FORM N-30D

Initial annual and semi-annual reports mailed to investment company shareholders pursuant to Rule 30e-1 (other than those required to be submitted as part of Form NCSR)

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FILER

PHOENIX CALIFORNIA TAX EXEMPT BONDS INC

CIK:**718027**| IRS No.: **133165458** | State of Incorp.:**MD** | Fiscal Year End: **0430**
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PHOENIX SEMIANNUAL REPORT
October 31, 1996

Phoenix California
Tax Exempt Bonds, Inc.
Semiannual Report

PHOENIX DUFF & PHELPS
LOGO

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PHOENIX CALIFORNIA TAX EXEMPT BONDS, INC.

MARKET AND PORTFOLIO REVIEW

Investment Environment

Interest rates continued to oscillate throughout most of this reporting period, as the bond market appeared to be locked in a trading range. By late summer, however, the consensus view on Wall Street turned increasingly more bullish as signs of more moderate economic growth and benign inflation became evident. These signs of a slowing economy allowed interest rates to fall (and bond prices to rise) for the remainder of this reporting cycle. In total, despite all the market gyrations, interest rates as measured by the bell weather 30-year Treasury bond declined only 27 basis points during the last six months and ended the period yielding 6.64%.

As measured by the latest employment figures, California's economy is now growing faster than the nation. After a prolonged downturn during the early 1990s, the state's unemployment picture has improved, its housing market is showing signs of recovery, and California's key industry segments are again expanding. Although these latest economic reports are very encouraging, we remain mindful that fiscal concerns still exist for a number of municipalities within the state. In addition, as the federal government increasingly delegates more responsibility for entitlement programs down to the state and local levels, we believe this may lead to further budgetary constraints for some issuers within this market.

Portfolio Review

Given this market environment, the Fund posted solid gains over this latest reporting cycle. For the six-month period ended October 31, 1996, class A shares provided a total return of 4.33% and class B shares returned 3.94%. These results lagged slightly behind the Lehman Brothers Municipal Bond Index, which returned 4.54% over the same period. All of these returns assume reinvestment of any distributions, but exclude the effect of sales charges.

Over the last six months, lower-quality investment grade bonds, "A" to "BBB" rating, continued to outperform "AAA" bonds. Despite this underperformance in the high- quality sector, we still believe that the ongoing fiscal problems of many California municipalities warrants a high-quality portfolio. Additionally, credit quality spreads remain narrow, making this an unfavorable environment to take municipal credit risk. As of October 31, 1996, 72% of the portfolio's assets were rated "AAA", with maturities ranging from intermediate to long.

Outlook

Moving forward, we will continue to focus on quality assets for the portfolio, particularly given the narrow credit spreads currently available in the market. Our current strategy is to emphasize high-quality "essential service" credits which can benefit from California's renewed economic strength and also provide some protection from the state's ongoing fiscal dilemmas. On the tax-reform front, the election results have calmed investor fears regarding any radical tax reform as Bill Clinton was re-elected to another term and the Republicans maintained control of the Congress. Overall, our outlook for this segment of the fixed- income market is positive, given the favorable combination of moderate municipal issuance and relatively low inflation.

INVESTMENTS AT OCTOBER 31, 1996
(Unaudited)

<TABLE>
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	STANDARD & POOR'S RATING	PAR VALUE (000)	VALUE
<S>	<C>	<C>	<C>
MUNICIPAL TAX-EXEMPT BONDS--94.5%			
Certificates of Participation/Lease Revenue--7.2%			
California Public Works Lease Revenue 5.25%, '06	AAA	$ 1,640	$ 1,666,109
California State Public Works 5.375%, '19	AAA	2,500	2,383,925
California Statewide Community 4.90%, '09	AAA	2,200	2,091,914
Orange County Recovery 5.80%, '16	AAA	1,500	1,506,825
San Mateo County Revenue 5.125%, '18	AAA	1,000	941,890
Total Certificates of Participation/ Lease Revenue			8,590,663
General Obligations--5.2%			
California State G.O. 5.50%, '08	AAA	1,500	1,545,510
Central School District G.O. 7.05%, '16	A(b)	1,000	1,092,270
Pomona School District G.O. Series C 5.60%, '12	AAA	1,500	1,524,735
Puerto Rico G.O. 5.375%, '06	AAA(b)	2,000	2,034,300
Total General Obligations			6,196,815
Healthcare--5.7%			
California Health Facilities 7.30%, '20	A+	1,400	1,499,204
California Health Facilities 6.25%, '22	A+	1,500	1,526,250
Grass Valley Hospital 7.25%, '19	A+	2,000	2,108,640
San Bernardino School Health Care 7%, '21	AA	1,500	1,680,195

Total Healthcare			6,814,289
Housing Revenue--3.5%			
California Housing Financing Agency 7.25%, '17	AA-	785	822,044
California Housing Financing Agency 7.75%, '17	AA-	400	422,004
California Housing Financing Agency Series C 7.20%, '17	AA-	805	834,495
L.A. Community Redevelopment Agency Series A 6.55%, '27	AAA	2,000	2,062,680
Total Housing Revenue			4,141,223
Pre-Refunded Revenue--28.0%			
Covina Redevelopment Agency 8.80%, '08	NR	1,200	1,419,864
Hayward Hospital Revenue (St. Rose Hosp.) 10%, '04	AAA	510	605,431
Huntington Park Redevelopment Agency 8%, '19	AAA	2,400	3,119,040
Los Angeles Harbor Department 7.60%, '18	AAA	1,000	1,210,390
Northern California Hydro Electric 7.50%, '23	AAA	195	237,929
Orange County Water District COP 7%, '15	AAA	1,000	1,110,160
Pasadena COP 6.75%, '15	AAA(b)	2,000	2,201,520
Puerto Rico Aqueduct 7%, '19	AAA	1,500	1,601,880
Puerto Rico Electric Power 7%, '21	BBB+	2,500	2,811,575
Puerto Rico Highway Authority Series T 6.625%, '18	AAA	200	223,330
Puerto Rico Highway Revenue Series T 6.625%, '18	A	800	893,320
Puerto Rico Public Buildings 7%, '19	AAA	500	531,615
Puerto Rico Public Buildings Series L 6.875%, '21	AAA	3,170	3,578,962
Redlands COP Series C 7%, '22	AAA	1,000	1,116,650
Riverside County 8.625%, '16	AAA	700	913,437
Riverside County 7.80%, '21	AAA	4,000	4,942,720
Riverside Public Financing Authority 7.80%, '08	AAA	1,000	1,030,100
San Bernardino COP Series B 7%, '28	AAA	2,200	2,477,860
San Gabriel Valley Schools Financing 7.20%, '19	NR	1,200	1,310,964
Torrance Hospital COP 7.10%, '15	AAA	1,780	1,958,908
Total Pre-Refunded Revenue			33,295,655

See Notes to Financial Statements.

	STANDARD & POOR'S	PAR VALUE

	RATING	(000)	VALUE
Tax Revenue--11.3%			
Culver City Redevelopment Agency 4.60%, '20	AAA	$ 4,500	$ 3,809,790
L.A. County Sales Tax 7%, '19	AA-	2,500	2,671,675
L.A. County Transit Authority Series A 5%, '21	AAA	3,750	3,385,912
San Francisco Redevelopment Agency 4.75%, '18	AAA	1,100	965,492
San Francisco Redevelopment Agency 5.50%, '18	A-	1,500	1,419,900
San Pablo Redevelopment Agency 5%, '13	AAA	1,250	1,175,788
Total Tax Revenue			13,428,557
Transportation Revenue--4.8%			
Los Angeles County Revenue Series B 5.25%, '23	AAA	3,000	2,800,440
San Diego Transportation Series A 4.75%, '08	AAA	2,000	1,915,700
San Francisco Airport Revenue 6.25%, '10	AAA	1,000	1,055,120
Total Transportation Revenue			5,771,260
Utility Revenue--28.8%			
California Department of Water 5%, '15	AA	1,375	1,275,753
California State Water Series L 5.75%, '19	AA	4,000	3,949,480
Chino Basin, California 5.90%, '11	AAA	2,000	2,102,200
Contra Costa Water District Series G 5.75%, '14	AAA	3,100	3,135,619
Delta Diablo Sanitation District, CA 0%, '16	AAA	1,070	333,005
Irvine Ranch Water District 7.80%, '08	A+	1,500	1,561,770
Irvine Ranch Water District 8.25%, '23	A+	2,000	2,126,900
L.A. Wastewater Series D 4.70%, '17	AAA	7,000	6,117,300
MSR Public Power Agency 6.75%, '20	AAA	1,500	1,748,835
Puerto Rico Electric Power Authority Series N 6%, '10	AAA(b)	1,500	1,512,270
Sacramento Cogeneration Project 6.375%, '10	BBB-	1,000	1,024,690
Sacramento Flood Control Agency 5.375%, '15	AAA	2,370	2,310,584
Sacramento Municipal Utility District Revenue 5.75%, '11	AAA	3,500	3,575,285
Sacramento Utility District Electric Series G 4.75%, '21	AAA	1,000	863,780
Southern California Public Power Authority 5.50%, '20	A	915	875,280
Southern California Public Power Series A 4.875%, '20	AAA	2,000	1,775,440
Total Utility Revenue			34,288,191
TOTAL MUNICIPAL TAX-EXEMPT BONDS (Identified cost $106,289,099)			112,526,653
SHORT-TERM OBLIGATIONS--2.9%			

Commercial Paper--2.9%			
CXC, Inc. 5.70%, 11-1-96	A-1+	3,430	3,430,000
TOTAL SHORT-TERM OBLIGATIONS (Identified cost $3,430,000)			3,430,000
TOTAL INVESTMENTS--97.4% (Identified cost $109,719,099)			115,956,653(a)
Cash and receivables, less liabilities--2.6%			3,113,001
NET ASSETS--100.0%			$119,069,654

</TABLE>

(a) Federal Income Tax Information: Net unrealized appreciation of investment securities is comprised of gross appreciation of $6,768,413 and gross depreciation of $530,859 for income tax purposes. At October 31, 1996, the aggregate cost of securities for federal income tax purposes was $109,719,099.

(b) As rated by Moody's, Duff and Phelps or Fitch.

See Notes to Financial Statements.

Phoenix California Tax Exempt Bonds, Inc.

STATEMENT OF ASSETS AND LIABILITIES
OCTOBER 31, 1996
(Unaudited)

<TABLE>
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Assets	
Investment securities at value (Identified cost $109,719,099)	$115,956,653
Receivables	
Fund shares sold	1,199,239
Interest	2,197,480
Total assets	119,353,372
Liabilities	
Payables	
Custodian	468
Fund shares repurchased	5,827
Dividend distributions	106,820
Investment advisory fee	44,219
Distribution fee	25,414
Directors' fee	9,331
Transfer agent fee	7,486
Financial agent fee	2,948
Accrued expenses	81,205
Total liabilities	283,718
Net Assets	$119,069,654
Net Assets Consist of:	
Capital paid in on shares of capital stock	$112,243,195
Undistributed net investment loss	(91,746)

Accumulated net realized gain	680,651
Net unrealized appreciation	6,237,554
Net Assets	$119,069,654
Class A	
Shares of capital stock outstanding, $.01 par value, 250,000,000 shares authorized (Net Assets $117,637,151)	9,062,735
Net asset value per share	$12.98
Offering price per share $12.98/(1-4.75%)	$13.63
Class B	
Shares of capital stock outstanding, $.01 par value, 250,000,000 shares authorized (Net Assets $1,432,503)	110,349
Net asset value and offering price per share	$12.98

</TABLE>

STATEMENT OF OPERATIONS
SIX MONTHS ENDED OCTOBER 31, 1996
(Unaudited)

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Investment Income	
Interest	$3,580,794
Total investment income	3,580,794
Expenses	
Investment advisory fee	264,557
Distribution fee--Class A	145,350
Distribution fee--Class B	6,505
Financial agent fee	17,637
Transfer agent	40,000
Professional	15,550
Registration	15,060
Printing	14,000
Directors	7,854
Custodian	6,400
Miscellaneous	3,923
Total expenses	536,836
Net investment income	3,043,958
Net Realized and Unrealized Gain (Loss) on Investments	
Net realized gain on securities	533,477
Net realized gain on futures contracts	383,554
Net change in unrealized appreciation (depreciation) on investments	1,184,180
Net gain on investments	2,101,211
Net increase in net assets resulting from operations	$5,145,169

</TABLE>

See Notes to Financial Statements.

Phoenix California Tax Exempt Bonds, Inc.

STATEMENT OF CHANGES IN NET ASSETS

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	Six Months Ended October 31, 1996 (Unaudited)	Year Ended April 30, 1996
<S>	<C>	<C>
From Operations		
Net investment income	$ 3,043,958	$ 6,205,857
Net realized gain	917,031	1,098,320
Net change in unrealized appreciation (depreciation)	1,184,180	756,545
Increase in net assets resulting from operations	5,145,169	8,060,722
From Distributions to Shareholders		
Net investment income--Class A	(3,028,454)	(6,135,672)
Net investment income--Class B	(28,928)	(36,045)
Net realized gains--Class A	--	(288,116)
Net realized gains--Class B	--	(1,693)
Distributions in excess of net investment income--Class A	--	(77,865)
Distributions in excess of net investment income--Class B	--	(457)
Distributions in excess of accumulated net realized gains--Class A	--	(235,000)
Distributions in excess of accumulated net realized gains--Class B	--	(1,380)
Decrease in net assets from distributions to shareholders	(3,057,382)	(6,776,228)
From Share Transactions		
Class A		
Proceeds from sales of shares (3,620,113 and 2,203,421 shares, respectively)	46,351,773	28,531,594
Net asset value of shares issued from reinvestment of distributions (99,321 and 218,807 shares, respectively)	1,275,410	2,842,822
Cost of shares repurchased (3,568,062 and 2,801,630 shares, respectively)	(45,862,647)	(36,234,994)
Total	1,764,536	(4,860,578)
Class B		
Proceeds from sales of shares (29,359 and 73,939 shares, respectively)	378,262	962,800
Net asset value of shares issued from reinvestment of distributions (1,151 and 1,751, respectively)	14,764	22,780
Cost of shares repurchased (18,652 and 13,644 shares, respectively)	(240,080)	(175,468)
Total	152,946	810,112
Increase (decrease) in net assets from share transactions	1,917,482	(4,050,466)

Net increase (decrease) in net assets	4,005,269	(2,765,972)
Net Assets		
Beginning of period	115,064,385	117,830,357
End of period (including undistributed net investment loss and distributions in excess of net investment income of ($91,746) and ($78,322), respectively)	$119,069,654	$115,064,385

</TABLE>

See Notes to Financial Statements.

Phoenix California Tax Exempt Bonds, Inc.

FINANCIAL HIGHLIGHTS
(Selected data for a share outstanding throughout the indicated period)

<TABLE>
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	Class A					
	Six Months Ended 10/31/96 (Unaudited)	Year Ended April 30, 1996	1995	1994	1993	1992
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Net asset value, beginning of period	$12.77	$12.63	$13.03	$13.64	$13.20	$13.07
Income from investment operations						
Net investment income	0.33	0.67	0.71	0.80	0.81	0.87
Net realized and unrealized gain (loss)	0.22	0.20	0.05	(0.53)	0.51	0.24
Total from investment operations	0.55	0.87	0.76	0.27	1.32	1.11
Less distributions						
Dividends from net investment income	(0.34)	(0.67)	(0.76)	(0.76)	(0.80)	(0.88)
Distributions in excess of net investment income	--	(0.01)	--	--	--	--
Distributions from net realized gains	--	(0.03)	(0.31)	(0.12)	(0.08)	(0.10)
Distributions in excess of accumulated net realized gains	--	(0.02)	(0.09)	--	--	--
Total distributions	(0.34)	(0.73)	(1.16)	(0.88)	(0.88)	(0.98)
Change in net asset value	0.21	0.14	(0.40)	(0.61)	0.44	0.13
Net asset value, end of period	$12.98	$12.77	$12.63	$13.03	$13.64	$13.20
Total return (1)	4.33% (3)	6.92%	6.34%	1.80%	10.38%	8.68%
Ratios/supplemental data:						
Net assets, end of period (thousands)	$117,637	$113,806	$117,370	$131,365	$147,760	$139,118
Ratio to average net assets of:						
Operating expenses	0.90% (2)	0.99%	0.93%	0.85%	0.90%	0.68%

Net investment income	5.19% (2)	5.15%	5.63%	5.82%	6.00%	6.55%
Portfolio turnover	10% (3)	20%	51%	25%	25%	33%

</TABLE>

<TABLE>
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	Class B		
	Six Months Ended 10/31/96 (Unaudited)	Year Ended 4/30/96	From Inception 7/26/94 to 4/30/95
<S>	<C>	<C>	<C>
Net asset value, beginning of period	$12.77	$12.63	$13.04
Income from investment operations			
Net investment income	0.29	0.56 (4)	0.48
Net realized and unrealized gain	0.21	0.20	0.01
Total from investment operations	0.50	0.76	0.49
Less distributions			
Dividends from net investment income	(0.29)	(0.56)	(0.50)
Distributions in excess of net investment income	--	(0.01)	--
Distributions from net realized gains	--	(0.03)	(0.31)
Distributions in excess of accumulated net realized gains	--	(0.02)	(0.09)
Total distributions	(0.29)	(0.62)	(0.90)
Change in net asset value	0.21	0.14	(0.41)
Net asset value, end of period	$12.98	$12.77	$12.63
Total return (1)	3.94% (3)	6.10%	4.10% (3)
Ratios/supplemental data:			
Net assets, end of period (thousands)	$1,433	$1,258	$460
Ratio to average net assets of:			
Operating expenses	1.65% (2)	1.78%	1.55% (2)
Net investment income	4.43% (2)	4.32%	4.90% (2)
Portfolio turnover	10% (3)	20%	51%

</TABLE>

(1) Maximum sales charge is not reflected in total return calculation.
(2) Annualized
(3) Not annualized
(4) Computed using average shares outstanding.

See Notes to Financial Statements.

PHOENIX CALIFORNIA TAX EXEMPT BONDS, INC.
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 1996 (Unaudited)

1. SIGNIFICANT ACCOUNTING POLICIES

Phoenix California Tax Exempt Bonds, Inc. (the "Fund") is organized as a Maryland corporation and is registered under the Investment Company Act of 1940, as amended, as a diversified open-end management investment company. The Fund's investment objective is to obtain a high level of current income exempt from California state and local income taxes, as well as Federal income tax, consistent with preservation of capital. The Fund offers both Class A and Class B shares. Class A shares are sold with a front-end sales charge of up to 4.75%. Class B shares are sold with a contingent deferred sales charge which declines from 5% to zero depending on the period of time the shares are held. Both classes of shares have identical voting, dividend, liquidation and other rights and the same terms and conditions, except that each class bears different distribution expenses and has exclusive voting rights with respect to its distribution plan. Income and expenses of the Fund are borne pro rata by the holders of both classes of shares, except that each class bears distribution expenses unique to that class.

The following is a summary of significant accounting policies consistently followed by the Fund in the preparation of its financial statements. These policies are in conformity with generally accepted accounting principles. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Actual results could differ from those estimates.

A. Security valuation:

Debt securities are valued on the basis of broker quotations or valuations provided by a pricing service which utilizes information with respect to recent sales, market transactions in comparable securities, quotations from dealers, and various relationships between securities in determining value. Short-term investments having a remaining maturity of 60 days or less are valued at amortized cost which approximates market. All other securities and assets are valued at their fair value as determined in good faith by or under the direction of the Directors.

B. Security transactions and related income:

Security transactions are recorded on the trade date. Interest income is recorded on the accrual basis. Premiums and discounts are amortized to income using the effective interest method. Realized gains and losses are determined on the identified cost basis.

C. Income taxes:

It is the policy of the Fund to comply with the requirements of the Internal Revenue Code (the "Code") applicable to regulated investment companies and to distribute substantially all of its taxable and tax exempt income to its shareholders. In addition, the Fund intends to distribute an amount sufficient to avoid imposition of any excise tax under Section 4982 of the Code. Therefore, no provision for federal income taxes or excise taxes has been made.

D. Distributions to shareholders:

Distributions to shareholders are declared and recorded daily. Income and capital gain distributions are determined in accordance with income tax regulations which may differ from generally accepted accounting principles. These differences include the treatment of non-taxable dividends, expiring capital loss carryforwards and losses deferred due to wash sales and excise tax regulations. Permanent book and tax basis differences relating to shareholder distributions will result in reclassifications to paid in capital.

E. Futures contracts:

A futures contract is an agreement between two parties to buy and sell a security at a set price on a future date. The Fund may enter into financial futures contracts as a hedge against anticipated changes in the market value of the portfolio securities. Upon entering into a futures contract, the Fund is required to pledge to the broker an amount of cash and/or securities equal to the "initial margin" requirements of the futures exchange on which the contract is traded. Pursuant to the contract, the Fund agrees to receive from or pay to the broker an amount of cash equal to the daily fluctuation in value of the contract. Such receipts or payments are known as variation margin and are recorded by the Fund as unrealized gains or losses. When the contract is closed, the Fund records a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed. The potential risk to the Fund is that the change in value of the futures contract may not correspond to the change in value of the hedged instruments.

2. INVESTMENT ADVISORY FEE AND RELATED PARTY TRANSACTIONS

As compensation for its services to the Fund, the Investment Adviser, National Securities and Research Corporation, an indirect majority-owned subsidiary of Phoenix Home Life Mutual Insurance Company ("PHL"), is entitled to a fee at an annual rate of 0.45% of the average daily net assets of the Fund for the first $1 billion.

As Distributor of the Fund's shares, Phoenix Equity Planning Corp. ("PEPCO"), an indirect majority-owned subsidiary of PHL, has advised the Fund that it retained net selling commissions of $6,364 for Class A shares and deferred sales charges of $6,133

for Class B shares for the six months ended October 31, 1996. In addition, the Fund pays PEPCO a distribution fee at an annual rate of 0.25% for Class A shares and 1.00% for Class B shares of the average daily net assets of the Fund. The Distributor has advised the Fund that of the total amount expensed for the six months ended October 31, 1996, $14,248 was earned by the Distributor and $137,607 was earned by unaffiliated participants.

As Financial Agent of the Fund, PEPCO receives a fee at an annual rate of 0.03% of the average daily net assets of the Fund for bookkeeping, administration and pricing services. PEPCO serves as the Fund's Transfer Agent with State Street Bank and Trust as sub-transfer agent. For the six months ended October 31, 1996, transfer agent fees were $40,000 of which PEPCO retained $13,078, which is net of fees paid to State Street.

At October 31, 1996, PHL and affiliates held 197 Class A shares and 9,241 Class B shares of the Fund with a combined value of $122,507.

3. PURCHASE AND SALE OF SECURITIES

Purchases and sales of securities, excluding short-term securities and futures, for the six months ended October 31, 1996, aggregated $11,005,942 and $14,818,918, respectively. There were no purchases or sales of long-term U.S. Government securities.

4. ASSET CONCENTRATION

There are certain risks arising from the Fund's concentration in California municipal securities. Certain California constitutional amendments, legislative measures, executive orders, administrative regulations, court decisions and voter initiatives could result in certain adverse consequences including impairing the ability of certain issuers of California municipal securities to pay principal and interest on their obligations.

This report is not authorized for distribution to prospective investors in the Phoenix California Tax Exempt Bonds, Inc. unless preceded or accompanied by an effective Prospectus which includes information concerning the sales charge, Fund's record and other pertinent information.

PHOENIX CALIFORNIA TAX EXEMPT BONDS, INC.

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Greenfield, Massachusetts 01301

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David R. Pepin, Executive Vice President
Timothy M. Heaney, Vice President
William R. Moyer, Vice President
Leonard J. Saltiel, Vice President
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G. Jeffrey Bohne, Secretary

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PHOENIX DUFF & PHELPS LOGO
PDP 680 (12/96)

Bulk Rate Mail
U.S. Postage
PAID
Springfield, MA
Permit No. 444

DALBAR Logo

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