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You may elect at any time to receive not only shareholder reports but also certain other communications from the Fund electronically, or you may elect to receive paper copies of all future shareholder reports free of charge to you. If you own your shares directly with the Fund, you may make such elections by calling AST, the Fund's transfer agent, at 1-866-668-8552 or, with respect to requesting electronic delivery, by visiting www.astfinancial.com. If you own your shares through a financial intermediary, please contact your financial intermediary to make your request and to determine whether your election will apply to all funds in which you own shares through that intermediary.

DTF Tax-Free Income Inc.

Annual Report October 31, 2020



LETTER TO SHAREHOLDERS

Dear Fellow
Shareholders:

December 17, 2020

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, 2020, with a review of the municipal market environment in which the DTF Fund invests.

The municipal bond market experienced solid performance for the twelve months of the fiscal year ending October 31, 2020, although this performance time period could be easily characterized as a rollercoaster ride. The dominant theme for the municipal bond market for this period, as for all investment markets, was the COVID-19 virus and resulting pandemic. For the first four months of the Fund’s 2020 fiscal year (which began on November 1, 2019), the municipal bond market was firing on all cylinders with record demand, manageable levels of new issuance and municipal credit fundamentals that were significantly improved since the Great Recession of 2008-2009. Unfortunately, everything changed in March 2020 when the U.S. was hit by the virus. The market pivoted in what felt like warp speed from arguably the best market technicals ever recorded to technical conditions as bad as or worse than what the market experienced in 2008-2009. The tax-exempt municipal market began to experience significant bouts of extreme volatility in March that extended into April, resulting in yield increases on AAA-rated municipal bonds of almost 200 basis points compared to yields at the end of February. Capital flows in open-end municipal bond mutual funds rotated from record levels of inflows through the first two months of 2020 to weekly record outflows in March as investors retreated from the tax-exempt bond market. As concerns intensified regarding issuer credit quality, particularly those lower-rated credits deemed most vulnerable to economic dislocation as a result of the virus, credit risk spreads widened, sending yield increases on lower-rated bonds even higher than what AAA-rated bonds experienced. The market had seemingly become bifurcated between the strongest and weakest credits amidst record revenue declines, negative rating agency outlooks and downgrades, and uncertain market access for lower-rated credits. However, as the market moved from March into April, the federal government announced several fiscal and monetary relief programs that helped stabilize the tax-exempt municipal bond market, resulting in significant improvements in valuations for the market’s highest-quality issuers. This reversal in market sentiment persisted throughout the summer months and into the fall as demand for tax-exempt bonds remained strong while supply was easily manageable in the face of higher levels of coupon, maturities and call proceeds flowing back to investors. From the market’s weakest point in March to the end of October, the Bloomberg Barclays Municipal Bond Index (the Bloomberg Index) produced a total return of over 11.5%, while for the twelve-month period ended October 31, 2020, the Bloomberg Index total return was 3.6%.

For the twelve months of the fiscal year ended October 31, 2020, intermediate-maturity and higher-quality (AAA/AA) bonds produced the best relative performance, while longer-dated and lower-quality bonds were hit the hardest. After several years of steady investor demand for lower-quality, higher-yielding bonds (including below investment grade-rated securities, i.e., junk bonds, which the Fund is prohibited from purchasing), investors sharply reversed course in March and exited those riskier segments of the market in record amounts. While junk bonds did experience a rebound in demand and subsequent price improvement throughout the summer and into the fall, valuations are still below their decade highs experienced prior to the pandemic. The end result was significant weakness in municipal junk bonds, as credit risk spreads returned to levels not seen in several years.

Mutual funds, individuals and institutions continue to wrestle with the negative credit impacts and risks associated with the virus for municipal bond issuers. After a prolonged environment in which all credits seemed to improve in unison, the market has renewed its focus on the creditworthiness of issuers across all sectors of the municipal marketplace. Municipalities had

made solid fiscal progress during the long economic expansion, building rainy day funds and improving pension funding ratios, and appeared better positioned for an economic slowdown. Consequently, few municipal issuers have experienced payment interruptions during this pandemic. Most of the recent payment defaults have been concentrated in lower-quality sectors such as retirement communities, land secured deals and student housing bonds. While we expect the inevitable downgrades from the major rating agencies to expand and possibly accelerate into 2021 as a result of the virus, we do not believe that most municipalities, especially the higher-quality bonds (AAA- and AA-rated) that constitute the majority of the Fund's investments, will experience any level of payment interruption or default. The federal government has injected large amounts of cash into state and local municipalities and is considering even more aid to those state and local governments most impacted by the virus (although any additional stimulus seems unlikely until early 2021). While the economy is slowly returning to more normal levels of operation across the country and several recent vaccine announcements with promising results give hope, we are still expecting challenging times ahead for municipal credit as most municipalities continue to face uncertain revenue disruptions and increased expenses associated with the pandemic.

LOOKING AHEAD

The municipal bond market is expected to benefit from policies that have been put in place to help stabilize the economy during the current pandemic. Given the amount of government stimulus, it is difficult to imagine an environment of lower taxes and therefore less demand for tax-exempt income. While there is still much uncertainty as to future tax implications following the election, significant federal tax code changes appear unlikely if Republicans maintain their majority in the U.S. Senate. (The run-off election in Georgia for its two senate seats in January 2021 will decide that question, and will be pivotal for future federal tax policy.) Recent rhetoric regarding the unwinding of Trump's corporate tax cuts, however, could potentially make municipal bonds more attractive to banks and insurance companies, boosting demand. As a result, we think solid demand is likely to persist, especially for a sector of the market that has historically held a reputation as a safe-haven investment. That is not to say, however, that the entire municipal market will be immune from the challenges that the pandemic has placed on municipal revenues and expenses. While most municipalities came into the crisis far stronger financially than in previous economic downturns, many will likely be forced to manage with reduced revenue collections and face possible ratings downgrades. However, we believe the vast majority will recover without actually defaulting as we have seen during past economic slumps.

With the general consensus being that lower rates will persist for the near term, we expect that municipalities will benefit from lower borrowing costs, while municipals on a tax-adjusted basis will remain an attractive investment even at these lower yields. Despite the concerns surrounding lower rates, credit challenges, and likely ratings pressure, municipal bonds remain one of the lowest-risk, lowest-volatility asset classes and an important allocation for individual investors.

THE FUND

In managing the DTF Fund, we continue to emphasize our longstanding investment strategy of investing mostly in higher-quality investment grade rated "AA" and "A" callable revenue bonds with coupons of 5% or higher. Typically, during volatile periods like the market environment experienced in March and April earlier this year, these higher-quality securities have performed better than lower-quality bonds (BBB to junk rated), helping to support NAV stability. As of October 31, 2020, the Fund held almost 90% of its total assets in municipal bonds rated "A" or higher and over 75% in bonds with a 5% or greater coupon across multiple sectors and states. The Fund did actively increase exposure to bonds with coupons below 5% during the fiscal year in an effort to add incremental yield to the Fund but without adding further credit risk. The Fund remains well diversified with exposure to over 15 industry sectors of the municipal bond market, with healthcare, pre-refunded, education, special tax, and transportation bonds representing the Fund's top five sector exposures. The Fund continues to favor revenue bonds compared to general obligation bonds (approximately 84% revenue vs. 16% general obligation), as we prefer the predictable revenue streams, more settled legal structure and better post-default recovery rates that have historically characterized revenue bonds. The Fund is well diversified geographically, with exposure to 34 states and the District of Columbia. In an effort to manage interest rate risk, the Fund continues to maintain investments across the entire maturity spectrum of the yield curve in order to help moderate the risk from potential changes in interest rates and to the shape of the yield curve that could result from future market disruptions caused by the virus or changing investor sentiment. We continue to believe that higher-quality municipal bonds offer reasonably good relative value and that while investors are now being compensated with larger credit risk spreads for owning the lowest-rated bonds, uncertainty still remains surrounding the credit metrics for this segment of the market due to the virus and its future impact on the creditworthiness of many lower-rated municipal issuers.

As of October 31, 2020, the DTF Fund was paying a \$0.48 per share annualized dividend and had a closing price of \$14.21 per share. An extended environment of historically low municipal interest rates combined with periods of increased leverage costs have added a significant element of risk to leveraged municipal bond funds, including the 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. If the cost of leverage were to rise without a similar or greater rise in the available re-investment rate for bonds called and/or maturing, the Fund's earnings would likely be reduced. If the Fund's net earnings were to fall short of its dividend payout, the Fund's balance of undistributed net income would decline further, possibly necessitating 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, 2020, the modified adjusted duration of the Fund's portfolio of investments was 5.3 years, close to the duration of the investments constituting the Bloomberg Barclays Municipal Bond Index, which was 5.6 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 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 Fund to be completely insulated from turmoil in the global financial markets, pandemics 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 flattens (when the difference between short-term interest rates and long-term rates narrows) or inverts (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 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 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. It is important to note that the index returns stated below include no fees or expenses, whereas the DTF Fund's NAV returns are net of fees and expenses.

Total Return¹			
For the period indicated through October 31, 2020			
	One Year	Three Years (annualized)	Five Years (annualized)
DTF Tax-Free Income Inc.			
Market Value ²	3.6%	4.2%	3.3%
Net Asset Value ³	3.4%	3.9%	3.6%
Bloomberg Barclays Municipal Bond Index ⁴	3.6%	4.1%	3.7%

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 18 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 2020 meeting of the DTF Fund's Board of Directors, the Board declared the following monthly dividends:

<u>Cents Per Share</u>	<u>Record Date</u>	<u>Payable Date</u>
4.0	October 15	October 30
4.0	November 16	November 30
4.0	December 15	December 31

At the regular December 2020 meeting of the DTF Fund's Board of Directors, the Board declared the following monthly dividends:

<u>Cents Per Share</u>	<u>Record Date</u>	<u>Payable Date</u>
4.0	January 15	January 29
4.0	February 16	February 26
4.0	March 15	March 31

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. On November 2, 2020, the Fund issued \$65 million of Remarketable Variable Rate MuniFund Term Preferred Shares (RVMTs) at a more favorable cost to the common shareholders than the previous leverage source. The Fund used the proceeds of the RVMTs to effect an early redemption of \$65 million of Variable Rate MuniFund Term Preferred Shares (VMTPs) that were originally scheduled for redemption on January 31, 2021. The VMTPs were redeemed on November 12, 2020 for 100% of their liquidation preference plus accrued and unpaid dividends.

The RVMTs have been privately placed with an institutional shareholder for its own account, and will pay dividends at a variable rate that is set weekly at a spread to the Securities Industry and Financial Markets Association (SIFMA) Municipal Swap Index. The RVMTs are subject to mandatory tender three years after issuance, but may remain outstanding either on the same terms or modified terms pursuant to agreement between the Fund and the holder(s) or under a remarketing process at such time. The newly issued RVMTs, like the redeemed VMTPs, provide leverage for the fund's common shareholders.

As of October 31, 2020, the Fund's leverage represented approximately 33% 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 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.

On December 8, 2020, the Fund announced that it has commenced a cash tender offer (the “Offer”) for up to 17.5% of the Fund’s outstanding shares of common stock, par value \$0.01 per share (the “Shares”) at a price per Share equal to 98% of the Fund’s net asset value per Share (“NAV”) as of the close of the regular trading session (normally 4:00 p.m. New York City time) on the New York Stock Exchange on January 8, 2021 (or if the Offer is extended, on the next trading day after the day to which the Offer is extended). The Fund will repurchase Shares tendered and accepted in the Offer in exchange for cash. In the event the Offer is oversubscribed, Shares will be repurchased on a pro rata basis.

The Offer will expire at 11:59 p.m., New York City time, on January 7, 2021, unless extended (the “Expiration Date”). The Fund may extend the period of time the Offer will be open by issuing a press release or making some other public announcement by no later than the next business day after the Offer otherwise would have expired. Tenders of Shares made pursuant to the Offer may be withdrawn at any time prior to the Expiration Date.

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, 2020

Principal Amount (000)	Description (a)	Value
LONG-TERM INVESTMENTS—146.4%		
Alabama—1.8%		
\$2,000	Jefferson Cnty. Brd. of Ed. Pub. Sch. Warrants, 5.00%, 2/01/46	<u>\$2,355,220</u>
Alaska—0.3%		
290	Anchorage Elec. Util. Rev., 5.00%, 12/01/36	<u>336,327</u>
Arizona—3.8%		
1,350	Arizona Brd. of Regents Rev., Arizona St. Univ., 5.00%, 7/01/37	1,614,276
650	Arizona St. Hlth. Fac. Auth. Rev., Scottsdale Lincoln Hosp. Proj., 5.00%, 12/01/42	733,564
1,000	Maricopa Cnty. Incl. Dev. Auth. Rev., Banner Hlth., 4.00%, 1/01/34	1,123,770
190	Northern Arizona Univ. Rev., 5.00%, 6/01/40 Prerefunded 6/01/24 @ \$100 (b)	221,016
310	Northern Arizona Univ. Rev., 5.00%, 6/01/40	342,931
1,000	Northern Arizona Univ. SPEED Rev., (Stimulus Plan for Econ. and Edl. Dev.), 5.00%, 8/01/38 Prerefunded 8/01/23 @ \$100 (b)	<u>1,127,480</u> <u>5,163,037</u>
California—18.1%		
1,150	California St. Hlth. Facs. Fin. Auth. Rev., Kaiser Permanente, 4.00%, 11/01/44	1,280,502
330	California St. Hlth. Facs. Fin. Auth. Rev., Providence St. Joseph Hlth., 4.00%, 10/01/36	367,834
1,500	California St. Hlth. Facs. Fin. Auth. Rev., Sutter Hlth., 5.00%, 11/15/46 Prerefunded 11/15/25 @ \$100 (b)	1,840,125
100	California St. Muni. Fin. Auth. Student Hsg. Rev., Bowles Hall Foundation, 5.00%, 6/01/35	106,145

Principal Amount (000)	Description (a)	Value
\$1,000	California St. Gen. Oblig., 5.00% 10/01/28	\$1,172,970
1,000	California St. Pub. Wks. Brd. Lease Rev., Dept. of Corrections and Rehab., 5.25%, 9/01/29	1,131,270
750	California Statewide Communities Dev. Auth. Rev., Marin General Hosp., 4.00%, 8/01/45	777,593
600	Contra Costa Cnty. Successor Agy. to Redev. Agy., Tax Allocation, 5.00%, 8/01/35, BAM	731,946
1,000	Garden Grove Successor Agy. to Agy. Cmty. Dev., Tax Allocation, 5.00%, 10/01/31, BAM	1,195,240
2,000	Gilroy Unified Sch. Dist. Gen. Oblig., 4.00%, 8/01/41	2,258,020
280	Lancaster Successor Agy. to Redev. Agy., Tax Allocation, 5.00%, 8/01/33, AGM	330,322
1,000	Los Angeles Cnty. Santn. Dists. Fin. Auth. Rev., 5.00%, 10/01/34	1,208,270
250	Palm Desert Successor Agy. to Redev. Agy., Tax Allocation, 5.00%, 10/01/28, BAM	308,950
2,550	Riverside Cnty. Sngl. Fam. Rev., 7.80%, 5/01/21, Escrowed to maturity (b)	2,640,372
1,000	San Jose Unified Sch. Dist. Gen. Oblig., 4.00%, 8/01/42	1,141,900
1,215	San Marcos Successor Agy. to Redev. Agy., Tax Allocation, 5.00%, 10/01/32	1,422,789
2,000	San Mateo Successor Agy. to Redev. Agy., Tax Allocation, 5.00%, 8/01/30	2,326,140
1,000	Santa Clarita Cmnty. Clg. Dist. Gen. Oblig., 3.00%, 8/01/49	1,050,110
1,000	Temple City Unified Sch. Dist. Gen. Oblig., 4.00%, 8/01/43	1,124,710
1,750	Univ. of California Rev., 4.00%, 5/15/48	<u>1,994,632</u> <u>24,409,840</u>

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

DTF TAX-FREE INCOME INC.
SCHEDULE OF INVESTMENTS—(Continued)
October 31, 2020

Principal Amount (000)	Description (a)	Value	Principal Amount (000)	Description (a)	Value
	Colorado—4.2%		\$1,300	Univ. of Connecticut Spec. Oblig. Rev., 5.00%, 11/15/43	\$1,567,735
\$555	Colorado St. Hsg. & Fin. Auth. Rev., 3.60%, 11/01/38	\$595,543			<u>10,102,106</u>
400	Denver Conv. Center & Hotel Auth. Rev., 5.00%, 12/01/27	433,496		District of Columbia—0.9%	
1,000	Eagle River Wtr. & Santn. Dist. Enterprise Wstwtr. Rev., 5.00%, 12/01/42	1,095,740	1,000	District of Columbia Gen. Oblig., 5.00%, 6/01/43	<u>1,238,810</u>
1,835	Public Auth. for Colorado Energy, Natural Gas Purch. Rev., 6.25%, 11/15/28	2,329,276		Florida—21.2%	
1,000	Univ. of Colorado Enterprise Rev., 4.00%, 6/01/43	<u>1,135,000</u>	755	Brevard Cnty. Sch. Brd. Ref. COP, 5.00%, 7/01/32	924,414
		<u>5,589,055</u>	750	Broward Cnty. Port Fac. Rev., 4.00%, 9/01/49	786,307
			1,000	Central Florida Expwy. Auth. Rev., 4.00%, 7/01/36	1,121,680
			1,175	Escambia Cnty. Hlth. Fac. Auth. Rev., Baptist Hosp., 3.00%, 8/15/50, AGM	1,193,624
900	Connecticut St. Gen. Oblig., 5.00%, 9/15/35	1,106,667	2,000	Florida St. Brd. of Ed. Cap. Outlay Gen. Oblig., 5.00%, 6/01/41	2,050,560
705	Connecticut St. Gen. Oblig., 4.00%, 4/15/38	806,689	2,350	Florida St. Brd. of Gov. Florida State Univ. Dorm Rev., 5.00%, 5/01/33	2,592,309
700	Connecticut St. Hlth. & Edl. Facs. Auth. Rev., Hartford HlthCare., 5.00%, 7/01/32	721,518	1,000	Hillsborough Cnty. Aviation Auth. Rev., Tampa Int'l. Arpt., 5.00%, 10/01/44	1,114,470
1,000	Connecticut St. Hlth. & Edl. Facs. Auth. Rev., Hartford HlthCare., 5.00%, 7/01/41	1,030,740	500	Lee Cnty. Tran. Fac. Rev., 5.00%, 10/01/35, AGM	578,690
500	Connecticut St. Hlth. & Edl. Facs. Auth. Rev., Univ. of New Haven, 5.00%, 7/01/43	524,325	1,080	Miami Beach Hlth. Facs. Auth. Rev., Mt. Sinai Med. Ctr., 5.00%, 11/15/39	1,183,324
550	Connecticut St. Hlth. & Edl. Facs. Auth. Rev., Yale-New Haven Hosp., 5.00%, 7/01/48	593,367	500	Miami Beach Redev. Agy. Rev., 5.00%, 2/01/40, AGM	565,040
250	Connecticut St. Hgr. Edu. Supplemental Loan Auth. Rev., 3.25%, 11/15/36	249,870	1,250	Miami-Dade Cnty. Ed. Facs. Auth. Rev., Univ. of Miami, 5.00%, 4/01/45	1,376,925
570	Connecticut St. Hsg. Auth. Rev., 3.00%, 5/15/33	606,503	2,220	Miami-Dade Cnty. Sch. Brd. Ref. COP, 5.00%, 2/01/34	2,642,732
500	Connecticut St. Hsg. Auth. Rev., 3.20%, 11/15/33	533,735	250	Miami-Dade Cnty. Aviation Rev., 5.00%, 10/01/32	271,872
1,255	Connecticut St. Spl. Tax Oblig. Rev., 3.125%, 5/01/40	1,325,267	2,000	Orlando and Orange Cnty. Expwy. Auth. Rev., 5.00%, 7/01/35	2,210,200
1,000	S. Central Connecticut Reg. Wtr. Auth. Rev., 5.00%, 8/01/41	1,035,690	1,000	Reedy Creek Impvt. Dist. Gen. Oblig., 5.00%, 6/01/38	1,121,420
	Prerefunded 8/01/21 @ \$100 (b)			Prerefunded 6/01/23 @ \$100 (b)	

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

DTF TAX-FREE INCOME INC.
SCHEDULE OF INVESTMENTS—(Continued)
October 31, 2020

Principal Amount (000)	Description (a)	Value	Principal Amount (000)	Description (a)	Value
\$2,035	Seminole Cnty. Sales Tax Rev., 5.25%, 10/01/31, NRE	\$2,746,151	\$170	Illinois St. Fin. Auth. Rev., Advocate Hlth. Care Network, 5.00%, 5/01/45	
2,190	Seminole Cnty. Sch. Brd. COP, 5.00%, 7/01/33	2,648,170		Prerefunded 5/01/25 @ \$100 (b)	\$204,629
830	S. Florida Wtr. Mgmt. Dist. COP, 5.00%, 10/01/35	981,998	1,055	Illinois St. Fin. Auth. Rev., Advocate Hlth. Care Network, 5.00%, 5/01/45	1,175,798
470	Tallahassee Hlth. Facs. Rev., Tallahassee Memorial Hlthcare., 5.00%, 12/01/41	519,486	525	Illinois St. Fin. Auth. Rev., Northwestern Memorial Hlthcare., (fka Centegra Hlth. Sys.), 5.00%, 9/01/42	581,469
665	Tampa-Hillsborough Cnty. Expwy. Auth. Rev., 4.00%, 7/01/42	751,164	520	Illinois St. Fin. Auth. Rev., Northwestern Memorial Hlthcare., 5.00%, 8/15/37	553,348
985	Tampa-Hillsborough Cnty. Expwy. Auth. Rev., 5.00%, 7/01/47	<u>1,164,378</u>	1,070	Illinois St. Fin. Auth. Rev., Rush Univ. Med. Ctr., 4.00%, 11/15/39	1,150,657
		<u>28,544,914</u>	1,000	Illinois St. Fin. Auth. Rev., Rush Univ. Med. Ctr., 5.00%, 11/15/39	1,122,850
	Georgia—0.4%		1,000	Illinois St. Gen. Oblig., 5.00%, 2/01/27	1,093,430
500	Atlanta Arpt. Passenger Fac. Charge Gen. Rev., 5.00%, 1/01/32	<u>559,270</u>	2,020	Illinois St. Gen. Oblig., 5.50%, 1/01/29	2,295,387
	Idaho—0.2%		750	Illinois St. Toll Hwy. Auth. Rev., 5.00%, 1/01/41	884,378
240	Idaho St. Hlth. Facs. Auth. Rev., St. Luke’s Hlth. Sys., 5.00%, 3/01/37	<u>290,434</u>	330	Railsplitter Tobacco Settlement Auth. Rev., 5.00%, 6/01/27	398,795
	Illinois—13.1%		1,000	Railsplitter Tobacco Settlement Auth. Rev., 6.00%, 6/01/28 Prerefunded 6/01/21 @ \$100 (b)	1,033,230
500	Chicago Multi-Family Hsg. Rev., 4.90%, 3/20/44, FHA	501,500	1,000	Sales Tax Securitization Corp. Rev., 5.00%, 1/01/48	1,126,820
1,000	Chicago O’Hare Intl. Arpt. Rev., Customer Fac. Charge, 5.125%, 1/01/30, AGM	1,085,740	1,000	Univ. of Illinois Aux. Facs. Sys. Rev., 5.00%, 4/01/34	<u>1,099,400</u>
620	Chicago O’Hare Intl. Arpt. Rev., 5.25%, 1/01/42	718,840			<u>17,672,460</u>
250	Chicago Sales Tax Rev., 5.00%, 1/01/30 Prerefunded 1/01/25 @ \$100 (b)	297,750		Indiana—2.8%	
250	Chicago Wtrwks. Rev., 5.00%, 11/01/30	298,372	240	Indiana St. Fin. Auth. Hosp. Rev., Indiana Univ. Hlth., 5.00%, 12/01/28	277,310
650	Chicago Wtrwks. Rev., 5.25%, 11/01/32, AGM	794,222	2,000	Indiana St. Fin. Auth. Hosp. Rev., Parkview Hlth., 5.00%, 11/01/43	2,420,160
250	Chicago Wtrwks. Rev., 5.00%, 11/01/36, AGM	297,607			
865	Chicago Wtrwks. Rev., 5.00%, 11/01/44	958,238			

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

DTF TAX-FREE INCOME INC.
SCHEDULE OF INVESTMENTS—(Continued)
October 31, 2020

Principal Amount (000)	Description (a)	Value	Principal Amount (000)	Description (a)	Value
\$1,000	Indiana St. Fin. Auth. Rev. State Revolving Fund, 5.00%, 2/01/31 Prerefunded 2/01/21 @ \$100 (b)	\$1,011,800 <u>3,709,270</u>			
	Kentucky—0.8%			Maryland—0.8%	
900	Kentucky Bond Dev. Corp. Transient Room Tax Rev., 5.00%, 9/01/43	1,009,143	\$1,000	Maryland St. Hlth. & Hgr. Edl. Facs. Auth. Rev., Luminis Hlth., 5.00%, 7/01/39	\$1,104,020
	Louisiana—4.8%			Massachusetts—6.1%	
1,250	Louisiana St. Stadium & Exposition Dist. Rev., 5.00%, 7/01/30	1,354,288	3,000	Massachusetts St. Bay Trans. Auth. Rev., 5.50%, 7/01/29, NRE	4,128,540
605	Louisiana St. Stadium & Exposition Dist. Rev., 5.00%, 7/01/36	649,123	1,000	Massachusetts St. Gen. Oblig., 5.25%, 9/01/25, AGM	1,233,510
1,250	Louisiana St. Tran. Auth. Rev., 5.00%, 8/15/38	1,383,250	1,000	Massachusetts St. Gen. Oblig., 5.50%, 8/01/30, AMBAC	1,399,000
300	New Orleans Swr. Svc. Rev., 5.00%, 6/01/44	335,310	300	Massachusetts St. Hsg. Fin. Agy. Rev., 3.00%, 12/01/45	307,593
500	Port of New Orleans Brd. of Commissioners Port Fac. Rev., 5.00%, 4/01/33 Prerefunded 4/01/23 @ \$100 (b)	552,325	1,000	Massachusetts St. Port Auth. Rev., 5.00%, 7/01/47	1,163,170 <u>8,231,813</u>
1,100	Regional Tran. Auth. Sales Tax Rev., 5.00%, 12/01/30, AGM Refunded 12/01/20 @ \$100 (b)	1,104,092		Michigan—2.6%	
1,000	Terrebonne Parish Consol. Wtrwks. Dist. No. 1 Rev., 5.00%, 11/01/37 Prerefunded 11/01/22 @ \$100 (b)	1,092,130 <u>6,470,518</u>	1,000	Holland Elec. Util. Sys. Rev., 5.00%, 7/01/39	1,029,720
	Maine—1.7%		550	Michigan St. Fin. Auth. Rev., Beaumont Hlth. Credit Group, 5.00%, 11/01/44	623,629
95	Maine St. Hlth. & Hgr. Edl. Facs. Auth. Rev., 5.00%, 7/01/33, Prerefunded 7/01/23 @ \$100 (b)	106,637	540	Michigan St. Bldg. Auth. Rev., 4.00%, 10/15/36	604,481
905	Maine St. Hlth. & Hgr. Edl. Facs. Auth. Rev., 5.00%, 7/01/33	986,151	1,000	Michigan St. Hsg. Dev. Auth. Rev., 2.80%, 12/01/45	985,820
610	Portland General Arpt. Rev., 5.00%, 7/01/31	663,265	225	Royal Oak Hosp. Fin. Auth. Rev., William Beaumont Hosp., 5.00%, 9/01/39	250,596 <u>3,494,246</u>
540	Portland General Arpt. Rev., 5.00%, 7/01/32	586,121 <u>2,342,174</u>		Minnesota—0.2%	
			270	Minnesota St. Hsg. Fin. Agy., 2.70%, 7/01/44	273,232
				Mississippi—0.5%	
			600	Mississippi St. Gen. Oblig., 4.00%, 10/01/39	706,782
				Nebraska—2.2%	
			500	Nebraska St. Pub. Pwr. Dist. Gen. Rev., 5.00%, 1/01/34	522,645
			1,900	Omaha Gen. Oblig., 5.25%, 4/01/27	2,452,957 <u>2,975,602</u>

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

DTF TAX-FREE INCOME INC.
SCHEDULE OF INVESTMENTS—(Continued)
October 31, 2020

Principal Amount (000)	Description (a)	Value	Principal Amount (000)	Description (a)	Value
	New Jersey—2.1%		\$2,000	New York St. Dorm. Auth., Personal Inc. Tax Rev., 5.00%, 03/15/31	\$2,338,220
\$400	Camden Cnty. Impvt. Auth. Hlthcare. Redev. Rev., Cooper Hlth. Sys., 5.00%, 2/15/33	\$436,972	1,000	New York St. Dorm. Auth., Personal Inc. Tax Rev., 5.00%, 3/15/42	1,218,480
240	New Jersey St. Tpk. Auth. Rev., 4.00%, 1/01/35	272,729	900	Port Auth. of New York and New Jersey Rev., 5.00%, 6/01/33	1,003,113
1,750	Tobacco Settlement Financing Corp. Rev., 5.25%, 6/01/46	2,047,448	500	Triborough Bridge & Tunnel Auth. Rev., 5.00%, 11/15/30	551,475
		<u>2,757,149</u>	195	TSASC Inc. Tobacco Settlement Rev., 5.00%, 6/01/34	229,439
	New York—10.1%		400	Utility Debt Securitization Auth., Restructuring Rev., 5.00%, 12/15/31	455,624
1,000	Albany Incl. Dev. Agy. Rev., Brighter Choice Charter Sch., 5.00%, 4/01/32	1,001,050			<u>13,506,441</u>
300	Buffalo and Erie Cnty. Incl. Land. Dev. Rev., Catholic Hlth. Sys., 5.25%, 7/01/35	339,348		North Carolina—0.2%	
235	Long Island Pwr. Auth. Elec. Sys. Gen. Rev., 5.00%, 9/01/42 Prerefunded 9/01/22 @ \$100 (b)	255,478	250	North Carolina St. Hsg. Fin. Agy. Rev., 2.85%, 1/01/43	256,875
465	Long Island Pwr. Auth. Elec. Sys. Gen. Rev., 5.00%, 9/01/42	491,928		Ohio—3.6%	
530	Long Island Pwr. Auth. Elec. Sys. Gen. Rev., 5.00%, 9/01/42	636,143	775	Buckeye Tobacco Settlement Fin. Auth. Rev., 4.00%, 6/01/48	840,030
600	New York Cntys. Tobacco Trust VI Rev., 5.00%, 6/01/45	629,712	630	Deerfield Twp. Tax Increment Rev., 5.00%, 12/01/25	632,142
1,010	New York City Mun. Wtr. Fin. Auth., Wtr. & Swr. Sys. Rev., 5.00%, 6/15/34	1,126,251	570	Northeast Ohio Regl. Swr. Dist. Rev., 4.00%, 11/15/43	651,493
660	New York City Mun. Wtr. Fin. Auth., Wtr. & Swr. Sys. Rev., 5.375%, 6/15/43 Prerefunded 12/15/20 @ \$100 (b)	664,000	2,000	Ohio St. Hosp. Rev., Univ. Hosp. Hlth. Sys., 4.00%, 1/15/44	2,115,840
340	New York City Mun. Wtr. Fin. Auth., Wtr. & Swr. Sys. Rev., 5.375%, 6/15/43	342,060	600	Ohio St. Hsg. Fin. Agy. Rev., 2.45%, 9/01/45	598,470
1,000	New York City Mun. Wtr. Fin. Auth., Wtr. & Swr. Sys. Rev., 5.50%, 6/15/43 Prerefunded 12/15/20 @ \$100 (b)	1,006,260			<u>4,837,975</u>
1,185	New York City Transitional Fin. Auth. Rev., 3.00%, 5/01/45	1,217,860		Oregon—1.8%	
			500	Oregon St. Gen. Oblig., 5.00%, 5/01/41	598,055
			570	Port of Portland Intl. Arprt. Rev., 5.00%, 7/01/32	637,767
			1,000	Washington Cnty. Sch. Dist. 48J (Beaverton), Gen. Oblig. 5.00%, 6/15/36	1,234,450
					<u>2,470,272</u>

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

DTF TAX-FREE INCOME INC.
SCHEDULE OF INVESTMENTS—(Continued)
October 31, 2020

Principal Amount (000)	Description (a)	Value	Principal Amount (000)	Description (a)	Value
	Pennsylvania—3.5%		\$500	Cypress-Fairbanks Indep. Sch. Dist. Gen. Oblig., 2.25%, 2/15/43, PSF	\$493,275
\$2,000	Delaware River Port Auth. Rev., 5.00%, 1/01/34	\$2,241,720	500	Cypress-Fairbanks Indep. Sch. Dist. Gen. Oblig., 2.25%, 2/15/44, PSF	489,300
375	Pennsylvania St. Tpk. Commision Rev., 6.375%, 12/01/38	483,270	500	Cypress-Fairbanks Indep. Sch. Dist. Gen. Oblig., 2.25%, 2/15/45, PSF	485,600
2,000	Philadelphia Wtr. & Wstwtr. Rev., 5.00%, 1/01/41 Prerefunded 1/01/21 @ \$100 (b)	<u>2,015,380</u>	650	Dallas Area Rapid Transit Rev., 5.00%, 12/01/41	777,699
		<u>4,740,370</u>	500	Houston Arpt. Sys. Rev., 5.00%, 7/01/32 Prerefunded 7/01/22 @ \$100 (b)	536,735
	Rhode Island—2.2%		1,250	Houston Arpt. Sys. Rev., 5.00%, 7/01/39	1,495,838
1,070	Rhode Island St. Clean Wtr. Fin. Agy., Wtr. Poll. Control Rev. (Green Bonds), 5.00%, 10/01/32	1,254,168	1,000	Houston Hotel Occupancy Tax & Spl. Rev., 5.25%, 9/01/29	1,013,750
1,600	Rhode Island St. Hlth. & Edl. Bldg. Corp., Higher Ed. Facs. Rev., Providence College, 5.00%, 11/01/41	<u>1,646,544</u>	1,410	Houston Util. Sys. Rev., 5.00%, 11/15/32 Prerefunded 11/15/23 @ \$100 (b)	1,610,417
		<u>2,900,712</u>	1,625	Keller Indep. Sch. Dist. Gen. Oblig., 4.00%, 2/15/47, PSF	1,901,055
	South Carolina—1.9%		1,000	Klein Indep. Sch. Dist. Gen. Oblig., 3.00%, 8/01/46, PSF	1,090,210
2,000	Charleston Cnty. Spl. Source Rev., 5.00%, 12/01/32	2,262,900	1,000	Lewisville Indep. Sch. Dist. Gen. Oblig., 3.00%, 8/15/39, PSF	1,076,860
290	SCAGO Edl. Facs. Corp. Rev., Pickens Cnty. Sch. Dist., 5.00%, 12/01/24	<u>338,990</u>	1,505	North Texas Twy. Auth. Rev., Convertible CAB, 0.00%, 9/01/43 Prerefunded 9/01/31 @ \$100 (b)	2,044,527
		<u>2,601,890</u>	1,000	North Texas Twy. Auth. Rev., 5.00%, 1/01/31	1,164,960
	Tennessee—3.9%		1,135	North Texas Twy. Auth. Rev., 4.00%, 1/01/43	1,279,769
250	Chattanooga-Hamilton Cnty. Hosp. Auth. Rev., Erlanger Hlth. Sys., 5.00%, 10/01/34	271,510	700	San Antonio Indep. Sch. Dist. Sch. Bldg. Gen. Oblig., 5.00%, 8/15/38, PSF	849,891
1,000	Tennessee St. Energy Acquisition Corp. Rev., 5.25%, 9/01/21	1,038,240	250	Spring Branch Indep. Sch. Dist. Sch. Bldg. Gen. Oblig., 3.00%, 2/01/43, PSF	266,433
495	Tennessee St. Hsg. Dev. Agy., 3.625%, 7/01/32	527,447	1,000	Texas St. Wtr. Development Brd. Rev., St. Wtr. Implementation Fund, 4.00%, 10/15/47	1,145,650
460	Tennessee St. Hsg. Dev. Agy., 3.90%, 7/01/42	499,105	1,000	Upper Trinity Reg. Wtr. Dist. Rev., 4.00%, 8/01/37, AGM	<u>1,048,830</u>
485	Tennessee St. Hsg. Dev. Agy., 4.00%, 7/01/43	526,167			<u>19,741,151</u>
2,000	Tennessee St. Sch. Bond Auth. Rev., 5.00%, 11/01/42	<u>2,438,080</u>			
		<u>5,300,549</u>			
	Texas—14.7%				
850	Austin Indep. Sch. Dist. Gen. Oblig., 4.00%, 8/01/36, PSF	970,352			

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

DTF TAX-FREE INCOME INC.
SCHEDULE OF INVESTMENTS—(Continued)
October 31, 2020

Principal Amount (000)	Description (a)	Value
Vermont—2%		
\$2,000	Univ. of Vermont & St. Agric. College Gen. Oblig., 5.00%, 10/01/38	\$2,134,260
500	Vermont St. Edl. and Hlth. Bldg. Fin. Agy. Rev., Univ. of Vermont Med. Center, 5.00%, 12/01/35	579,325
		<u>2,713,585</u>
Virginia—2.8%		
1,250	Riverside Regl. Jail Auth. Fac. Rev., 5.00%, 7/01/26	1,511,000
2,000	Virginia St. College Bldg. Auth. Rev., 5.00%, 2/01/23	2,212,980
		<u>3,723,980</u>
Washington—2.2%		
1,700	King Cnty. Gen. Oblig., Adjustable Rate Bond, 0.11%, 1/01/46	1,700,000
1,000	King Cnty. Swr. Rev., 5.00%, 7/01/41	1,201,920
		<u>2,901,920</u>
Wisconsin—1.4%		
1,400	Wisconsin St. Pub. Fin. Auth. Hosp. Rev., Renown Reg. Med. Ctr., 5.00%, 6/01/40	1,615,530
250	Wisconsin St. Pub. Fin. Auth., Solid Waste Disp. Rev., 2.875%, 5/01/27	265,753
		<u>1,881,283</u>
	Total Long-Term Investments (Cost \$183,253,364)	196,912,425
	TOTAL INVESTMENTS—146.4% (Cost \$183,253,364)	196,912,425
	Variable Rate MuniFund Term Preferred Shares at liquidation value—(48.3%)	(65,000,000)
	Other assets less other liabilities—1.9%	2,589,041
	NET ASSETS APPLICABLE TO COMMON STOCK—100.0%	<u>\$134,501,466</u>

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

- 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 might reasonably expect to 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, 2020:

	<u>Level 2</u>
Municipal bonds	<u>\$196,912,425</u>

There were no Level 1 or Level 3 priced securities held and there were no transfers into or out of Level 3.

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

DTF TAX-FREE INCOME INC.
SCHEDULE OF INVESTMENTS—(Continued)
October 31, 2020

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

<u>Rating*</u>	<u>%</u>
AAA	8.9
AA	43.1
A	37.8
BBB	6.9
BB	0.8
B	0.0
NR	<u>2.5</u>
	<u>100.0</u>

*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 2.5% of the portfolio at the end of the reporting period.

Portfolio Composition
as a Percentage of Total Investments
(Unaudited)

	<u>%</u>
General Obligation	16.4
Healthcare	12.0
Pre-Refunded	11.9
Special Tax	11.4
Education	11.1
Transportation	7.4
Water & Sewer	5.4
Leasing	4.7
Airports	4.1
Tax Allocation	3.8
Other	<u>11.8</u>
	<u>100.0</u>

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

DTF TAX-FREE INCOME INC.
STATEMENT OF ASSETS AND LIABILITIES
October 31, 2020

ASSETS:

Investments, at value (cost \$183,253,364)	\$196,912,425
Cash	1,622,748
Interest receivable	2,562,048
Prepaid expenses	<u>16,015</u>
Total assets	<u>201,113,236</u>

LIABILITIES:

Payable for securities purchased	1,452,110
Investment advisory fee (Note 3)	84,583
Administrative fee (Note 3)	15,975
Accrued expenses	67,177
Variable Rate MuniFund Term Preferred Shares (650 shares issued and outstanding, liquidation preference \$100,000 per share, net of deferred offering costs of \$8,075) (Note 7)	<u>64,991,925</u>
Total liabilities	<u>66,611,770</u>

NET ASSETS APPLICABLE TO COMMON STOCK \$134,501,466

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	120,081,388
Total distributable earnings	<u>14,334,871</u>
Net assets applicable to common stock	<u>\$134,501,466</u>

NET ASSET VALUE PER SHARE OF COMMON STOCK \$15.79

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, 2020

INVESTMENT INCOME:

Interest	<u>\$6,841,901</u>
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EXPENSES:

Interest expense and amortization of deferred offering costs on preferred shares (Note 7)	1,436,250
Investment advisory fees (Note 3)	994,561
Administrative fees (Note 3)	187,477
Professional fees	144,940
Reports to shareholders	70,800
Custodian fees	62,300
Directors' fees	39,437
Transfer agent fees	31,575
Other expenses	<u>79,020</u>
Total expenses	<u>3,046,360</u>
Net investment income	<u>3,795,541</u>

REALIZED AND UNREALIZED GAIN (LOSS):

Net realized loss on investments	(3,640)
Net change in unrealized appreciation/depreciation on investments	<u>644,723</u>
Net realized and unrealized gain on investments	<u>641,083</u>

**NET INCREASE IN NET ASSETS APPLICABLE TO COMMON STOCK
RESULTING FROM OPERATIONS**

.....	<u><u>\$4,436,624</u></u>
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The accompanying notes are an integral part of these financial statements.

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

	<u>For the year ended October 31, 2020</u>	<u>For the year ended October 31, 2019</u>
OPERATIONS:		
Net investment income	\$3,795,541	\$3,370,738
Net realized gain (loss)	(3,640)	74,799
Net change in unrealized appreciation/depreciation	<u>644,723</u>	<u>10,883,797</u>
Net increase in net assets applicable to common stock resulting from operations	<u>4,436,624</u>	<u>14,329,334</u>
DISTRIBUTIONS TO COMMON STOCKHOLDERS:		
Net investment income and net realized gains	<u>(4,139,715)</u>	<u>(4,674,713)</u>
Decrease in net assets from distributions to common stockholders (Note 5)	<u>(4,139,715)</u>	<u>(4,674,713)</u>
Total increase in net assets	296,909	9,654,621
TOTAL NET ASSETS APPLICABLE TO COMMON STOCK:		
Beginning of year	<u>134,204,557</u>	<u>124,549,936</u>
End of year	<u>\$134,501,466</u>	<u>\$134,204,557</u>

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, 2020

INCREASE (DECREASE) IN CASH

Cash flows provided by (used in) operating activities:

Interest received	\$8,456,927
Expenses paid	(1,644,121)
Interest expense paid	(1,379,114)
Purchase of investment securities	(27,132,087)
Proceeds from sales and maturities of investment securities	<u>26,366,626</u>
Net cash provided by operating activities	\$4,668,231

Cash flows provided by (used in) financing activities:

Distributions paid	<u>(4,139,715)</u>
Net cash used in financing activities	<u>(4,139,715)</u>
Net increase in cash	528,516
Cash-beginning of year	<u>1,094,232</u>
Cash-end of year	<u><u>\$1,622,748</u></u>

Reconciliation of net increase in net assets resulting from operations to net cash provided by operating activities:

Net increase in net assets resulting from operations	\$4,436,624
Purchase of investment securities	(27,132,087)
Proceeds from sales and maturities of investment securities	26,366,626
Net amortization and accretion of premiums and discounts on debt securities	1,511,207
Amortization of deferred offering costs	32,124
Net realized loss on investments	3,640
Net change in unrealized appreciation/depreciation on investments	(644,723)
Decrease in interest receivable	103,819
Decrease in accrued expenses	<u>(8,999)</u>
Total adjustments	<u>231,607</u>

Net cash provided by operating activities

\$4,668,231

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,				
	2020	2019	2018	2017	2016
PER SHARE DATA:					
Net asset value, beginning of year	\$15.75	\$14.62	\$15.69	\$16.31	\$16.31
Net investment income	0.44	0.39	0.47	0.54	0.57
Net realized and unrealized gain (loss)	0.08	1.29	(0.92)	(0.41)	0.30
Net increase (decrease) from investment operations applicable to common stock	0.52	1.68	(0.45)	0.13	0.87
Distributions on common stock:					
Net investment income	(0.48)	(0.43)	(0.59)	(0.70)	(0.84)
Net realized gains	— ⁽¹⁾	(0.12)	(0.03)	(0.05)	(0.03)
Total distributions	(0.48)	(0.55)	(0.62)	(0.75)	(0.87)
Net asset value, end of year	\$15.79	\$15.75	\$14.62	\$15.69	\$16.31
Per share market value, end of year	\$14.21	\$14.18	\$12.34	\$14.16	\$15.08
RATIOS TO AVERAGE NET ASSETS APPLICABLE TO COMMON STOCK:					
Operating expenses	2.27%	2.87%	2.58%	2.29%	2.16%
Operating expenses, without leverage	1.17%	1.14%	1.16%	1.15%	1.13%
Net investment income	2.83%	2.58%	3.10%	3.42%	3.45%
SUPPLEMENTAL DATA:					
Total return on market value ⁽²⁾	3.62%	19.70%	(8.72)%	(1.21)%	5.31%
Total return on net asset value ⁽²⁾	3.39%	11.67%	(2.94)%	0.95%	5.41%
Portfolio turnover rate	13%	10%	23%	17%	14%
Net assets applicable to common stock, end of year (000's omitted)	\$134,501	\$134,205	\$124,550	\$133,688	\$138,973
Preferred stock outstanding, end of year (000's omitted) ⁽³⁾	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000
Asset coverage on preferred stock ⁽⁴⁾	\$306,925	\$306,469	\$291,615	\$305,674	\$313,804
Asset coverage ratio on preferred stock ⁽⁵⁾	307%	306%	292%	306%	314%

⁽¹⁾ Amount per share is less than \$0.01.

⁽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 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.

⁽³⁾ The Fund's preferred stock is not publicly traded.

⁽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, calculated per \$100,000 liquidation preference per share of preferred stock.

⁽⁵⁾ 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.

DTF TAX-FREE INCOME INC.
NOTES TO FINANCIAL STATEMENTS
October 31, 2020

Note 1. Organization

DTF Tax-Free Income Inc. (“DTF” or 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 Fund is an investment company that follows the accounting and reporting guidance of Accounting Standards Codification (“ASC”) Topic 946 applicable to Investment Companies.

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. Premiums on securities are amortized over the period remaining until first call date, if any, or if none, the remaining life of the security and discounts are accreted over the remaining life of the security for financial reporting purposes.

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 2017 to 2020 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 to the earliest call date. During the current fiscal period, ASU 2017-08 became effective for the Fund and did not materially impact the Fund’s financial statements.

DTF TAX-FREE INCOME INC.
NOTES TO FINANCIAL STATEMENTS—(Continued)
October 31, 2020

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 Robert W. Baird & Co. Incorporated (the “Administrator” or “Baird”). 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, 2020 were \$39,437.

D. Affiliated Shareholder: At October 31, 2020, 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, 2020 were \$27,571,380, and \$26,366,626, respectively.

Note 5. Distributions and Tax Information

At October 31, 2020, federal tax cost and aggregate gross unrealized appreciation (depreciation) were as follows:

<u>Federal Tax Cost</u>	<u>Unrealized Appreciation</u>	<u>Unrealized Depreciation</u>	<u>Net Unrealized Appreciation</u>
\$183,237,240	\$13,772,635	\$(97,450)	\$13,675,185

The difference between the book basis and tax basis of unrealized appreciation (depreciation) and cost of investments is primarily attributable to the tax treatment of discount accretion on fixed income securities.

The tax character of distributions paid to common shareholders during the years ended October 31, 2020 and 2019 was as follows:

	<u>10/31/2020</u>	<u>10/31/2019</u>
<i>Distributions paid from:</i>		
Tax-exempt income	\$4,089,929	\$3,621,292
Ordinary income	—	26,039
Long-term capital gains	49,786	1,027,382
Total distributions	<u>\$4,139,715</u>	<u>\$4,674,713</u>

DTF TAX-FREE INCOME INC.
NOTES TO FINANCIAL STATEMENTS—(Continued)
October 31, 2020

At October 31, 2020, the components of distributable earnings on a tax basis were as follows:

Undistributed net tax-exempt income	\$657,863
Undistributed realized long-term capital gain	1,823
Net unrealized appreciation	<u>13,675,185</u>
	<u>\$14,334,871</u>

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, 2020, the following reclassifications were recorded:

<u>Paid-in capital</u>	<u>Total distributable earnings</u>
\$(32,124)	\$32,124

The reclassifications are attributable to expenses related to the Variable Rate MuniFund Term Preferred Shares offering. These reclassifications have no impact on the net asset value of the Fund.

Note 7. Variable Rate MuniFund Term Preferred Shares

As of October 31, 2020, the Fund had 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. 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, 2020 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%	1.52%	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 \$32,124 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, 2020, were \$65,000,000 and 2.14%, 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

DTF TAX-FREE INCOME INC.
NOTES TO FINANCIAL STATEMENTS—(Continued)
October 31, 2020

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.

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

On November 2, 2020, the Fund privately placed 650 shares of Remarketable Variable Rate MuniFund Term Preferred Shares (“RVMTTP Shares”) with an institutional investor. The proceeds were used to conduct an early redemption of the Fund’s Series 2021 VMTP Shares at 100% of their liquidation preference plus accrued and unpaid dividends on November 12, 2020. The remaining unamortized deferred offering costs related to the VMTP shares were fully expensed at this time. The RVMTTP Shares carry a liquidation preference of \$100,000 per share. Dividends are paid monthly at a variable rate that is set weekly at a spread of 1.25% over the SIFMA Municipal Swap Index. The RVMTTPs are subject to mandatory tender three years after issuance, but may remain outstanding either on the same terms or modified terms pursuant to an agreement between the Fund and the holder(s), or under a remarketing process at such time.

On November 23, 2020, the Board of Directors (the “Board”) of the Fund authorized (subject to certain conditions) a cash tender offer for up to 17.5% of the Fund’s outstanding shares of common stock, with the commencement to be announced at a future date. In addition, the Board also approved certain amendments to the Fund’s charter which, if approved by the Fund’s shareholders, will convert the Fund from its existing closed-end fund structure with a perpetual existence into a “term fund” with a limited life of seven years, measured from the approximate time of the occurrence of shareholder approval. Full details will be provided in the forthcoming proxy statement, which will be furnished to shareholders in conjunction with the Fund’s annual meeting of shareholders.

On December 8, 2020, the Fund announced that it commenced a cash tender offer (the “Offer”) for up to 17.5% of the Fund’s outstanding shares of common stock, par value \$0.01 per share (the “Shares”) at a price per Share equal to 98% of the Fund’s net asset value per Share (“NAV”) as of the close of the regular trading session (normally 4:00 p.m. New York City time) on the New York Stock Exchange on January 8, 2021 (or if the Offer is extended, on the next trading day after the day to which the Offer is extended). The Fund will repurchase Shares tendered and accepted in the Offer in exchange for cash. In the event the Offer is oversubscribed, Shares will be repurchased on a pro rata basis. The Offer will expire at 11:59 p.m., New York City time, on January 7, 2021, unless extended (the “Expiration Date”). The Fund may extend the period of time the Offer will be open by issuing a press release or making some other public announcement by no later than the next business day after the Offer otherwise would have expired. Tenders of Shares made pursuant to the Offer may be withdrawn at any time prior to the Expiration Date.

The commencement of the tender offer and the proposed conversion to a term fund have been made pursuant to a standstill agreement between the Fund and a significant shareholder.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

Opinion on the Financial Statements

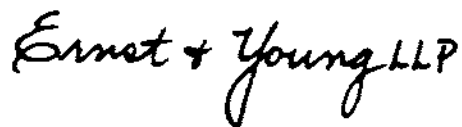
We have audited the accompanying statement of assets and liabilities of DTF Tax-Free Income Inc. (the “Fund”), including the schedule of investments, as of October 31, 2020, and the related statements of operations and cash flows for the year then ended, the statements of changes in net assets for each 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, 2020, 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, 2020, by correspondence with the custodian and brokers. 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.



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

Chicago, Illinois
December 18, 2020

TAX INFORMATION (Unaudited)

The Fund designated and paid long-term capital gains dividends of \$25,012 to preferred shareholders and \$49,786 to common shareholders during the taxable year ended October 31, 2020. 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/df 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) as an exhibit to Form NPORT-P. The Fund's Form NPORT-P is available on the SEC's website at www.sec.gov. In addition, the Fund's schedule of portfolio holdings 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/df.

ADDITIONAL INFORMATION (Unaudited)

Since October 31, 2019: (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 except as detailed under "Important Notices to Shareholders" on page 27 of this report; (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 relating to the Fund's directors and officers, and any other information found elsewhere in this Annual Report, may be requested by contacting the Fund at the address provided on the back cover of 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.

INVESTMENT OBJECTIVES, PRINCIPAL STRATEGIES AND PRINCIPAL RISKS (Unaudited)

Investment Objective: The Fund's investment objective is current income exempt from regular federal income tax consistent with the preservation of capital.

Principal Strategies: The Fund seeks to achieve its investment objective by investing in a diversified portfolio of investment grade tax-exempt obligations.

Under normal market conditions, the Fund will not invest more than 25% of its total assets (taken at market value at the time of each investment) in 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 Fund will also not invest more than 20% of its assets in obligations that pay interest that is subject to the alternative minimum tax.

All of the Fund's investments at the time of purchase will be rated at least investment grade or, with respect to no more than 20% of total assets, unrated but of comparable credit quality of obligations rated investment grade.

The Fund may also use various investment techniques including hedging and risk management transactions, selling call options, investing in illiquid securities, making forward commitments, entering into repurchase agreements, and portfolio lending activities.

Principal Risks:

Credit and Interest Risk. Debt securities are subject to various risks, the most prominent of which are credit and interest rate risk. The issuer of a debt security may fail to make interest and/or principal payments. Values of debt securities may rise or fall in response to changes in interest rates, and this risk may be enhanced with longer-term maturities.

Municipal Market Risk. Events negatively impacting a municipality, municipal security, or the municipal bond market in general, may cause the fund to decrease in value, perhaps significantly.

Industry and Sector Concentration Risk. The value of the investments of a fund that focuses its investments in a particular industry or market sector will be highly sensitive to financial, economic, political and other developments affecting that industry or market sector, and conditions that negatively impact that industry or market sector will have a greater impact on the Fund as compared with a fund that does not have its holdings concentrated in a particular industry or market sector. Events negatively affecting the industries or market sectors in which the Fund has invested are therefore likely to cause the value of the Fund's shares to decrease, perhaps significantly.

No Guarantee. There is no guarantee that the portfolio will meet its objective.

Market Volatility Risk. The Fund could lose money over short periods due to short-term market movements and over longer periods during more prolonged market downturns. The value of a security or other instrument may decline due to changes in general market conditions, economic trends or events that are not specifically related to the issuer of the security or other instrument, or factors that affect a particular issuer or issuers, country, group of countries, region, market, industry, group of industries, sector or asset class. During a general market downturn, multiple asset classes may be negatively affected. Changes in market conditions and interest rates generally do not have the same impact on all types of securities and instruments. An outbreak of infectious respiratory illness caused by a novel coronavirus known as COVID-19 was first detected in China in December 2019 and has now been detected globally. This coronavirus has resulted in travel restrictions, closed international borders, enhanced health screenings at ports of entry and elsewhere, disruption of and delays in healthcare service preparation and delivery, prolonged quarantines, cancellations, supply chain disruptions, and lower consumer demand, as well as general concern and uncertainty. The impact of COVID-19, and other infectious illness outbreaks that may arise in the future, could adversely affect the economies of many nations or the entire global economy, individual issuers and capital markets in ways that cannot necessarily be foreseen. In addition, the impact of infectious illnesses in emerging market countries may be greater due to generally less established

healthcare systems. Public health crises caused by the COVID-19 outbreak may exacerbate other pre-existing political, social and economic risks in certain countries or globally. The duration of the COVID-19 outbreak and its effects cannot be determined with certainty.

Income Risk. Income received from the Fund may vary widely over the short- and long-term and/or be less than anticipated if the proceeds from maturing securities in the Fund are reinvested in lower-yielding securities.

Prepayment/Call Risk. Issuers may prepay or call their fixed rate obligations when interest rates fall, forcing the Fund to reinvest in obligations with lower interest rates and the Fund may not benefit fully from the increase in value that other fixed income investments experience when interest rates decline.

Tax-Exempt Securities Risk. Tax-exempt securities may not provide a higher after-tax return than taxable securities, and/or the tax-exempt status may be lost or limited.

Tax Liability Risk. Noncompliant conduct by a municipal bond issuer, or certain adverse interpretations or actions by a government or tax authority, could cause interest from a security to become taxable, possibly retroactively, subjecting shareholders to increased tax liability.

State and AMT Tax Risk. A portion of income may be subject to some state and/or local taxes and, for certain investors, a portion may be subject to the federal alternative minimum tax.

Unrated Fixed Income Securities Risk. If the Adviser is unable to accurately assess the quality of an unrated fixed income security, the Fund may invest in a security with greater risk than intended, or the securities may be more difficult to sell than anticipated.

Leverage Risk. When a fund uses leverage through activities such as borrowing, entering into short sales, purchasing securities on margin or on a when-issued basis, or purchasing derivative instruments in an effort to increase its returns, the fund has the risk of magnified capital losses that occur when losses affect an asset base, enlarged by borrowings or the creation of liabilities, that exceeds the net assets of the Fund. The value of the shares of a fund employing leverage will be more volatile and sensitive to market movements. Leverage may also involve the creation of a liability that requires the fund to pay interest.

Closed-End Fund Risk. Closed-end funds may trade at a discount or premium from their net asset values, which may affect whether an investor will realize gains or losses. They may also employ leverage, which may increase the impact of volatility.

IMPORTANT NOTICE TO SHAREHOLDERS (Unaudited)

The following disclosures provide only a summary of certain changes which have occurred during the fund's most recent fiscal year.

Maryland Control Share Acquisition Act: On June 8, 2020, the Board made an election, by unanimous vote of the independent directors, to “opt in” to the Maryland Control Share Acquisition Act (MCSAA).

The MCSAA protects the interests of all shareholders of a Maryland corporation by denying voting rights to “control shares” acquired in a “control share acquisition” unless the other shareholders of the corporation reinstate those voting rights by a vote of two-thirds of the shares held by shareholders other than the acquiring person (i.e., the holder or group of holders acting in concert that acquires, or proposes to acquire, “control shares”). Generally, “control shares” are shares that, when aggregated with shares already owned by an acquiring person, would entitle the acquiring person to exercise 10% or more, 33 1/3% or more, or a majority of the total voting power of shares entitled to vote in the election of directors.

The MCSAA limits the ability of an acquiring person to achieve a short-term gain at the expense of long-term value for the rest of the Fund's shareholders. The MCSAA applies automatically to most types of Maryland corporations, but in the case of closed-end investment companies, it applies only if the board of directors elects to “opt in.” Because the Fund's board “opted in” to the MCSAA on June 8, 2020, the MCSAA will only apply to “control shares” acquired after that date.

The above description of the MCSAA is only a high-level summary and does not purport to be complete. Investors should refer to the actual provisions of the MCSAA for more information, including definitions of key terms, various exclusions from the statute's scope, and the procedures by which shareholders may approve the reinstatement of voting rights to holders of “control shares.”

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 Utility and Infrastructure 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: 60	Director	Term expires 2021; Director since 2014	Private investor 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	72	Director, Avista Corp. (energy company); Trustee, Goldman Sachs Fund Complex 2010-2014; Director, BlackRock Luxembourg and Cayman Funds 2006-2010
Robert J. Genetski Age: 78	Director	Term expires 2022; 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: 74	Director	Term expires 2022; 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	72	Chairman of the Board, Lazard World Trust Fund (closed-end fund; f/k/a The World Trust Fund) 2010-2019 (Director since 1991-2019)
Geraldine M. McNamara Age: 69	Director	Term expires 2023; Director since 2003	Private investor since 2006; Managing Director, U.S Trust Company of New York 1982-2006	72	
Eileen A. Moran Age: 66	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: 74	Director and Chairman of the Board	Term expires 2023; Director since 2005	Advisor, Ariel Investments, LLC since 2019; Chairman, Urban Partnership Bank 2010-2019; 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); Ariel Investment, LLC; Wheels, Inc. (automobile fleet management); Chairman, Urban Partnership Bank 2010-2019

Interested Director

Nathan I. Partain, CFA Age: 64	Director, President and Chief Executive Officer	Term expires 2022; 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)
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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, Virtus or the Administrator 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
Jennifer S. Fromm Virtus Investment Partners, Inc. One Financial Plaza Hartford, CT 06103 Age: 47	Vice President and Secretary since March 2020	Vice President of Virtus Investment Partners, Inc. since 2016 and Senior Counsel, Legal of Virtus Investment Partners Inc. and/or certain of its subsidiaries since 2007; Vice President, Chief Legal Officer, Counsel and Secretary of Duff & Phelps Select MLP and Midstream Energy Fund Inc., Virtus Global Multi-Sector Income Fund Inc. and Virtus Total Return Fund Inc. since 2020; Vice President of various Virtus-affiliated open-end funds since 2017 and Assistant Secretary since 2008; Vice President, Chief Legal Officer, Counsel and Secretary of Virtus Variable Insurance Trust and Virtus Alternative Solutions Trust since 2013; various officer positions of Virtus affiliates since 2008
Timothy M. Heaney, CFA Virtus Investment Partners, Inc. One Financial Plaza Hartford, CT 06103 Age: 55	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. One Financial Plaza Hartford, CT 06103 Age: 57	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: 61	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 2012-2013; Vice Chair 2011-2012); Member, Financial Accounting Standards Advisory Council 2011-2014
Daniel J. Petrisko, CFA Age: 60	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: 51	Chief Compliance Officer since March 2020; Vice President since 2015 (Secretary 2015-March 2020)	Secretary of the Adviser since 2014; Chief Compliance Officer since 2019 (Senior Counsel 2015-2019); Senior Legal Counsel and Vice President, Virtus Investment Partners, Inc. 2012-2018; Managing Director, Legg Mason, Inc. (and predecessor firms) 1999-2012
Dianna P. Wengler Robert W. Baird & Co. Incorporated 500 West Jefferson Street Louisville, KY 40202 Age: 60	Vice President and Assistant Secretary since 2014	Senior Vice President and Director—Fund Administration, Robert W. Baird & Co. Incorporated since 2019; Senior Vice President, J.J.B. Hilliard, W.L Lyons, LLC 2016-2019 (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 (866) 668-8552.

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 (or authorizing an electronic fund transfer) 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.

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 and Chief Executive Officer

Daniel J. Petrisko, CFA

Senior Vice President and Assistant Secretary

Timothy M. Heaney, CFA

Vice President and Chief Investment Officer

Lisa H. Leonard

Vice President

Jennifer S. Fromm

Vice President and Secretary

William J. Renahan

Vice President and Chief Compliance Officer

Dianna P. Wengler

Vice President and Assistant Secretary

Alan M. Meder, CFA, CPA

Treasurer and Assistant Secretary

DTF Tax-Free Income Inc.

Common stock traded on the New York
Stock Exchange under the symbol DTF

Investment Adviser

Duff & Phelps Investment Management Co.

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Chicago, IL 60606

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(860) 263-4941

www.dpimc.com/dtf

Administrator

Robert W. Baird & Co. Incorporated

500 West Jefferson Street

Louisville, KY 40202

Call toll-free (833) 604-3163

Transfer Agent and Dividend Disbursing Agent

American Stock Transfer & Trust Company

6201 15th Avenue

Brooklyn, NY 11219

Call toll-free (866) 668-8552

Custodian

State Street Bank and Trust Company

Legal Counsel

Mayer Brown LLP

Independent Registered Public Accounting Firm

Ernst & Young LLP