. Gen. Oblig., 4.00%, 8/01/42	1,015,460
1,215	San Marcos Successor Agy. to Redev. Agy., Tax Allocation, 5.00%, 10/01/32	1,377,846
2,000	San Mateo Successor Agy. to Redev. Agy., Tax Allocation, 5.00%, 8/01/30	2,221,940
1,000	Temple City Unified Sch. Dist. Gen. Oblig., 4.00%, 8/01/43	1,007,250
1,750	Univ. of California Rev., 4.00%, 5/15/48	1,758,260
		22,724,632
	Colorado—4.5%	
1,120	Colorado St. Hsg. & Fin. Auth. Rev., 3.60%, 11/01/38	1,054,301
400	Denver Conv. Center & Hotel Auth. Rev., 5.00%, 12/01/27	439,540
1,000	Eagle River Wtr. & Santn. Dist. Enterprise Wstwtr. Rev., 5.00%, 12/01/42	1,083,850

The accompanying notes are an integral part of these financial statements.

Principal Amount (000)	Description (a)	Value
$1,640	Public Auth. for Colorado Energy, Natural Gas Purch. Rev., 6.25%, 11/15/28	$1,987,910
1,000	Univ. of Colorado Enterprise Rev., 4.00%, 6/01/43	1,007,900
		5,573,501
	Connecticut—5%	
900	Connecticut St. Gen. Oblig., 5.00%, 9/15/35	971,991
700	Connecticut St. Hlth. & Edl. Facs. Auth. Rev., Hartford HlthCare., 5.00%, 7/01/32	735,560
1,000	Connecticut St. Hlth. & Edl. Facs. Auth. Rev., Hartford HlthCare., 5.00%, 7/01/41	1,042,970
550	Connecticut St. Hlth. & Edl. Facs. Auth. Rev., Yale-New Haven Hosp., 5.00%, 7/01/48	582,763
500	Connecticut St. Hsg. Auth. Rev., 3.20%, 11/15/33	466,965
1,000	S. Central Connecticut Reg. Wtr. Auth. Rev., 5.00%, 8/01/41 Prerefunded 8/01/21 @ $100 (b)	1,075,320
1,200	Univ. of Connecticut Spec. Oblig. Rev., 5.00%, 11/15/43	1,298,376
		6,173,945
	District of Columbia—1.7%	
1,000	District of Columbia Gen. Oblig., 5.00%, 6/01/43	1,116,000
1,000	District of Columbia Inc. Tax Rev., 5.00%, 12/01/31	1,038,800
		2,154,800
	Florida—22.1%	
755	Brevard Cnty. Sch. Brd. Ref. COP, 5.00%, 7/01/32	842,565
1,500	Broward Cnty. Port Fac. Rev., 6.00%, 9/01/23	1,548,240
1,000	Central Florida Expwy. Auth. Rev., 4.00%, 7/01/36	1,007,850
1,000	Escambia Cnty. Hlth. Fac. Auth. Rev., Baptist Hosp., 6.00%, 8/15/36	1,055,680
2,000	Florida St. Brd. of Ed. Cap. Outlay Gen. Oblig., 5.00%, 6/01/41	2,121,080
$2,350	Florida St. Brd. of Gov. Florida State Univ. Dorm Rev., 5.00%, 5/01/33	$2,570,148
1,000	Hillsborough Cnty. Aviation Auth. Rev., Tampa Int'l. Arpt., 5.00%, 10/01/44	1,060,820
500	Lee Cnty. Tran. Fac. Rev., 5.00%, 10/01/35, AGM	548,410
1,080	Miami Beach Hlth. Facs. Auth. Hosp. Rev., 5.00%, 11/15/39	1,119,798
500	Miami Beach Redev. Agy. Rev., 5.00%, 2/01/40, AGM	549,470
500	Miami-Dade Cnty. Expwy. Auth. Rev., 5.00%, 7/01/33	555,690
1,065	Miami-Dade Cnty. Ed. Facs. Auth. Rev., 5.00%, 4/01/45	1,145,897
2,220	Miami-Dade Cnty. Sch. Brd. Ref. COP, 5.00%, 2/01/34	2,423,996
250	Miami-Dade Cnty. Aviation Rev., 5.00%, 10/01/32	266,803
2,000	Orlando and Orange Cnty. Expwy. Auth. Rev., 5.00%, 7/01/35	2,188,300
1,000	Reedy Creek Impvt. Dist. Gen. Oblig., 5.00%, 6/01/38	1,093,490
2,035	Seminole Cnty. Sales Tax Rev., 5.25%, 10/01/31, NRE	2,444,890
2,190	Seminole Cnty. Sch. Brd. COP, 5.00%, 7/01/33	2,435,499
830	S. Florida Wtr. Mgmt. Dist. COP, 5.00%, 10/01/35	914,071
200	Tallahassee Hlth. Facs. Rev., Tallahassee Memorial Hlthcare., 5.00%, 12/01/41	210,582
665	Tampa-Hillsborough Cnty. Expwy. Auth. Rev., 4.00%, 7/01/42	658,942
750	Tampa-Hillsborough Cnty. Expwy. Auth. Rev., 5.00%, 7/01/47	814,140
		27,576,361
	Georgia—2.1%	
500	Atlanta Arpt. Passenger Fac. Charge Gen. Rev., 5.00%, 1/01/32	551,515

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Principal Amount (000)	Description (a)	Value
$2,000	Metro. Atlanta Rapid Tran. Auth. Rev., 5.00%, 7/01/39 Prerefunded 7/01/19 @ $100 (b)	$2,040,800
		2,592,315
	Idaho—0.2%	
240	Idaho St. Hlth. Facs. Auth. Rev., St. Luke's Hlth. Sys., 5.00%, 3/01/37	260,556
	Illinois—14.4%	
500	Chicago Multi-Family Hsg. Rev., 4.90%, 3/20/44, FHA	505,620
1,000	Chicago O'Hare Intl. Arpt. Rev., Customer Fac. Charge, 5.125%, 1/01/30, AGM	1,085,410
620	Chicago O'Hare Intl. Arpt. Rev., 5.25%, 1/01/42	680,283
250	Chicago Sales Tax Rev., 5.00%, 1/01/30 Prerefunded 1/01/25 @ $100 (b)	284,417
250	Chicago Wtrwks. Rev., 5.00%, 11/01/30	273,045
650	Chicago Wtrwks. Rev., 5.25%, 11/01/32, AGM	724,399
250	Chicago Wtrwks. Rev., 5.00%, 11/01/36, AGM	269,127
865	Chicago Wtrwks. Rev., 5.00%, 11/01/44	910,715
1,225	Illinois St. Fin. Auth. Rev., Advocate Hlthcare. Network, 5.00%, 5/01/45	1,314,033
525	Illinois St. Fin. Auth. Rev., Centegra Hlth. Sys., 5.00%, 9/01/42	565,036
520	Illinois St. Fin. Auth. Rev., Northwestern Memorial Hlthcare., 5.00%, 8/15/37	556,743
1,070	Illinois St. Fin. Auth. Rev., Rush Univ. Med. Ctr., 4.00%, 11/15/39	1,017,292
1,000	Illinois St. Fin. Auth. Rev., Rush Univ. Med. Ctr., 5.00%, 11/15/39	1,071,850
1,025	Illinois St. Fin. Auth. Rev., Swedish Covenant Hosp., 6.00%, 8/15/38, Prerefunded 2/15/20 @ $100 (b)	1,072,745
$1,000	Illinois St. Gen. Oblig., 5.00%, 2/01/27	$1,037,550
2,000	Illinois St. Gen. Oblig., 5.50%, 1/01/29	2,141,340
750	Illinois St. Toll Hwy. Auth. Rev., 5.00%, 1/01/41	809,318
330	Railsplitter Tobacco Settlement Auth. Rev., 5.00%, 6/01/27	368,283
1,000	Railsplitter Tobacco Settlement Auth. Rev., 6.00%, 6/01/28 Prerefunded 6/01/21 @ $100 (b)	1,092,170
1,000	Sales Tax Securitization Corp. Rev., 5.00%, 1/01/48	1,066,550
1,000	Univ. of Illinois Aux. Facs. Sys. Rev., 5.00%, 4/01/34	1,070,820
		17,916,746
	Indiana—2.8%	
240	Indiana St. Fin. Auth. Hosp. Rev., Indiana Univ. Hlth., 5.00%, 12/01/28	266,916
2,000	Indiana St. Fin. Auth. Hosp. Rev., Parkview Hlth., 5.00%, 11/01/43	2,165,180
1,000	Indiana St. Fin. Auth. Rev. State Revolving Fund, 5.00%, 2/01/31 Prerefunded 2/01/21 @ $100 (b)	1,062,840
		3,494,936
	Kentucky—0.8%	
900	Kentucky Bond Dev. Corp. Transient Room Tax Rev., 5.00%, 9/01/43	972,513
	Louisiana—5.2%	
1,250	Louisiana St. Stadium & Exposition Dist. Rev., 5.00%, 7/01/30	1,365,975
605	Louisiana St. Stadium & Exposition Dist. Rev., 5.00%, 7/01/36	656,449
1,250	Louisiana St. Tran. Auth. Rev., 5.00%, 8/15/38	1,366,463
300	New Orleans Swr. Svc. Rev., 5.00%, 6/01/44	320,430

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Principal Amount (000)	Description (a)	Value
$500	Port of New Orleans Brd. of Commissioners Port Fac. Rev., 5.00%, 4/01/33	$526,440
1,100	Regional Tran. Auth. Sales Tax Rev., 5.00%, 12/01/30, AGM	1,155,847
1,000	Terrebonne Parish Consol. Wtrwks. Dist. No. 1 Rev., 5.00%, 11/01/37	1,081,080
		6,472,684
	Maine—1.8%	
95	Maine St. Hlth. & Hgr. Edl. Facs. Auth. Rev., 5.00%, 7/01/33, Prerefunded 7/1/23 @ $100 (b)	105,701
905	Maine St. Hlth. & Hgr. Edl. Facs. Auth. Rev., 5.00%, 7/01/33	961,707
610	Portland General Arpt. Rev., 5.00%, 7/01/31	647,411
540	Portland General Arpt. Rev., 5.00%, 7/01/32	571,693
		2,286,512
	Maryland—1.1%	
250	Baltimore Convention Center Hotel Rev., 5.00%, 9/01/36	269,203
1,000	Maryland St. Hlth. & Hgr. Edl. Facs. Auth. Rev., Anne Arundel Hlth. Sys., 5.00%, 7/01/39	1,076,420
		1,345,623
	Massachusetts—7.4%	
3,000	Massachusetts St. Bay Trans. Auth. Rev., 5.50%, 7/01/29, NRE	3,692,340
1,000	Massachusetts St. Gen. Oblig., 5.25%, 9/01/25, AGM	1,168,920
1,000	Massachusetts St. Gen. Oblig., 5.50%, 8/01/30, AMBAC	1,226,660
2,000	Massachusetts St. College Bldg. Auth. Rev., 5.00%, 5/01/40 Prerefunded 5/1/20 @ $100 (b)	2,085,660
1,000	Massachusetts St. Port Auth. Rev., 5.00%, 7/01/47	1,080,930
		9,254,510
	Michigan—1.9%	
$1,000	Holland Elec. Util. Sys. Rev., 5.00%, 7/01/39	$1,059,760
550	Michigan St. Fin. Auth. Rev., Beaumont Hlth. Credit Group, 5.00%, 11/01/44	585,695
500	Michigan St. Bldg. Auth. Rev., 4.00%, 10/15/36	505,430
225	Royal Oak Hosp. Fin. Auth. Rev., William Beaumont Hosp., 5.00%, 9/01/39	239,920
		2,390,805
	Nebraska—2.2%	
500	Nebraska St. Pub. Pwr. Dist. Gen. Rev., 5.00%, 1/01/34	533,220
1,900	Omaha Gen. Oblig., 5.25%, 4/01/27	2,237,402
		2,770,622
	New Jersey—2.3%	
400	Camden Cnty. Impvt. Auth. Hlthcare. Redev. Rev., Cooper Hlth. Sys., 5.00%, 2/15/33	421,204
240	New Jersey St. Tpk. Auth. Rev., 4.00%, 1/01/35	244,046
350	New Jersey St. Tpk. Auth. Rev., 5.00%, 1/01/36 Prerefunded 1/01/19 @ $100 (b)	351,813
1,750	Tobacco Settlement Financing Corp. Rev., 5.25%, 6/01/46	1,849,768
		2,866,831
	New York—9.6%	
1,000	Albany Indl. Dev. Agy. Rev., Brighter Choice Charter Sch., 5.00%, 4/01/32	908,700
300	Buffalo and Erie Cnty. Indl. Land. Dev. Rev., Catholic Hlth. Sys., 5.25%, 7/01/35	322,638
700	Long Island Pwr. Auth. Elec. Sys. Gen. Rev., 5.00%, 9/01/42	749,756
530	Long Island Pwr. Auth. Elec. Sys. Gen. Rev., 5.00%, 9/01/42	579,804

The accompanying notes are an integral part of these financial statements.

Principal Amount (000)	Description (a)	Value
$600	New York Cntys. Tobacco Trust VI Rev., 5.00%, 6/01/45	$624,936
1,000	New York City Transitional Fin. Auth. Rev., 5.00%, 2/01/34	1,107,380
1,000	New York City Mun. Wtr. Fin. Auth., Wtr. & Swr. Sys. Rev., 5.00%, 6/15/34	1,091,050
1,000	New York City Mun. Wtr. Fin. Auth., Wtr. & Swr. Sys. Rev., 5.375%, 6/15/43	1,061,300
1,000	New York City Mun. Wtr. Fin. Auth., Wtr. & Swr. Sys. Rev., 5.50%, 6/15/43	1,063,870
2,000	New York St. Dorm. Auth., Personal Inc. Tax Rev., 5.00%, 03/15/31	2,216,820
900	Port Auth. of New York and New Jersey Rev., 5.00%, 6/01/33	996,741
500	Triborough Bridge & Tunnel Auth. Rev., 5.00%, 11/15/30	549,230
195	TSASC Inc. Tobacco Settlement Rev., 5.00%, 6/01/34	207,435
400	Utility Debt Securitization Auth. Restructuring Rev., 5.00%, 12/15/31	444,308
		11,923,968
	Ohio—5.9%	
750	Deerfield Twp. Tax Increment Rev., 5.00%, 12/01/25	751,868
555	Northeast Ohio Regl. Swr. Dist. Rev., 4.00%, 11/15/43	556,304
500	Ohio St. Gen. Oblig., 5.00%, 9/01/30 Prerefunded 9/01/20 @ $100 (b)	525,800
2,000	Ohio St. Hosp. Rev., Univ. Hosp. Hlth. Sys., 4.00%, 1/15/44	1,887,520
1,040	Ohio St. Tpk. Comm. Rev., 5.00%, 2/15/31 Prerefunded 2/15/20 @ $100 (b)	1,078,719
2,445	Ohio St. Wtr. Dev. Auth. Rev., 5.50%, 6/01/20, AGM	2,574,316
		7,374,527

Principal Amount (000)	Description (a)	Value
	Oregon—1.8%	
$500	Oregon St. Gen. Oblig., 5.00%, 5/01/41	$552,550
570	Port of Portland Intl. Arpt. Rev., 5.00%, 7/01/32	620,274
1,000	Washington Cnty. Sch. Dist. 48J (Beaverton), Gen. Oblig. Convertible CAB, 5.00%, 6/15/36	1,121,020
		2,293,844
	Pennsylvania—4.8%	
170	Butler Cnty. Hosp. Auth. Rev., Butler Hlth. Sys., 5.00%, 7/01/35	181,798
2,000	Delaware River Port Auth. Rev., 5.00%, 1/01/34	2,186,960
500	Pennsylvania St. Higher Ed. Facs. Auth. Rev., 5.00%, 6/15/28	521,165
1,020	Pennsylvania St. Tpk. Commission, Oil Franchise Tax Rev., 5.00%, 12/01/23, AGC, Prerefunded 12/01/19 @ $100 (b)	1,052,314
2,000	Philadelphia Wtr. & Wstwtr. Rev., 5.00%, 1/01/41	2,089,960
		6,032,197
	Rhode Island—2.3%	
1,070	Rhode Island St. Clean Wtr. Fin. Agy., Wtr. Poll. Control Rev. (Green Bonds), 5.00%, 10/01/32	1,203,664
1,600	Rhode Island St. Hlth. & Edl. Bldg. Corp., Higher Ed. Facs. Rev., Providence College, 5.00%, 11/01/41	1,691,536
		2,895,200
	South Carolina—2%	
2,000	Charleston Cnty. Spl. Source Rev., 5.00%, 12/01/32	2,211,980
290	SCAGO Edl. Facs. Corp. Rev., Pickens Cnty. Sch. Dist., 5.00%, 12/01/24	326,818
		2,538,798

The accompanying notes are an integral part of these financial statements.

DTF TAX-FREE INCOME INC.
SCHEDULE OF INVESTMENTS—(Continued)
October 31, 2018

Principal Amount (000)	Description (a)	Value
	Tennessee—5.6%	
$250	Chattanooga-Hamilton Cnty. Hosp. Auth. Rev., Erlanger Hlth. Sys., 5.00%, 10/01/34	$264,527
1,620	Tennessee St. Energy Acquisition Corp. Rev., 5.25%, 9/01/20	1,699,169
1,000	Tennessee St. Energy Acquisition Corp. Rev., 5.25%, 9/01/21	1,069,850
740	Tennessee St. Hsg. Dev. Agy., 3.625%, 7/01/32	734,850
500	Tennessee St. Hsg. Dev. Agy., 3.90%, 7/01/42	478,345
500	Tennessee St. Hsg. Dev. Agy., 4.00%, 7/01/43	496,110
2,000	Tennessee St. Sch. Bond Auth. Rev., 5.00%, 11/01/42	2,233,120
		6,975,971
	Texas—8%	
850	Austin Indep. Sch. Dist. Gen. Oblig., 4.00%, 8/01/36, PSF	868,156
650	Dallas Area Rapid Transit Rev., 5.00%, 12/01/41	715,799
500	Houston Arpt. Sys. Rev., 5.00%, 7/01/32	532,820
1,250	Houston Arpt. Sys. Rev., 5.00%, 7/01/39	1,385,250
1,000	Houston Hotel Occupancy Tax & Spl. Rev., 5.25%, 9/01/29	1,069,850
1,410	Houston Util. Sys. Rev., 5.00%, 11/15/32	1,556,146
1,000	North Texas Twy. Auth. Rev., 5.00%, 1/01/31	1,099,340
1,000	North Texas Twy. Auth. Rev., 4.00%, 1/01/43	972,740
700	San Antonio Indep. Sch. Dist. Sch. Bldg. Gen. Oblig., 5.00%, 8/15/38, PSF	773,493
1,000	Upper Trinity Reg. Wtr. Dist. Rev., 4.00%, 8/01/37, AGM	1,006,530
		9,980,124
	Vermont—2.2%	
$2,000	Univ. of Vermont & St. Agric. College Gen. Oblig., 5.00%, 10/01/38	$2,139,000
500	Vermont St. Edl. and Hlth. Bldg. Fin. Agy. Rev., Univ. of Vermont Med. Center, 5.00%, 12/01/35	549,895
		2,688,895
	Virginia—2.9%	
1,250	Riverside Regl. Jail Auth. Fac. Rev., 5.00%, 7/01/26	1,426,675
2,000	Virginia St. College Bldg. Auth. Rev., 5.00%, 2/01/23	2,216,380
		3,643,055
	Washington—0.9%	
1,000	King Cnty. Wtr. Rev., 5.00%, 7/01/41	1,104,980
	West Virginia—0.2%	
250	Monongalia Cnty. Bldg. Comm. Rev., 5.00%, 7/01/30	270,253
	Wisconsin—3.1%	
1,400	Wisconsin St. Pub. Fin. Auth. Hosp. Rev., Renown Reg. Med. Ctr., 5.00%, 6/01/40	1,505,896
250	Wisconsin St. Pub. Fin. Auth., Solid Waste Disp. Rev., 2.875%, 5/01/27	236,130
190	Wisconsin St. Gen. Rev., 6.00%, 5/01/33, Prerefunded 5/01/19 @ $100 (b)	193,886
1,810	Wisconsin St. Gen. Rev., 6.00%, 5/01/33 Prerefunded 5/01/19 @ $100 (b)	1,847,015
		3,782,927
	Wyoming—0.8%	
900	Wyoming St. Farm Loan Brd. Cap. Facs. Rev., 5.75%, 10/01/20	934,353
	Total Long-Term Investments (Cost $184,447,745)	186,578,286

The accompanying notes are an integral part of these financial statements.

Principal Amount (000)	Description (a)	Value
	TOTAL INVESTMENTS—149.8% (Cost $184,447,745)	$186,578,286
	Variable Rate MuniFund Term Preferred Shares at liquidation value—(52.2)%	(65,000,000)
	Other assets less other liabilities—2.4%	2,971,650
	NET ASSETS APPLICABLE TO COMMON STOCK—100.0%	$124,549,936

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

AGC—Assured Guaranty Corp.*
AGM—Assured Guaranty Municipal Corp.*
AMBAC—Ambac Assurance Corporation*
BAM—Build America Mutual Assurance Company*
CAB—Capital Appreciation Bond
COP—Certificate of Participation
FHA—Federal Housing Authority*
NRE—National Public Finance Guarantee Corporation*
PSF—Texas Permanent School Fund*

* Indicates an obligation of credit support, in whole or in part.

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

The percentage shown for each investment category is the total value of that category as a percentage of the net assets applicable to common stock of the Fund.

The Fund's investments are carried at fair value which is defined as the price that the Fund would receive upon selling an investment in a timely transaction to an independent buyer in the principal or most advantageous market of the investment. The three-tier hierarchy of inputs established to classify fair value measurements for disclosure purposes is summarized in the three broad levels listed below.

Level 1—quoted prices in active markets for identical securities.
Level 2—other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risks, etc.).
Level 3—significant unobservable inputs (including the Fund's own assumptions in determining fair value of investments).

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in these securities. The following is a summary of the inputs used to value each of the Fund's investments at October 31, 2018:

	Level 2
Municipal bonds	$186,578,286

There were no Level 1 or Level 3 priced securities held and there were no transfers into or out of Level 3 related to securities held at October 31, 2018.

The accompanying notes are an integral part of these financial statements.

Summary of Ratings as a Percentage of Long-Term Investments
(Unaudited)

Rating *	%
AAA	5.7
AA	50.0
A	34.6
BBB	8.1
BB	0.0
B	0.5
NR	1.1
	100.0

*Individual ratings are grouped based on the lower rating of Standard & Poor's Financial Services LLC ("S&P") or Moody's Investors Service, Inc. ("Moody's") and are expressed using the S&P ratings scale. If a particular security is rated by either S&P or Moody's, but not both, then the single rating is used. If a particular security is not rated by either S&P or Moody's, then a rating from Fitch Ratings, Inc. is used, if available. The Fund does not evaluate these ratings but simply assigns them to the appropriate credit quality category as determined by the ratings agencies, as applicable. Securities that have not been rated by S&P, Moody's or Fitch totaled 1.1% of the portfolio at the end of the reporting period.

Portfolio Composition
as a Percentage of Total Investments
(Unaudited)

	%
Healthcare	13.6
Education	11.6
General Obligation	11.6
Special Tax	10.5
Water & Sewer	10.2
Pre-Refunded	9.0
Transportation	7.9
Leasing	5.2
Electric & Gas	4.5
Tax Allocation	3.9
Other	12.0
	100.0

DTF TAX-FREE INCOME INC.
STATEMENT OF ASSETS AND LIABILITIES
October 31, 2018

ASSETS:	
Investments, at value (cost $184,447,745)	$186,578,286
Cash	2,130,685
Receivables:	
Securities sold	977,178
Interest	2,672,490
Prepaid expenses	15,166
Total assets	192,373,805
LIABILITIES:	
Payable for securities purchased	2,712,140
Investment advisory fee (Note 3)	80,791
Administrative fee (Note 3)	15,893
Accrued expenses	87,280
Variable Rate MuniFund Term Preferred Shares (650 shares issued and outstanding, liquidation preference $100,000 per share, net of deferred offering cost of $72,235) (Note 7)	64,927,765
Total liabilities	67,823,869
NET ASSETS APPLICABLE TO COMMON STOCK	$124,549,936
CAPITAL:	
Common stock ($0.01 par value per share; 599,997,400 shares authorized, 8,520,685 issued and outstanding)	$85,207
Additional paid-in capital	120,145,548
Total distributable earnings	4,319,181
Net assets applicable to common stock	$124,549,936
NET ASSET VALUE PER SHARE OF COMMON STOCK	$14.62

The accompanying notes are an integral part of these financial statements.

DTF TAX-FREE INCOME INC.
STATEMENT OF OPERATIONS
For the year ended October 31, 2018

INVESTMENT INCOME:	
Interest	$7,349,524
EXPENSES:	
Interest expense and amortization of deferred offering costs on preferred shares (Note 7)	1,804,295
Investment advisory fees (Note 3)	973,664
Administrative fees (Note 3)	181,626
Directors' fees	91,381
Professional fees	77,940
Custodian fees	73,340
Reports to shareholders	39,510
Transfer agent fees	28,035
Other expenses	67,245
Total expenses	3,337,036
Net investment income	4,012,488
REALIZED AND UNREALIZED GAIN (LOSS):	
Net realized gain on investments	1,378,409
Net change in unrealized appreciation (depreciation) on investments	(9,232,584)
Net realized and unrealized loss on investments	(7,854,175)
NET DECREASE IN NET ASSETS APPLICABLE TO COMMON STOCK RESULTING FROM OPERATIONS	$(3,841,687)

The accompanying notes are an integral part of these financial statements.

DTF TAX-FREE INCOME INC.
STATEMENTS OF CHANGES IN NET ASSETS

	For the year ended October 31, 2018	For the year ended October 31, 2017
OPERATIONS:		
Net investment income	$4,012,488	$4,556,811
Net realized gain	1,378,409	365,427
Net change in unrealized appreciation (depreciation)	(9,232,584)	(3,831,922)
Net increase (decrease) in net assets applicable to common stock resulting from operations	(3,841,687)	1,090,316
DISTRIBUTIONS TO COMMON STOCKHOLDERS:		
Net investment income and net realized gains	(5,296,457)	(6,400,960)
Decrease in net assets from distributions to common stockholders (Note 5)	(5,296,457)	(6,400,960)
CAPITAL STOCK TRANSACTIONS:		
Shares issued to common stockholders from dividend reinvestment of -0- shares and 1,675 shares, respectively	—	25,963
Net increase in net assets derived from capital stock transactions	—	25,963
Total decrease in net assets	(9,138,144)	(5,284,681)
TOTAL NET ASSETS APPLICABLE TO COMMON STOCK:		
Beginning of year	133,688,080	138,972,761
End of year	$124,549,936	$133,688,080

The accompanying notes are an integral part of these financial statements.

DTF TAX-FREE INCOME INC.
STATEMENT OF CASH FLOWS
For the year ended October 31, 2018

INCREASE (DECREASE) IN CASH

Cash flows provided by (used in) operating activities:		
Interest received	$8,684,111	
Expenses paid	(1,590,260)	
Interest expense paid	(1,703,077)	
Purchase of investment securities	(42,467,910)	
Proceeds from sales and maturities of investment securities	43,988,646	
Net cash provided by operating activities		$6,911,510
Cash flows provided by (used in) financing activities:		
Distributions paid	(5,296,457)	
Net cash used in financing activities		(5,296,457)
Net increase in cash		1,615,053
Cash-beginning of year		515,632
Cash-end of year		$2,130,685
Reconciliation of net decrease in net assets resulting from operations to net cash provided by operating activities:		
Net decrease in net assets resulting from operations		$(3,841,687)
Purchase of investment securities	(42,467,910)	
Proceeds from sales and maturities of investment securities	43,988,646	
Net amortization and accretion of premiums and discounts on debt securities	1,389,178	
Amortization of deferred offering costs	32,036	
Net realized gain on investments	(1,378,409)	
Net change in unrealized (appreciation) depreciation on investments	9,232,584	
Increase in interest receivable	(54,591)	
Increase in accrued expenses	11,663	
Total adjustments		10,753,197
Net cash provided by operating activities		$6,911,510

The accompanying notes are an integral part of these financial statements.

DTF TAX-FREE INCOME INC.

FINANCIAL HIGHLIGHTS—SELECTED PER SHARE DATA AND RATIOS

The table below provides information about income and capital changes for a share of common stock outstanding throughout the years indicated (excluding supplemental data provided below):

	For the year ended October 31,				
PER SHARE DATA:	**2018**	**2017**	**2016**	**2015**	**2014**
Net asset value, beginning of year	$15.69	$16.31	$16.31	$16.70	$15.74
Net investment income	0.47	0.54	0.57	0.69	0.73
Net realized and unrealized gain (loss)	(0.92)	(0.41)	0.30	(0.24)	1.08
Net increase (decrease) from investment operations applicable to common stock	(0.45)	0.13	0.87	0.45	1.81
Distributions on common stock:					
Net investment income	(0.59)	(0.70)	(0.84)	(0.84)	(0.85)
Net realized gains	(0.03)	(0.05)	(0.03)	—	—
Total distributions	(0.62)	(0.75)	(0.87)	(0.84)	(0.85)
Net asset value, end of year	$14.62	$15.69	$16.31	$16.31	$16.70
Per share market value, end of year	$12.34	$14.16	$15.08	$15.13	$15.15
RATIOS TO AVERAGE NET ASSETS APPLICABLE TO COMMON STOCK:					
Operating expenses	2.58%	2.29%	2.16%	1.86%	1.89%
Operating expenses, without leverage	1.16%	1.15%	1.13%	1.11%	1.13%
Net investment income	3.10%	3.42%	3.45%	4.21%	4.51%
SUPPLEMENTAL DATA:					
Total return on market value[(1)]	(8.72)%	(1.21)%	5.31%	5.55%	13.19%
Total return on net asset value[(1)]	(2.94)%	0.95%	5.41%	2.77%	11.79%
Portfolio turnover rate	23%	17%	14%	16%	9%
Net assets applicable to common stock, end of year (000's omitted)	$124,550	$133,688	$138,973	$138,981	$142,225
Preferred stock outstanding, end of year (000's omitted)[(2)]	$65,000	$65,000	$65,000	$65,000	$65,000
Asset coverage on preferred stock[(3)]	$291,615	$305,674	$313,804	$313,817	$318,808
Asset coverage ratio on preferred stock[(4)]	292%	306%	314%	314%	319%

(1) Total return on market value assumes a purchase of common stock at the opening market price on the first business day and a sale at the closing market price on the last business day of each year shown in the table and assumes reinvestment of dividends at the actual reinvestment prices obtained under the terms of the Fund's dividend reinvestment plan. Total return on net asset value uses the same methodology, but with use of net asset value for beginning, ending and reinvestment values.

(2) The Fund's preferred stock is not publicly traded.

(3) Represents value of net assets applicable to common stock plus preferred stock outstanding at year end divided by the preferred stock outstanding at year end, calculated per $100,000 liquidation preference per share of preferred stock.

(4) Represents value of net assets applicable to common stock plus preferred stock outstanding at year end divided by the preferred stock outstanding at year end.

The accompanying notes are an integral part of these financial statements.

Note 1. Organization

DTF Tax-Free Income Inc. (the "Fund") was incorporated under the laws of the State of Maryland on September 24, 1991. The Fund commenced operations on November 29, 1991 as a diversified, closed-end management investment company registered under the Investment Company Act of 1940, as amended (the "1940 Act"). The Fund's investment objective is current income exempt from regular federal income tax consistent with preservation of capital.

Note 2. Significant Accounting Policies

The following are the significant accounting policies of the Fund.

A. Investment Valuation: Debt securities are generally valued based on the evaluated bid using prices provided by one or more dealers regularly making a market in that security, an independent pricing service, or quotes from broker-dealers, when such prices are believed to reflect the fair value of such securities and are generally classified as Level 2. 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 for which it is determined that market prices are unavailable or inappropriate are valued at fair value using a procedure determined in good faith by the Board of Directors and are classified as Level 2 or 3 based on the valuation inputs.

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

C. Federal Income Taxes: It is the Fund's intention to comply with requirements of Subchapter M of the Internal Revenue Code applicable to regulated investment companies and to distribute substantially all of its taxable income and capital gains to its shareholders. Therefore, no provision for federal income or excise taxes is required. Management of the Fund has concluded that there are no significant uncertain tax positions that would require recognition in the financial statements. Since tax authorities can examine previously filed tax returns, the Fund's tax returns filed for the tax years 2015 to 2018 are subject to such review.

D. Dividends and Distributions: The Fund declares and pays dividends on its common stock monthly from net investment income. Net capital gains, if any, in excess of capital loss carryforwards are expected to be distributed annually. Dividends and distributions are recorded on the ex-dividend date. Dividends on the Fund's Variable Rate MuniFund Term Preferred Shares ("VMTP Shares") are accrued on a daily basis and paid on a monthly basis and are determined as described in Note 7.

The amount and timing of distributions are generally determined in accordance with federal tax regulations, which may differ from U.S. generally accepted accounting principles.

E. Use of Estimates: The preparation of financial statements in conformity with U.S. 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.

F. Accounting Standards: In 2017, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2017-08, which shortens the premium amortization period for callable debt. For public companies, the amendments are effective for financial statements issued for fiscal years beginning after December 15, 2018. At this time, management is evaluating the implications of ASU No. 2017-08 and its impact on the financial statements and accompanying notes.

In August 2018, the FASB issued ASU No. 2018-13, which changes certain fair value measurement disclosure requirements. The new ASU, in addition to other modifications and additions, removes the requirement to disclose the amount and reasons for transfers between Level 1 and Level 2 of the fair value hierarchy, the policy for the timing of transfers between levels and the valuation process for Level 3 fair value measurements. For public companies, the amendments are effective for financial statements issued for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years. Management has evaluated the implications of ASU No. 2018-13 and has determined to early adopt all aspects under the ASU effective immediately.

G. Regulation S-X: In October 2018, the Securities and Exchange Commission issued amendments to Regulation S-X on financial reporting. These amendments eliminated certain disclosure requirements that were redundant or outdated in light of changes in US GAAP and streamlined financial reporting related to the components of capital in the statement of assets and liabilities, distributions in the statement of changes in net assets, and eliminated certain end of period disclosure requirements. Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on total net assets, total distributions, the statement of operations, financial highlights, net asset value or total return.

A summary of the reclassifications relating to the October 31, 2017 amounts included the following:

(i) "Distributions to Common Stockholders" in the statement of changes in net assets for the year ended October 31, 2017 previously included separate disclosures for amounts relating to net investment income of $5,964,011 and net realized gain of $436,949. These distributions were combined into one line item as a result of the amendments.

(ii) "Net assets" disclosed in the statement of changes in net assets at October 31, 2017 included distributions in excess of net investment income of $1,682,918. This disclosure was eliminated as a result of the amendments.

Note 3. Agreements and Management Arrangements

A. Adviser: The Fund has an Advisory Agreement with Duff & Phelps Investment Management Co. (the "Adviser"), an indirect, wholly owned subsidiary of Virtus Investment Partners, Inc. ("Virtus"). The investment advisory fee is payable monthly at an annual rate of 0.50% of the Fund's average weekly managed assets, which is defined as the average weekly value of the total assets of the Fund minus the sum of all accrued liabilities of the Fund (other than the aggregate amount of any outstanding borrowings or other indebtedness constituting financial leverage).

B. Administrator: The Fund has an Administration Agreement with J.J.B. Hilliard, W.L. Lyons, LLC ("Hilliard"). The administration fee is payable quarterly at an annual rate of 0.14% of the Fund's average weekly net assets, which is defined as the average weekly value of the total assets of the Fund minus the sum of all accrued liabilities of the Fund (including the aggregate amount of any outstanding borrowings or other indebtedness constituting financial leverage).

C. Directors: The Fund pays each director not affiliated with the Adviser an annual fee. Total fees paid to directors for the year ended October 31, 2018 were $91,381.

D. Affiliated Shareholder: At October 31, 2018, Virtus Partners, Inc. (a wholly owned subsidiary of Virtus) held 34,265 shares of the Fund which represent 0.40% of shares of common stock outstanding. These shares may be sold at any time.

Note 4. Investment Transactions

Purchases and sales of investment securities (excluding short-term investments) for the year ended October 31, 2018 were $44,867,324 and $44,965,824, respectively.

Note 5. Distributions and Tax Information

At October 31, 2018, the federal tax cost and aggregate gross unrealized appreciation (depreciation) were as follows:

Federal Tax Cost	Unrealized Appreciation	Unrealized Depreciation	Net Unrealized Appreciation
$184,431,293	$4,577,168	$(2,430,175)	$2,146,993

The difference between the book basis and tax basis of unrealized appreciation (depreciation) and cost of investments is primarily attributable to the difference between book and tax amortization methods for premiums and discounts on fixed income securities.

The tax character of distributions paid to common shareholders during the years ended October 31, 2018 and 2017 was as follows:

	10/31/2018	10/31/2017
Distributions paid from:		
Tax-exempt income	$4,984,600	$5,964,011
Ordinary income	1,465	218,402
Long-term capital gains	310,392	215,547
Total distributions	$5,296,457	$6,400,960

At October 31, 2018, the components of distributable earnings on a tax basis were as follows:

Undistributed net tax-exempt income	$758,843
Undistributed net ordinary income	34,936
Undistributed realized long-term capital gain	1,378,409
Net unrealized appreciation (depreciation)	2,146,993
	$4,319,181

Note 6. Reclassification of Capital Accounts

Due to inherent differences in the recognition and distribution of income and realized gains (losses) under U.S. generally accepted accounting principles and for federal income tax purposes, permanent differences between book and tax basis reporting have been identified and appropriately reclassified on the Statement of Assets and Liabilities. At October 31, 2018, the following reclassifications were recorded:

Paid-in capital	Total distributable earnings (loss)
$(32,036)	$32,036

The reclassifications are attributable to expenses related to the VMTP Shares offering. These reclassifications have no impact on the net asset value of the Fund.

Note 7. Variable Rate MuniFund Term Preferred Shares

The Fund has issued and outstanding 650 shares of Series 2021 Variable Rate MuniFund Term Preferred Shares (VMTP Shares) each with a liquidation preference of $100,000. The VMTP Shares are a floating-rate form of preferred shares with a mandatory redemption date. The Fund is required to redeem all outstanding VMTP Shares on January 31, 2021, unless earlier redeemed, repurchased or extended. VMTP Shares are subject to optional and mandatory redemption in certain circumstances. The redemption price per share is equal to the sum of the liquidation value per share plus any accumulated but unpaid dividends and a redemption premium, if any.

Key terms of the series of VMTP Shares at October 31, 2018 are as follows:

Series	Shares Outstanding	Liquidation Preference	Weekly Rate Reset	Rate	Mandatory Redemption Date
2021	650	$65,000,000	SIFMA Municipal Swap Index + 1.40%	3.00%	1/31/2021

The Fund incurred costs in connection with the issuance of the VMTP Shares. These costs were recorded as a deferred charge and are being amortized over the five year life of the VMTP Shares. Amortization of these deferred offering costs of $32,036 is included under the caption "Interest expense and amortization of deferred offering costs on preferred shares" on the Statement of Operations and the unamortized balance is deducted from the carrying amount of the VMTP shares under the caption "Variable Rate MuniFund Term Preferred Shares" on the Statement of Assets and Liabilities.

Dividends on the VMTP Shares (which are treated as interest expense for financial reporting purposes) are accrued daily and paid monthly. The average daily liquidation value outstanding and the weighted daily average dividend rate of the VMTP Shares during the year ended October 31, 2018, were $65,000,000 and 2.72%, respectively.

The VMTP Shares are not listed on any exchange or automated quotation system. The fair value of the VMTP Shares is estimated to be their liquidation preference. The VMTP Shares are categorized as Level 2 within the fair value hierarchy. The Fund is subject to certain restrictions relating to the VMTP Shares, such as maintaining certain asset coverage, effective leverage ratio and overcollateralization ratio requirements. Failure to comply with these restrictions could preclude the Fund from declaring any distributions to common shareholders or purchasing common shares and/or could trigger the mandatory redemption of the VMTP Shares at liquidation value.

Note 8. Indemnifications

Under the Fund's organizational documents, its officers and directors are indemnified against certain liabilities arising out of the performance of their duties to the Fund. In addition, in the normal course of business, the Fund enters into contracts that provide general indemnifications to other parties. The Fund's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Fund that have not occurred. However, the Fund has not had prior claims or losses pursuant to these arrangements and expects the risk of loss to be remote.

Note 9. Subsequent Events

Management has evaluated the impact of all subsequent events on the Fund through the date the financial statements were issued, and has determined that there were no subsequent events requiring recognition or disclosure in these financial statements.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Shareholders and Board of Directors of
DTF Tax-Free Income Inc.:

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities of DTF Tax-Free Income Inc. (the Fund), including the schedule of investments, as of October 31, 2018, and the related statements of operations and cash flows for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, the financial highlights for each of the five years in the period then ended and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund at October 31, 2018, the results of its operations and its cash flows for the year then ended, the changes in its net assets for each of the two years in the period then ended and its financial highlights for each of the five years in the period then ended, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on the Fund's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Fund is not required to have, nor were we engaged to perform, an audit of the Fund's internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of October 31, 2018, by correspondence with the custodian and brokers or by other appropriate auditing procedures where replies from brokers were not received. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Ernst & Young LLP

We have served as the auditor of one or more Duff & Phelps Investment Management Co. investment companies since 1991.

Chicago, Illinois
December 12, 2018

TAX INFORMATION (Unaudited)

Taxable distributions of ordinary income of $325 were paid to preferred shareholders, and $1,465 were paid to common shareholders during the taxable year ended October 31, 2018. The Fund designated and paid long-term capital gains dividends of $68,857 to preferred shareholders and $310,392 to common shareholders during the taxable year ended October 31, 2018. All of the other net investment income distributions paid by the Fund qualify and are designated as tax-exempt interest dividends for Federal income tax purposes.

INFORMATION ABOUT PROXY VOTING BY THE FUND (Unaudited)

Although the Fund does not typically hold voting securities, a description of the policies and procedures that the Fund uses to determine how to vote proxies relating to portfolio securities is available without charge, upon request, by calling the Administrator toll-free at (833) 604-3163 or is available on the Fund's website www.dpimc.com/dtf or on the SEC's website www.sec.gov.

INFORMATION ABOUT THE FUND'S PORTFOLIO HOLDINGS (Unaudited)

The Fund files its complete schedule of portfolio holdings with the SEC for the first and third fiscal quarters of each fiscal year (quarters ended January 31 and July 31) on Form N-Q. The Fund's Form N-Q is available on the SEC's web site at www.sec.gov and may be reviewed and copied at the SEC's Public Reference Room in Washington D.C. Information on the operation of the SEC's Public Reference Room may be obtained by calling (800) 732-0330. In addition, the Fund's Form N-Q is available without charge, upon request, by calling the Administrator toll-free at (833) 604-3163 or is available on the Fund's website at www.dpimc.com/dtf.

ADDITIONAL INFORMATION (Unaudited)

Since October 31, 2017: (i) there have been no material changes in the Fund's investment objectives or policies that have not been approved by the shareholders; (ii) there have been no changes in the Fund's charter or by-laws that would delay or prevent a change in control of the Fund which have not been approved by the shareholders; (iii) there have been no material changes in the principal risk factors associated with an investment in the Fund; and (iv) there have been no changes in the persons who are primarily responsible for the day-to-day management of the Fund's portfolio.

Additional information, if any, relating to the Fund's directors and officers, in addition to such information as is found elsewhere in the Annual Report, may be requested by contacting the Fund at the address provided in this report.

Notice is hereby given in accordance with Section 23(c) of the 1940 Act that the Fund may from time to time purchase its shares of common stock in the open market.

INFORMATION ABOUT DIRECTORS AND OFFICERS OF THE FUND (Unaudited)

Set forth below are the names and certain biographical information about the directors of the Fund. Directors are divided into three classes and are elected to serve staggered three-year terms. All of the directors are elected by the holders of the Fund's common stock, except for Mr. Genetski and Ms. McNamara who are elected by the holders of the Fund's preferred stock. All of the current directors of the Fund, with the exception of Mr. Partain, are classified as independent directors because none of them are "interested persons" of the Fund, as defined in the 1940 Act. Mr. Partain is an "interested person" of the Fund by reason of his position as President and Chief Executive Officer of the Fund and President, Chief Investment Officer and employee of the Adviser. The term "Fund Complex" refers to the Fund and all the other investment companies advised by affiliates of Virtus.

The address for all directors is c/o Duff & Phelps Investment Management Co., 200 South Wacker Drive, Suite 500, Chicago, Illinois 60606. All of the Fund's directors currently serve on the Board of Directors of three other registered closed-end investment companies that are advised by Duff & Phelps Investment Management Co.: DNP Select Income Fund Inc. ("DNP"), Duff & Phelps Global Utility Income Fund Inc. ("DPG") and Duff & Phelps Utility and Corporate Bond Trust Inc. ("DUC").

DIRECTORS OF THE FUND (Unaudited)

Independent Directors

Name and Age	Position(s) Held with Fund	Term of Office and Length of Time Served	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Director	Other Directorships Held by the Director During Past 5 Years
Donald C. Burke Age: 58	Director	Term expires 2021; Director since 2014	Retired since 2009; President and Chief Executive Officer, BlackRock U.S. Funds 2007-2009; Managing Director, BlackRock Inc. 2006-2009; Managing Director, Merrill Lynch Investment Managers 1990-2006	77	Director, Avista Corp. (energy company); Trustee, Goldman Sachs Fund Complex 2010-2014; Director, BlackRock Luxembourg and Cayman Funds 2006-2010
Robert J. Genetski Age: 76	Director	Term expires 2019; Director since 2009	Co-owner, Good Industries, Inc. (branding company) since 2014; President, Robert Genetski & Associates, Inc. (economic and financial consulting firm) since 1991; Senior Managing Director, Chicago Capital Inc. (financial services firm) 1995-2001; former Senior Vice President and Chief Economist, Harris Trust & Savings Bank; author of several books	4	
Philip R. McLoughlin Age: 72	Director	Term expires 2019; Director since 1996	Private investor since 2010; Partner, CrossPond Partners, LLC (investment management consultant) 2006-2010; Managing Director, SeaCap Partners LLC (strategic advisory firm) 2009-2010	81	Chairman of the Board, Lazard World Trust Fund (closed-end fund; f/k/a The World Trust Fund) since 2010 (Director since 1991)
Geraldine M. McNamara Age: 67	Director	Term expires 2020; Director since 2003	Private investor since 2006; Managing Director, U.S Trust Company of New York 1982-2006	77	
Eileen A. Moran Age: 64	Director and Vice Chairperson of the Board	Term expires 2021; Director since 1996	Private investor since 2011; President and Chief Executive Officer, PSEG Resources L.L.C. (investment company) 1990-2011	4	

Name and Age	Position(s) Held with Fund	Term of Office and Length of Time Served	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Director	Other Directorships Held by the Director During Past 5 Years
David J. Vitale Age: 72	Director and Chairman of the Board	Term expires 2020; Director since 2005	Chairman of the Board of the Fund, DNP and DUC since 2009 and DPG since 2011; Chairman, Urban Partnership Bank since 2010; President, Chicago Board of Education 2011-2015; Senior Advisor to the CEO, Chicago Public Schools 2007-2008 (Chief Administrative Officer 2003-2007); President and Chief Executive Officer, Board of Trade of the City of Chicago, Inc. 2001-2002; Vice Chairman and Director, Bank One Corporation 1998-1999; Vice Chairman and Director, First Chicago NBD Corporation, and President, The First National Bank of Chicago 1995-1998; Vice Chairman, First Chicago Corporation and The First National Bank of Chicago 1993-1998 (Director 1992-1998; Executive Vice President 1986-1993)	4	Director, United Continental Holdings, Inc. (airline holding company), Urban Partnership Bank, Ariel Capital Management, LLC and Wheels, Inc. (automobile fleet management)

Interested Director

Name and Age	Position(s) Held with Fund	Term of Office and Length of Time Served	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Director	Other Directorships Held by the Director During Past 5 Years
Nathan I. Partain, CFA Age: 62	Director, President and Chief Executive Officer	Term expires 2019; Director since 2007	President and Chief Investment Officer of the Adviser since 2005 (Executive Vice President 1997-2005); Director of Utility Research, Duff & Phelps Investment Research Co. 1989-1996 (Director of Equity Research 1993-1996 and Director of Fixed Income Research 1993); President and Chief Executive Officer of the Fund and DUC since 2004 and of DPG since 2011; President and Chief Executive Officer of DNP since 2001 (Chief Investment Officer 1998-2017; Executive Vice President 1998-2001; Senior Vice President 1997-1998)	4	Chairman of the Board and Director, Otter Tail Corporation (manages diversified operations in the electric, plastics, manufacturing and other business operations sectors)

OFFICERS OF THE FUND (Unaudited)

The officers of the Fund are elected at the annual meeting of the board of directors of the Fund and serve until their respective successors are chosen and qualified. The Fund's officers receive no compensation from the Fund, but are also officers of the Adviser or Virtus and receive compensation in such capacities. Information pertaining to Nathan I. Partain, the President and Chief Executive Officer of the Fund, is provided under the caption "Interested Director". Information pertaining to the other officers of the Fund is set forth below. The address for all officers noted below is c/o Duff & Phelps Investment Management Co., 200 South Wacker Drive, Suite 500, Chicago, Illinois 60606, except as noted.

Name, Address and Age	Positions(s) Held with Fund and Length of Time Served	Principal Occupation(s) During Past 5 Years
Timothy M. Heaney, CFA Virtus Investment Partners, Inc. 100 Pearl Street Hartford, CT 06103 Age: 53	Chief Investment Officer since 2004 and Vice President since 1997 (Portfolio Manager 1997-2004)	Senior Managing Director of the Adviser since 2014 (Senior Vice President 2004-2014; Vice President 1997-2004); Senior Portfolio Manager, Fixed Income, Newfleet Asset Management, LLC since 2011; Portfolio Manager, Virtus Tax-Exempt Bond Fund since 2012; Portfolio Manager, Virtus CA Tax-Exempt Bond Fund since 1997; Senior Managing Director, Fixed Income, Virtus Investment Advisors, Inc. (and predecessor firms) 2006-2011 (Managing Director, Fixed Income 1997-2006; Director, Fixed Income Research 1996-1997; Investment Analyst 1992-1996)
Lisa H. Leonard Virtus Investment Partners, Inc. 100 Pearl Street Hartford, CT 06103 Age: 55	Vice President since 2006	Managing Director of the Adviser since 2014 (Vice President 2006-2014; Assistant Vice President 1998-2006); Portfolio Manager, Virtus Tax-Exempt Bond Fund since 2012; Portfolio Manager, Fixed Income, Newfleet Asset Management, LLC since 2011; Managing Director, Fixed Income, Virtus Investment Advisors, Inc. (and predecessor firms) 2006-2011 (Director, Fixed Income 1998-2006, Director, Investment Operations 1994-1998, Fixed Income Trader 1987-1994)
Alan M. Meder, CFA, CPA Age: 59	Treasurer since 2000; Principal Financial and Accounting Officer and Assistant Secretary since 2002	Chief Risk Officer of the Adviser since 2001 and Senior Managing Director since 2014 (Senior Vice President 1994-2014); Member, Board of Governors of CFA Institute 2008-2014 (Chair of the Board of Governors of CFA Institute 2012-2013; Vice Chairman of the Board 2011-2012); Member, Financial Accounting Standards Advisory Council 2011-2014
Daniel J. Petrisko, CFA Age: 58	Senior Vice President since 2017 and Assistant Secretary since 2015	Executive Managing Director of the Adviser since 2017 (Senior Managing Director 2014-2017, Senior Vice President 1997-2014; Vice President 1995-1997)
William J. Renahan Age: 49	Vice President and Secretary since 2015	Secretary of the Adviser since 2014 and General Counsel since 2015; Senior Legal Counsel and Vice President, Virtus Investment Partners, Inc. since 2012; Vice President and Secretary, Virtus closed-end funds (4 portfolios) since 2012; Managing Director, Legg Mason, Inc. (and predecessor firms) 1999-2012
Joyce B. Riegel Age: 64	Chief Compliance Officer since 2003	Chief Compliance Officer of the Adviser since 2002 and Senior Managing Director since 2014 (Senior Vice President 2004-2014; Vice President 2002-2004)
Dianna P. Wengler J.J.B. Hilliard, W.L. Lyons, LLC 500 West Jefferson Street Louisville, KY 40202 Age: 58	Vice President and Assistant Secretary since 2014	Senior Vice President, J.J.B. Hilliard, W.L Lyons, LLC since 2016 (Vice President 1990-2015); Senior Vice President, Hilliard-Lyons Government Fund, Inc. 2006-2010 (Vice President 1998-2006; Treasurer 1988-2010)

DIVIDEND REINVESTMENT AND CASH PURCHASE PLAN (Unaudited)

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 American Stock Transfer & 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 6201 15th Avenue, Brooklyn, New York, 11219 or call toll free (800) 937-5449.

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 permits Plan participants to periodically purchase additional shares of common stock 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. Purchases made pursuant to this feature of 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.

DTF Tax-Free Income Inc.

Annual Report
October 31, 2018

Board of Directors
David J. Vitale, *Chairman*
Eileen A. Moran, *Vice Chairperson*
Donald C. Burke
Robert J. Genetski
Philip R. McLoughlin
Geraldine M. McNamara
Nathan I. Partain, CFA

Officers
Nathan I. Partain, CFA, *President & Chief Executive Officer*
Daniel J. Petrisko, CFA, *Senior Vice President & Assistant Secretary*
Timothy M. Heaney, CFA, *Vice President & Chief Investment Officer*
Lisa H. Leonard, *Vice President*
William J. Renahan, *Vice President & Secretary*
Dianna P. Wengler, *Vice President & Assistant Secretary*
Alan M. Meder, CFA, CPA, *Treasurer & Assistant Secretary*
Joyce B. Riegel, *Chief Compliance Officer*

Investment Adviser
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Administrator
J.J.B. Hilliard, W.L. Lyons, LLC
500 West Jefferson Street
Louisville, KY 40202
Call toll-free (833) 604-3163

Transfer Agent
American Stock Transfer & Trust Company
6201 15th Avenue
Brooklyn, NY 11219
Call toll-free (800) 937-5449

Custodian
State Street Bank and Trust Company

Legal Counsel
Mayer Brown LLP

Independent Registered Public Accounting Firm
Ernst & Young LLP