

SECURITIES AND EXCHANGE COMMISSION

FORM N-CSRS

Certified semi-annual shareholder report of registered management investment companies filed on Form N-CSR

Filing Date: **2005-05-02** | Period of Report: **2005-02-28**
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FILER

SHORT TERM INCOME FUND INC

CIK: **312669** | IRS No.: **112521542** | State of Incorpor.: **NY** | Fiscal Year End: **0831**
Type: **N-CSRS** | Act: **40** | File No.: **811-02950** | Film No.: **05790237**

Mailing Address
*C/O REICH & TANG ASSET
MANAGEMENT LLC
600 FIFTH AVENUE, 8TH
FLOOR
NEW YORK NY 10020-2302*

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600 FIFTH AVENUE, 8TH
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM N-CSR
CERTIFIED SHAREHOLDER REPORT OF
REGISTERED MANAGEMENT INVESTMENT COMPANIES

Short Term Income Fund, Inc.
(Exact name of registrant as specified in charter)

600 Fifth Avenue
New York, NY 10020
(Address of principal executive offices) (Zip code)

Rosanne Holtzer
c/o Reich & Tang Asset Management, LLC
600 Fifth Avenue
New York, New York 10020
(Name and address of agent for service)

Registrant's telephone number, including area code: 212-830-5200

Date of fiscal year end: August 31

Date of reporting period: February 28, 2005

ITEM 1: REPORT TO STOCKHOLDERS

SHORT TERM INCOME FUND, INC. 600 FIFTH AVENUE, NEW YORK, NY 10020
(212) 830-5200

Dear Shareholder:

We are pleased to present the semi-annual report of Short Term Income Fund, Inc. (the "Fund") for the period September 1, 2004 through February 28, 2005.

The Fund's Money Market Portfolio had 13,155 shareholders and net assets of \$1,030,914,359 as of February 28, 2005. The Government Portfolio had 3,852 shareholders and net assets of \$510,722,636 as of February 28, 2005.

We thank you for your support and look forward to continuing to serve your cash management needs.

Sincerely,

\s\Steven W. Duff

Steven W. Duff
President

 SHORT TERM INCOME FUND, INC.
 EXPENSE CHART
 FOR THE SIX MONTHS ENDED FEBRUARY 28, 2005
 (UNAUDITED)
 =====

As a shareholder of the Fund, you incur the following ongoing costs: management fees and other Fund expenses. You may also incur distribution and/or service (12b-1) fees. This example is intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other mutual funds.

The Example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period September 1, 2004 through February 28, 2005.

ACTUAL EXPENSES

The first line of the table below provides information about actual account values and actual expenses. You may use information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line under the heading entitled "Expenses Paid During the Period" to estimate the expenses you paid on your account during this period.

HYPOTHETICAL EXAMPLE FOR COMPARISON PURPOSES

The second line of the table below provides information about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as sales charges (loads), redemption fees, or exchange fees that you may incur in other mutual funds. Therefore, the second line of the table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds.

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Money Market Portfolio				
Class A	Beginning Account Value 9/1/04	Ending Account Value 2/28/05	Expenses Paid During the Period*	
<s> Actual	<c> \$1,000.00	<c> \$1,005.70	<c> \$4.73	
Hypothetical (5% return before expenses)	\$1,000.00	\$1,020.08	\$4.76	
Class B	Beginning Account Value 9/1/04	Ending Account Value 2/28/05	Expenses Paid During the Period*	
Actual	\$1,000.00	\$1,007.10	\$3.28	

Hypothetical (5% return before expenses)	\$1,000.00	\$1,021.52	\$3.31
First Southwest Shares	Beginning Account Value 9/1/04	Ending Account Value 2/28/05	Expenses Paid During the Period*
Actual	\$1,000.00	\$1,002.60	\$5.22
Hypothetical (5% return before expenses)	\$1,000.00	\$1,009.79	\$5.26

</TABLE>

<TABLE>
<CAPTION>

U.S. Government Portfolio			
<s>	<c>	<c>	<c>
Class A	Beginning Account Value 9/1/04	Ending Account Value 2/28/05	Expenses Paid During the Period*
Actual	\$1,000.00	\$1,005.50	\$4.32
Hypothetical (5% return before expenses)	\$1,000.00	\$1,020.48	\$4.36
Class B	Beginning Account Value 9/1/04	Ending Account Value 2/28/05	Expenses Paid During the Period*
Actual	\$1,000.00	\$1,006.90	\$2.99
Hypothetical (5% return before expenses)	\$1,000.00	\$1,021.82	\$3.01

<FN>

* Expenses are equal to the Fund's annualized expense ratios of 0.95%, 0.66%, and 1.05%, for the Money Market Portfolio Class A, Class B, and First Southwest shares, respectively and 0.87%, and 0.60% for the U.S. Government Portfolio Class A and Class B shares, respectively, multiplied by the average account value over the period (September 1, 2004 through February 28, 2005), multiplied by 181/365 (to reflect the most recent fiscal half-year).

</FN>

</TABLE>

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

SHORT TERM INCOME FUND, INC.
MONEY MARKET PORTFOLIO
STATEMENT OF NET ASSETS
FEBRUARY 28, 2005
(UNAUDITED)

<TABLE> <CAPTION>				
Face Amount		Maturity Date	Yield	Value (Note 1)
Asset Back Commercial Paper (20.33%)				
<s>	<c>	<c>	<c>	<c>
\$ 40,000,000	Clipper Receivables Corporation	03/01/05	2.60%	\$ 40,000,000
25,000,000	Greyhawk Funding	03/28/05	2.59	24,951,438

35,000,000	Lockhart Funding LLC	04/04/05	2.61	34,914,386
20,000,000	Market Street Funding	03/10/05	2.54	19,987,350
50,000,000	Sigma Finance Corporation	04/21/05	2.66	49,811,583
40,000,000	Triple-A One Funding Corporation			
	Insured by MBIA Insurance Corp.	03/21/05	2.53	39,943,778
-----				-----
210,000,000	Total Asset Back Commercial Paper			209,608,535
-----				-----
Floating Rate Securities (6.31%)				
-----				-----
\$ 30,000,000	Bank of America (a)	12/15/05	2.57%	\$ 30,000,000
15,000,000	General Electric Capital Corporation Extendible			
	Monthly Securities (b)	03/17/06	2.69	15,000,000
20,000,000	Mt. Vernon Phenol Plant Partnership with J.P. Morgan Chase (c)			
	Guaranteed by General Electric Company	05/19/05	2.62	20,000,000
-----				-----
65,000,000	Total Floating Rate Securities			65,000,000
-----				-----
Foreign Commercial Paper (22.63%)				
-----				-----
\$ 40,000,000	ANZ National International Ltd	05/19/05	2.75%	\$ 39,758,611
15,000,000	Banco Bilbao Vizcaya Argentaria S.A.	04/19/05	2.62	14,946,917
30,000,000	Banco Bilbao Vizcaya Argentaria S.A.	04/19/05	2.65	29,892,200
35,000,000	Canadian Imperial Holdings Inc.	03/31/05	2.60	34,924,167
20,000,000	Depfa Bank PLC	03/02/05	2.36	19,998,694
30,000,000	Depfa Bank PLC	04/13/05	2.57	29,908,625
9,135,000	HBOS Treasury Services	05/16/05	2.75	9,082,352
15,000,000	HBOS Treasury Services	05/23/05	2.81	14,903,512
20,000,000	Societe Generale North America	04/01/05	2.54	19,956,514
20,000,000	Svenska Handelsbanken	04/25/05	2.66	19,919,181
-----				-----
234,135,000	Total Foreign Commercial Paper			233,290,773
-----				-----
Letter of Credit Commercial Paper (15.88%)				
-----				-----
\$ 23,000,000	Banco Continental De Panama S.A.			
	LOC Calyon	06/03/05	2.66%	\$ 22,842,654
25,000,000	Banco Bradesco S.A.			
	LOC Calyon	06/10/05	2.71	24,812,729
22,465,000	Banco Rio De La Plata S.A.			
	LOC Banco Santander	06/17/05	2.32	22,311,339

</TABLE>

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

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<TABLE>				
<CAPTION>				
Face		Maturity	Yield	Value
Amount		Date		(Note 1)
-----		----	-----	-----
Letter of Credit Commercial Paper (Continued)				
<s>	<c>	<c>	<c>	<c>
\$ 41,000,000	Dean Health System, Inc.			
	LOC Marshall & Ilsley	03/10/05	2.56%	\$ 40,973,863
15,000,000	Louis Dreyfus Corporation			
	LOC Barclays Bank	03/17/05	2.53	14,983,067
37,800,000	Vermont EDA - Series A			
	LOC First Union National Bank	04/05/05	2.53	37,800,000
-----				-----
164,265,000	Total Letter of Credit Commercial Paper			163,723,652
-----				-----
Loan Participation (2.91%)				
-----				-----
\$ 30,000,000	Equitable Life Assurance Society with J.P. Morgan Chase (c)	03/21/05	2.62%	\$ 30,000,000
-----				-----
30,000,000	Total Loan Participation			30,000,000
-----				-----
Other Notes (3.74%)				
-----				-----
\$ 10,320,000	Bergen County, NJ Improvement Authority City Project Notes			
	(Overpeck Project) - Series 2004	09/22/05	2.35%	\$ 10,311,370
3,280,000	Glendale, WI Taxable BAN - Series 2004B	09/21/05	2.50	3,280,000
25,000,000	Winston-Salem, NC COPS	04/01/05	2.66	25,000,000

38,600,000	Total Other Notes				38,591,370
Repurchase Agreement (6.60%)					
\$ 68,000,000	Bank of America, purchased 02/28/05, repurchase proceeds at maturity \$68,004,930 (Collateralized by \$72,354,885, GNMA, 0.000% to 5.500%, due 04/16/33 to 02/20/35, value \$69,360,001)	03/01/05	2.61%	\$	68,000,000
68,000,000	Total Repurchase Agreement				68,000,000
U.S. Government Agency Medium Term Note (0.68%)					
\$ 7,000,000	Federal Home Loan Bank	06/08/05	2.02%	\$	7,000,000
7,000,000	Total U.S. Government Agency Medium Term Note				7,000,000
Variable Rate Demand Instruments (d) (18.84%)					
\$ 2,740,000	Ali Industries, Inc. Project				
	LOC National City Bank of Michigan/Illinois	07/01/10	2.68%	\$	2,740,000
5,500,000	Allegheny County, PA (Union Electric Steel Corporation)				
	LOC PNC Bank, N.A.	11/01/27	2.65		5,500,000
2,250,000	Alta Mira LLC				
	LOC Marshall & Ilsley	11/01/34	2.75		2,250,000
1,830,000	ARS Development Project				
	LOC National City Bank of Michigan/Illinois	09/01/21	2.73		1,830,000
1,250,000	B & V Land Company, LLC				
	LOC First Michigan Bank	09/01/27	2.75		1,250,000

</TABLE>

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SHORT TERM INCOME FUND, INC.
MONEY MARKET PORTFOLIO
STATEMENT OF NET ASSETS (CONTINUED)
FEBRUARY 28, 2005
(UNAUDITED)

<TABLE>
<CAPTION>

Face Amount		Maturity Date	Yield	Value (Note 1)
Variable Rate Demand Instruments (d) (Continued)				
\$ 1,520,000	Bank of Kentucky Building			
	LOC Firststar Bank	12/01/19	2.75%	\$ 1,520,000
3,100,000	Bollman Capital, LLC - Series 1996A			
	LOC First of America Bank	12/15/26	2.68	3,100,000
1,000,000	Bookstore Notes			
	LOC Marshall & Ilsley	10/01/44	2.70	1,000,000
620,000	Burgess & Niple Limited			
	LOC National City Bank of Michigan/Illinois	09/01/14	2.68	620,000
1,020,000	Burton I. Saltzman (Dave's Supermarket, Inc. Project)			
	LOC US Bank, N.A.	09/01/08	2.73	1,020,000
621,000	Capital One Funding Corporation Floating Rate Option Notes - Series 1997D			
	LOC Bank One	07/02/18	2.65	621,000
1,190,000	Community Limited Care			
	LOC Fifth Third Bank	12/01/12	2.77	1,190,000
920,000	Crownover Lumber Company			
	LOC Fifth Third Bank	09/01/08	2.85	920,000
610,000	Crownover Lumber Company			
	LOC Fifth Third Bank	09/01/08	2.85	610,000
300,000	Derby Fabricating LLC			
	LOC Fifth Third Bank	06/01/24	2.70	300,000
3,350,000	Dickenson Press, Inc. - Series 1997			
	LOC First Michigan Bank	01/01/27	2.75	3,350,000
900,000	Dormont Manufacturing Company, Inc.			
	LOC PNC Bank, N.A.	03/01/08	2.63	900,000
8,305,000	DP Fox Capital, LLC			
	LOC Michigan National Bank	09/01/29	2.70	8,305,000
2,825,000	Frank J. Catanzaro Sons and Daughters			
	LOC Firststar Bank	01/01/15	2.70	2,825,000
1,450,000	Gesmundo & Associates, Inc.			

1,195,000	LOC National City Bank of Michigan/Illinois Graves Lumber, Inc. Project Guaranteed by Federal Home Loan Bank	08/15/27	2.64	1,450,000
1,272,000	HCS & DJS Leasing LOC Fifth Third Bank	11/01/10	2.73	1,195,000
3,845,000	Hunter's Square, Inc. Project - Series 1998 LOC National City Bank of Michigan/Illinois	06/01/34	2.70	1,272,000
1,200,000	ILH LLC - Series 2004 LOC Fifth Third Bank	10/01/16	2.68	3,845,000
		07/01/34	2.70	1,200,000

</TABLE>

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<TABLE>
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Face Amount -----		Maturity Date ----	Yield -----	Value (Note 1) -----
Variable Rate Demand Instruments (d) (Continued)				
<s>	<c>	<c>	<c>	<c>
\$ 360,000	Jake Sweeney Automotive, Inc. LOC Firststar Bank	04/01/10	2.70%	\$ 360,000
1,335,000	KBL Capital Fund, Inc. LOC Old Kent Bank & Trust Co.	07/01/15	2.65	1,335,000
1,175,000	Labelle Capital Funding - Series A LOC National City Bank of Michigan/Illinois	09/01/26	2.70	1,175,000
1,150,000	LAM Funding, LLC LOC National City Bank of Michigan/Illinois	12/15/27	2.64	1,150,000
8,700,000	Lexington Financial Health Care RB - Series 2001 LOC LaSalle National Bank	02/01/26	2.72	8,700,000
1,000,000	Lincoln Parkway LLC LOC Fifth Third Bank	06/01/44	2.70	1,000,000
1,810,000	LKWP Investments, LLC LOC First Michigan Bank	03/01/27	2.75	1,810,000
800,000	Machining Center LOC Comerica Bank	10/01/27	2.75	800,000
800,000	Madison, WI Community Development Authority EDA (Block 90 Project) LOC US Bank, N.A.	10/01/08	2.75	800,000
3,575,000	Maryland Health & Higher Educational Facilities Authority (Glen Meadows Retirement Community) LOC First Union National Bank	07/01/29	2.60	3,575,000
400,000	Maximum Principle Amount Limited Partnership (Riverview Medical Office Building) LOC National City Bank of Michigan/Illinois	11/01/17	2.68	400,000
1,265,000	Miami Valley Realty Associates LOC Key Bank, N.A.	06/01/12	2.77	1,265,000
3,100,000	Mobile Airport LOC Regions Bank	10/01/24	2.61	3,100,000
14,290,000	Mobile, Al Springhill Medical Clinic Board RB (Springhill Medical Complex) LOC Amsouth Bank, N.A.	06/01/20	2.69	14,290,000
935,000	Mount Carmel East Professional Office Building - Series 1994 LOC National City Bank of Michigan/Illinois	01/01/14	2.68	935,000
1,245,000	Mount Carmel Partnership Project LOC National City Bank of Michigan/Illinois	08/01/14	2.68	1,245,000
3,335,000	Mount Ontario Holdings LLC (e) LOC Firststar Bank	04/01/21	2.65	3,335,000

</TABLE>

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SHORT TERM INCOME FUND, INC.
MONEY MARKET PORTFOLIO
STATEMENT OF NET ASSETS (CONTINUED)
FEBRUARY 28, 2005
(UNAUDITED)

<TABLE>
<CAPTION>

Face Amount		Maturity Date	Yield	Value (Note 1)
Variable Rate Demand Instruments (d) (Continued)				
<s>	<c>	<c>	<c>	<c>
\$ 5,000,000	New Jersey EDA Thermal Energy Facilities RB (Marina Energy) LOC First Union National Bank	09/01/21	2.57%	\$ 5,000,000
4,600,000	New York State HFA (Kew Gardens Hills) - Series 2003B Collateralized by Federal National Mortgage Association	05/15/36	2.55	4,600,000
8,000,000	Newport, KY Industrial Building RB (Aquarium Holdings Project) LOC Fifth Third Bank	12/01/08	2.70	8,000,000
3,215,000	Ohio State Water Development Authority RB (Independence Excavating, Inc.) LOC National City Bank of Michigan/Illinois	12/01/09	2.68	3,215,000
3,400,000	Ordeal Properties LLC LOC Key Bank, N.A.	10/01/12	2.70	3,400,000
1,800,000	Pennsylvania EDFA Taxable Development RB (West 914 Incorporation Project) - Series 1991A LOC PNC Bank, N.A.	05/01/21	2.65	1,800,000
10,900,000	PRD Financial LLC LOC National City Bank of Michigan/Illinois	04/01/27	2.64	10,900,000
4,000,000	Prevea Clinic, Inc., LOC Wells Fargo Bank, N.A.	12/01/34	2.60	4,000,000
5,000,000	Rochester, NY Institute of Technology - Series 2004	11/01/21	2.75	5,000,000
1,925,000	Sacramento County Housing Authority (Hidden Oaks Apartments) - Series 1999 Guaranteed by Federal National Mortgage Association	05/15/29	2.60	1,925,000
10,000,000	Sea Island Company & Sea Island Coastal Properties LLC - Series 2003B LOC Columbus Bank & Trust Company	04/01/23	2.72	10,000,000
625,000	SGS Tool Company - Series 1996 LOC Huntington National Bank	06/01/06	2.73	625,000
3,020,000	Shelburne Realty & Troy Realty LOC National City Bank of Michigan/Illinois	04/01/17	2.68	3,020,000
1,600,000	Soaring Eagle Partners LP LOC PNC Bank, N.A.	10/01/12	2.72	1,600,000
13,580,000	Southwestern Group, Limited Project LOC Firststar Bank	07/01/21	2.70	13,580,000
3,105,000	St. Ann's Medical Office Building Limited Partnership LOC National City Bank of Michigan/Illinois	11/01/19	2.68	3,105,000
6,661,000	Stonegate Partners I, LLC (Stonegate Partners Project) - Series 2002 LOC US Bank, N.A.	06/01/34	2.68	6,661,000

</TABLE>

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<TABLE>
<CAPTION>

Face Amount		Maturity Date	Yield	Value (Note 1)
Variable Rate Demand Instruments (d) (Continued)				
<s>	<c>	<c>	<c>	<c>
\$ 4,755,000	Tom Richards, Inc. (Team Land, LLC/Team Industries) Guaranteed by Federal Home Loan Bank	12/01/16	2.68%	\$ 4,755,000
3,000,000	Tri-Park Villas Notes LOC Marshall & Ilsley	10/01/44	2.70	3,000,000

1,400,000	UAI Technologies, Inc. - Series 1998				
	LOC First Union National Bank	05/01/18	2.72		1,400,000
1,020,000	Valley City Linen Co.				
	LOC First Michigan Bank	02/01/27	2.75		1,020,000
3,525,000	Washington State HFC MHRB				
	(The Vintage at Richland Project) - Series 2004B				
	Guaranteed by Federal National Mortgage Association	01/15/38	2.59		3,525,000
-----					-----
194,219,000	Total Variable Rate Demand Instruments				194,219,000
-----					-----
Yankee Certificates of Deposit (2.42%)					
-----					-----
\$ 25,000,000	Dexia CLF	04/26/05	2.71%	\$ 25,000,000	
-----				-----	
25,000,000	Total Yankee Certificates of Deposit				25,000,000
-----					-----
	Total Investments (100.34%) (cost \$1,034,433,330+)				1,034,433,330
	Liabilities in excess of cash and other assets (-0.34%)				(3,518,971)

	Net Assets (100.00%)				\$1,030,914,359
					=====
	Net Asset Value, offering and redemption price per share:				
	Class A shares 393,329,138 shares outstanding (Note 3)			\$ 1.00	
				=====	
	Class B shares 487,622,672 shares outstanding (Note 3)			\$ 1.00	
				=====	
	First Southwest shares 149,963,664 shares outstanding (Note 3)			\$ 1.00	
				=====	

<FN>
+ Aggregate cost for federal income tax purposes is identical.

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</TABLE>

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

SHORT TERM INCOME FUND, INC.
MONEY MARKET PORTFOLIO
STATEMENT OF NET ASSETS (CONTINUED)
FEBRUARY 28, 2005
(UNAUDITED)
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FOOTNOTES:

- (a) The interest rate changes daily based upon Prime minus 2.935%.
- (b) The interest rate changes monthly based upon one month LIBOR plus 0.10%.
- (c) The interest rate is adjusted monthly based upon one month LIBOR plus 0.02%.
- (d) Unless otherwise noted securities payable on demand at par including accrued interest (with seven days notice). Interest is adjusted weekly.
- (e) Securities payable on demand at par including accrued interest (with one-day notice). Interest is adjusted daily.

<TABLE>
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KEY:

<S>	<C>	<C>	<C>	<C>	<C>
BAN	=	Bond Anticipation Note	HFA	=	Housing Finance Authority
COPS	=	Certificates of Participation	HFC	=	Housing Finance Commission
EDA	=	Economic Development Authority	LOC	=	Letter of Credit
EDFA	=	Economic Development Finance Authority	MHRB	=	Multi - Family Housing Revenue Bond
GNMA	=	Government National Mortgage Association	RB	=	Revenue Bond

</TABLE>

<TABLE>
<CAPTION>

 BREAKDOWN OF PORTFOLIO HOLDINGS BY MATURITY

<S>	<C>	Value	<C>
Securities Maturing in			% of Portfolio
Less than 31 Days	\$	558,057,189	53.95%
31 through 60 Days		322,073,572	31.14
61 through 90 Days		63,744,476	6.16
91 through 120 Days		76,966,723	7.44
121 through 180 Days		--	0.00
Over 180 Days		13,591,370	1.31

Total	\$	1,034,433,330	100.00%

</TABLE>

 SHORT TERM INCOME FUND, INC.
 U.S. GOVERNMENT PORTFOLIO
 STATEMENT OF NET ASSETS
 FEBRUARY 28, 2005
 (UNAUDITED)
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<TABLE>
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Face Amount		Maturity Date	Yield	Value (Note 1)
-----		----	-----	-----
Repurchase Agreements (58.74%)				
<s>	<c>	<c>	<c>	<c>
\$ 125,000,000	Annaly Mortgage Management, Inc., purchased 02/28/05, repurchase proceeds at maturity \$125,009,167 (Collateralized by \$232,674,867, GNMA, 3.000% to 6.000%, due 01/20/26 to 10/20/33, value \$127,500,001)	03/01/05	2.64%	\$ 125,000,000
30,000,000	Bank of America, purchased 02/28/05, repurchase proceeds at maturity \$30,002,175 (Collateralized by \$32,210,527, GNMA, 0.000%, due 07/20/34, value \$30,600,001)	03/01/05	2.61	30,000,000
95,000,000	Bear, Stearns & Co., purchased 02/28/05, repurchase proceeds at maturity \$95,006,914 (Collateralized by \$184,733,410, GNMA, 3.375% to 8.500%, due 01/15/17 to 02/15/35, value \$96,903,213)	03/01/05	2.62	95,000,000
25,000,000	J.P. Morgan Securities, Inc., purchased 02/28/05, repurchase proceeds at maturity \$25,001,819 (Collateralized by \$30,680,000, GNMA, 3.500% to 4.000%, due 08/20/33 to 05/20/34, value \$25,501,313)	03/01/05	2.62	25,000,000
25,000,000	UBS Paine Webber, purchased 02/28/05, repurchase proceeds at maturity \$25,001,799 (Collateralized by \$57,453,636, GNMA, 4.500% to 11.500%, due 09/20/15 to 11/15/34, value \$25,501,303)	03/01/05	2.59	25,000,000
-----				-----
300,000,000	Total Repurchase Agreements			300,000,000

U.S. Government Obligations (40.41%)				
\$ 75,000,000	U.S. Treasury Bill	03/03/05	2.16%	\$ 74,991,000
50,000,000	U.S. Treasury Bill	04/14/05	2.20	49,866,778
20,000,000	U.S. Treasury Bill	05/05/05	2.29	19,918,298
30,000,000	U.S. Treasury Bill	06/02/05	2.53	29,806,250
14,000,000	U.S. Treasury Note, 1.625%	02/28/06	3.02	13,808,102
18,000,000	U.S. Treasury Note, 1.625%	03/31/05	1.29	18,004,957
-----				-----
207,000,000	Total U.S. Government Obligations			206,395,385

Total Investments (99.15%) (cost \$506,395,385+)				506,395,385
Cash and Other Assets, Net of Liabilities (0.85%)				4,327,251

Net Assets (100.00%)				\$ 510,722,636
				=====
Net Asset Value, offering and redemption price per share:				

Class A Shares, 258,256,666 shares outstanding (Note 3)

\$ 1.00

Class B Shares, 252,465,970 shares outstanding (Note 3)

\$ 1.00

<FN>

+ Aggregate cost for federal income tax purposes is identical.

</FN>

</TABLE>

<TABLE>

<CAPTION>

KEY:

<S> <C> <C>

GNMA = Government National Mortgage Association

</TABLE>

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

SHORT TERM INCOME FUND, INC.
U.S. GOVERNMENT PORTFOLIO
BREAKDOWN OF PORTFOLIO HOLDINGS BY MATURITY
FEBRUARY 28, 2005
(UNAUDITED)

<TABLE>

<CAPTION>

Securities Maturing in	Value	% of Portfolio
<S>	<C>	<C>
Less than 31 Days	\$ 374,991,000	74.05%
31 through 60 Days	67,871,735	13.40
61 through 90 Days	19,918,298	3.93
91 through 120 Days	29,806,250	5.89
121 through 180 Days	--	0.00
Over 180 Days	13,808,102	2.73
Total	\$ 506,395,385	100.00%

</TABLE>

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

SHORT TERM INCOME FUND, INC.
STATEMENTS OF OPERATIONS
SIX MONTHS ENDED FEBRUARY 28, 2005
(UNAUDITED)

<TABLE>

<CAPTION>

	Money Market Portfolio	U.S. Government Portfolio
INVESTMENT INCOME		
<S>	<C>	<C>
Income:		
Interest.....	\$ 11,083,601	\$ 5,175,600
Expenses: (Note 2)		
Investment management fee.....	1,573,277	688,614

Administration fee.....	1,114,873	552,402
Distribution fee (First Southwest shares).....	171,478	-0-
Shareholder servicing fee (Class A).....	478,616	320,129
Shareholder servicing fee (First Southwest shares).....	171,478	-0-
Custodian expenses.....	27,236	12,757
Shareholder servicing and related shareholder expenses+.....	381,388	189,225
Legal, compliance and filing fees.....	316,077	85,351
Audit and accounting.....	90,027	47,009
Directors' fees.....	18,464	9,714
Miscellaneous.....	31,319	10,320
	-----	-----
Total expenses.....	4,374,233	1,915,521
Less: Fees waived (First Southwest shares).....	(41,155)	-0-
Expenses paid indirectly.....	(662)	(2,463)
	-----	-----
Net expenses.....	4,332,416	1,913,058
	-----	-----
Net investment income.....	6,751,185	3,262,542
REALIZED GAIN (LOSS) ON INVESTMENTS		
Net realized gain (loss) on investments.....	(1,115)	75
	-----	-----
Increase in net assets from operations.....	\$ 6,750,070	\$ 3,262,617
	=====	=====

<FN>

+ Includes class specific transfer agency expenses of \$159,530 and \$135,427 for the Money Market Portfolio Class A and Class B shares, respectively and \$98,219 and \$74,248 for the U.S. Government Portfolio Class A and Class B shares, respectively.

</FN>

</TABLE>

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

SHORT TERM INCOME FUND, INC.
STATEMENTS OF CHANGES IN NET ASSETS

<TABLE>
<CAPTION>

	Money Market Portfolio		U.S. Government Portfolio	
	Six Months Ended February 28, 2005 (Unaudited)	Year Ended August 31, 2004	Six Months Ended February 28, 2005 (Unaudited)	Year Ended August 31, 2004
<S>	<C>	<C>	<C>	<C>
INCREASE (DECREASE) IN NET ASSETS				
Operations:				
Net investment income.....	\$ 6,751,185	\$ 5,430,370	\$ 3,262,542	\$ 2,265,150
Net realized gain on investments.....	(1,115)	7,026	75	67
	-----	-----	-----	-----
Increase in net assets from operations.	6,750,070	5,437,396	3,262,617	2,265,217
Dividends to shareholders from net investment income:				
Class A.....	(2,214,549)	(1,199,269)	(1,414,060)	(645,262)
Class B.....	(3,818,515)	(3,975,573)	(1,848,482)	(1,619,888)
First Southwest shares.....	(718,121)	(255,528)	-0-	-0-
Distributions to shareholders from realized gain on investments:				
Class A.....	-0-	(2,070)	(36)	(30)
Class B.....	-0-	(4,281)	(39)	(37)
First Southwest shares.....	-0-	(675)	-0-	-0-
Capital share transactions (Note 3):				
Class A.....	22,679,009	(19,067,760)	7,622,717	13,703,051
Class B.....	(127,168,788)	(244,152,247)	(38,046,117)	(40,617,535)
First Southwest shares.....	7,579,802	11,955,042	-0-	-0-
	-----	-----	-----	-----

Total (decrease) increase.....	(96,911,092)	(251,264,965)	(30,423,400)	(26,914,484)
Net assets:				
Beginning of period.....	1,127,825,451	1,379,090,416	541,146,036	568,060,520
End of period.....	\$ 1,030,914,359	\$ 1,127,825,451	\$ 510,722,636	\$ 541,146,036
Undistributed net investment income.....	\$ -0-	\$ -0-	\$ -0-	\$ -0-

</TABLE>

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

SHORT TERM INCOME FUND, INC.
NOTES TO FINANCIAL STATEMENTS
(UNAUDITED)

=====

1. Summary of Accounting Policies

Short Term Income Fund, Inc. is a no-load, diversified, open-end management investment company registered under the Investment Company Act of 1940. The Fund is presently comprised of two portfolios, Money Market Portfolio and U.S. Government Portfolio. The Money Market Portfolio has three classes of stock authorized, Class A, Class B and First Southwest Prime Income Fund (the "First Southwest shares"). The U.S. Government Portfolio has two classes of stock authorized, Class A and Class B. The Class A shares of each Portfolio, and the First Southwest shares of the Money Market Portfolio are subject to a service fee pursuant to each Portfolio's Distribution and Service Plan. The First Southwest shares are subject to an additional fee pursuant to a Distribution Agreement. The Class B shares are not subject to a service fee. Additionally, the Portfolio may allocate among its classes certain expenses, to the extent allowable to specific classes, including transfer agent fees, government registration fees, certain printing and postage costs, and administrative and legal expenses. Class specific expenses of the Fund were limited to shareholder servicing fees and transfer agent expenses. Income, expenses (other than expenses attributable to a specific class), and realized and unrealized gains and losses on investments are allocated to each class of shares based on its relative net assets. In all other respects, the share classes of each portfolio represent the same interest in the income and assets of their respective portfolios. Distribution of First Southwest shares commenced on August 5, 2002. The Fund's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America for investment companies as follows:

- a) Valuation of Securities -
Investments are valued at amortized cost. Under this valuation method, a portfolio instrument is valued at cost and any discount or premium is amortized on a constant basis to the maturity of the instrument. The maturity of variable rate demand instruments is deemed to be the longer of the period required before the Fund is entitled to receive payment of the principal amount or the period remaining until the next interest rate adjustment.
- b) Repurchase Agreements -
In connection with transactions in repurchase agreements, it is the Fund's policy that its custodian take possession of the underlying collateral securities, the fair value of which exceeds the principal amount of the repurchase transaction, including accrued interest, at all times. If the seller defaults, and the fair market value of the collateral declines, realization of the collateral by the Fund may be delayed or limited.
- c) Federal Income Taxes -
It is the policy of each Portfolio to comply with the requirements of the Internal Revenue Code applicable to regulated investment companies and to distribute all of its tax exempt and taxable income to its shareholders. Therefore, no provision for federal income tax is required.
- d) Dividends and Distributions -
Dividends from investment income (including realized capital gains and losses), determined on a class level, are declared daily and paid monthly.

e) Use of Estimates -

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates.

SHORT TERM INCOME FUND, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
(UNAUDITED)

=====

1. Summary of Accounting Policies (Continued)

f) General -

Securities transactions are recorded on a trade date basis. Interest income including accretion of discount and amortization of premium is accrued as earned. Realized gains and losses from securities transactions are recorded on the identified cost basis.

2. Investment Management Fees and Other Transactions with Affiliates

Under the Management Contract, the Money Market Portfolio pays a management fee to Reich & Tang Asset Management, LLC (the "Manager") at the annual rate of .30% of the Portfolio's average daily net assets not in excess of \$750 million, plus .29% of such assets in excess of \$750 million but not in excess of \$1 billion, plus .28% of such assets in excess of \$1 billion but not in excess of \$1.5 billion, plus .27% of such assets in excess of \$1.5 billion. The U.S. Government Portfolio pays a management fee to the Manager equal to .275% of the Portfolio's average daily net assets not in excess of \$250 million, plus .25% of such assets in excess of \$250 million.

The Manager has agreed to reimburse the Fund for its net operating expenses (exclusive of taxes, brokerage, interest and extraordinary expenses) to the extent that such expenses, including the management fee, for any fiscal year exceed 1% of the average daily net assets of each Portfolio for such fiscal year. No such reimbursement was required for the period ended February 28, 2005.

Pursuant to an Administrative Services Agreement, each Portfolio pays to the Manager an annual fee of .21% of each Portfolio's average daily net assets not in excess of \$1.25 billion, plus .20% of such assets in excess of \$1.25 billion but not in excess of \$1.5 billion, plus .19% of such assets in excess of \$1.5 billion.

Pursuant to a Distribution and Service Plan adopted under Securities and Exchange Commission Rule 12b-1, the Fund and Reich & Tang Distributors, Inc. (the "Distributor"), an affiliate of the Manager, have entered into a Distribution Agreement and a Shareholder Servicing Agreement, only with respect to the Class A shares of each Portfolio and the First Southwest shares of the Money Market Portfolio. For its services under the Shareholder Servicing Agreement, the Distributor receives from each Portfolio a service fee equal to .25% per annum of each Portfolio's average daily net assets with respect only to the Class A shares and the First Southwest shares of the Money Market Portfolio. In addition, the Distributor receives .25% per annum in Distribution fees of the First Southwest shares' average daily net assets.

For the period ended February 28, 2005, the following fees were voluntarily waived by the Distributor:

<TABLE>
<CAPTION>

	Money Market Portfolio

<S>	<C>
Distribution fees - First Southwest shares	\$ 41,155

</TABLE>

The Distributor has no right to recoup prior fee waivers.

Fees are paid to Directors who are unaffiliated with the Manager on the basis of

\$8,000 per annum plus \$1,250 per meeting attended. In addition, the Audit Committee Chairman receives an aggregate payment of \$1,000 per quarter allocated among the funds of the Reich & Tang Complex on whose Audit Committee he serves. Effective January 1, 2005, Directors who are unaffiliated with the Manager will receive from the Fund a fee of \$1,450 for each Board of Directors meeting attended, and each member of the Audit Committee will receive an aggregate payment of \$750 per Audit Committee meeting attended allocated among the funds of the Reich & Tang Complex.

2. Investment Management Fees and Other Transactions with Affiliates (Continued)

Included in the Statements of Operations under the caption "Shareholder servicing and related shareholder expenses" are fees of \$223,013 and \$132,582 for the Money Market Portfolio and the U.S. Government Portfolio, respectively, paid to Reich & Tang Services, Inc., an affiliate of the Manager, as shareholder servicing agent for the Fund.

For the period ended February 28, 2005, the breakdown of expenses paid indirectly by the Fund were as follows:

<TABLE>
<CAPTION>

	Money Market Portfolio	U.S. Government Portfolio
	-----	-----
<S>	<C>	<C>
Custodian expenses	\$ 121	\$ 2,121
Shareholder servicing and related shareholder expenses	541	342
	-----	-----
Total	\$ 662	\$ 2,463
	=====	=====

</TABLE>

3. Capital Stock

At February 28, 2005, 10,000,000,000 shares of \$.001 par value stock were authorized. Transactions in capital stock, all at \$1.00 per share, were as follows:

<TABLE>
<CAPTION>

	Money Market Portfolio		U.S. Government Portfolio	
	-----		-----	
	Six Months Ended February 28, 2005 (Unaudited)	Year Ended August 31, 2004	Six Months Ended February 28, 2005 (Unaudited)	Year Ended August 31, 2004
	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
Class A shares				
	-----	-----	-----	-----
Sold.....	980,441,847	2,328,520,418	460,531,305	962,368,959
Issued on reinvestment of dividends...	1,953,319	1,045,824	1,119,216	462,674
Redeemed.....	(959,716,157)	(2,348,634,002)	(454,027,804)	(949,128,582)
	-----	-----	-----	-----
Net (decrease) increase.....	22,679,009	(19,067,760)	7,622,717	13,703,051
	=====	=====	=====	=====
Class B shares				
	-----	-----	-----	-----
Sold.....	725,327,087	1,429,873,658	566,627,691	1,360,820,813
Issued on reinvestment of dividends...	3,731,214	3,934,774	1,791,209	1,577,147
Redeemed.....	(856,227,089)	(1,677,960,679)	(606,465,017)	(1,403,015,495)
	-----	-----	-----	-----
Net (decrease) increase.....	(127,168,788)	(244,152,247)	(38,046,117)	(40,617,535)
	=====	=====	=====	=====
First Southwest shares				
	-----	-----	-----	-----
Sold.....	83,105,165	146,074,128		
Issued on reinvestment of dividends...	725,643	248,103		

Redeemed.....	(76,251,006)	(134,367,189)
Net increase.....	7,579,802	11,955,042

</TABLE>

SHORT TERM INCOME FUND, INC.
NOTES TO FINANCIAL STATEMENTS
(UNAUDITED)

3. Capital Stock (continued)

As of February 28, 2005, the breakdown of net assets by share class were as follows:

	Money Market Portfolio	U.S. Government Portfolio
<S>	<C>	<C>
Class A.....	\$ 393,328,712	\$ 258,256,666
Class B.....	487,622,145	252,465,970
First Southwest.....	149,963,502	--
Total.....	\$ 1,030,914,359	\$ 510,722,636

</TABLE>

4. Liabilities

At February 28, 2005, the Fund had the following liabilities:

	Money Market Portfolio	U.S. Government Portfolio
<S>	<C>	<C>
Fees payable to Affiliates*.....	\$ 348,087	\$ 209,284
Due to Custodian.....	3,676,080	-0-
Dividends payable.....	457,900	267,201
Accrued other payables.....	-0-	38,347
Total liabilities.....	\$ 4,482,067	\$ 514,832

<FN>

* Includes fees payable to Reich & Tang Asset Management, LLC, Reich & Tang Distributors, Inc. and Reich & Tang Services, Inc.

</FN>

</TABLE>

5. Tax Information

The tax character of all dividends and distributions paid during the years ended August 31, 2004 and 2003 were as follows:

	Money Market Portfolio		U.S. Government Portfolio	
	2004	2003	2004	2003
<S>	<C>	<C>	<C>	<C>
Ordinary income.....	\$ 5,436,524	\$10,626,111	\$2,265,217	\$ 4,589,686
Long-term capital gains.....	872	-0-	-0-	-0-

</TABLE>

At August 31, 2004, the Fund had no distributable earnings.

6. Financial Highlights

<TABLE>

<CAPTION>

Class A shares	Six Months Ended		Money Market Portfolio			
	February 28, 2005		Year Ended August 31,			
	(Unaudited)	2004	2003	2002	2001	2000
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Per Share Operating Performance:						
(for a share outstanding throughout the period)						
Net asset value, beginning of period.....	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
Income from investment operations:						
Net investment income.....	0.006	0.003	0.006	0.014	0.045	0.050
Net realized and unrealized gain (loss) on investments.....	0.000	0.000	--	0.000	0.000	0.000
Total from investment operations.....	0.006	0.003	0.006	0.014	0.045	0.050
Less distributions from:						
Dividends from net investment income.....	(0.006)	(0.003)	(0.006)	(0.014)	(0.045)	(0.050)
Net realized gains on investments.....	(--)	(0.000)	(--)	(0.000)	(0.000)	(0.000)
Total distributions.....	(0.006)	(0.003)	(0.006)	(0.014)	(0.045)	(0.050)
)						
Net asset value, end of period.....	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
Total Return.....	0.57% (a)	0.33%	0.63%	1.44%	4.59%	5.16%
Ratios/Supplemental Data						
Net assets, end of period (000's).....	\$ 393,328	\$ 370,650	\$ 389,718	\$322,381	\$675,289	\$940,199
Ratios to average net assets:						
Expenses (net of fees waived) (b).....	0.95% (c)	0.87%	0.87%	0.97%	1.01%	0.99%
Net investment income.....	1.16% (c)	0.32%	0.61%	1.56%	4.55%	5.02%
Management and administration fees waived	0.00% (c)	0.00%	0.00%	0.00%	0.00%	0.01%
Expenses paid indirectly.....	0.00% (c)	0.00%	0.00%	0.00%	0.00%	0.00%

(a) Not annualized

(b) Includes expenses paid indirectly

(c) Annualized

</TABLE>

SHORT TERM INCOME FUND, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
(UNAUDITED)

6. Financial Highlights (Continued)

<TABLE>

<CAPTION>

Class B shares	Six Months Ended		Money Market Portfolio			
	February 28, 2005		Year Ended August 31,			
	(Unaudited)	2004	2003	2002	2001	2000
<S>	<C>	<C>	<C>	<C>	<C>	<C>

Per Share Operating Performance: (for a share outstanding throughout the period)						
Net asset value, beginning of period....	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
Income from investment operations:						
Net investment income.....	0.007	0.006	0.009	0.018	0.049	0.054
Net realized and unrealized gain (loss) on investments.....	0.000	0.000	--	0.000	0.000	0.000
Total from investment operations.....	0.007	0.006	0.009	0.018	0.049	0.054
Less distributions from:						
Dividends from net investment income	(0.007)	(0.006)	(0.009)	(0.018)	(0.049)	(0.054)
Net realized gains on investments.....	(--)	(0.000)	(--)	(0.000)	(0.000)	(0.000)
Total distributions.....	(0.007)	(0.006)	(0.009)	(0.018)	(0.049)	(0.054)
Net asset value, end of period.....	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
Total Return.....	0.71%(a)	0.58%	0.92%	1.80%	5.01%	5.58%
Ratios/Supplemental Data						
Net assets, end of period (000's).....	\$ 487,622	\$ 614,791	\$ 858,944	\$838,064	\$811,173	\$ 351,335
Ratios to average net assets:						
Expenses (net of fees waived) (b).....	0.66%(c)	0.62%	0.58%	0.61%	0.61%	0.60%
Net investment income.....	1.41%(c)	0.57%	0.92%	1.78%	4.71%	5.58%
Management and administration fees waived	0.00%(c)	0.00%	0.00%	0.00%	0.00%	0.01%
Expenses paid indirectly.....	0.00%(c)	0.00%	0.00%	0.00%	0.00%	0.00%

- (a) Not annualized
(b) Includes expenses paid indirectly
(c) Annualized

</TABLE>

6. Financial Highlights (Continued)

<TABLE>
<CAPTION>

	Money Market Portfolio			
	Six Months Ended February 28, 2005 (Unaudited)	Year Ended August 31, 2004 2003		August 5, 2002 (Commencement of Offering) to August 31, 2002
First Southwest Shares				
<S>	<C>	<C>	<C>	<C>
Per Share Operating Performance: (for a share outstanding throughout the period)				
Net asset value, beginning of period.....	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
Income from investment operations:				
Net investment income.....	0.005	0.002	0.005	0.001
Net realized and unrealized gain (loss) on investments.....	0.000	0.000	--	0.000
Total from investment operations.....	0.005	0.002	0.005	0.001
Less distributions from:				
Dividends from net investment income	(0.005)	(0.002)	(0.005)	(0.001)
Net realized gains on investments.....	--	(0.000)	(--)	(0.000)
Total distributions.....	(0.005)	(0.002)	(0.005)	(0.001)
Net asset value, end of period.....	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
Total Return.....	0.52%(a)	0.19%	0.50%	0.07%(a)
Ratios/Supplemental Data				
Net assets, end of period (000's).....	\$149,964	\$ 142,384	\$130,429	\$127,082
Ratios to average net assets:				
Expenses (net of fees waived) (b).....	1.05%(c)	1.01%	0.99%	0.99%(c)

Net investment income.....	1.05% (c)	0.19%	0.51%	0.93% (c)
Distribution fees waived.....	0.06% (c)	0.06%	0.06%	0.06% (c)
Expenses paid indirectly.....	0.00% (c)	0.00%	0.00%	0.00% (c)

</TABLE>

- (a) Not annualized
- (b) Includes expenses paid indirectly
- (c) Annualized

 SHORT TERM INCOME FUND, INC.
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 (UNAUDITED)

=====

6. Financial Highlights (Continued)

<TABLE>
 <CAPTION>

Class A shares	Six Months Ended February 28, 2005	U.S. Government Portfolio Year Ended August 31,				
		(Unaudited)	2004	2003	2002	2001
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Per Share Operating Performance: (for a share outstanding throughout the period)						
Net asset value, beginning of period.....	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
Income from investment operations:						
Net investment income.....	0.005	0.003	0.006	0.014	0.044	0.048
Net realized and unrealized gain (loss) on investments.....	0.000	0.000	0.000	--	0.000	--
Total from investment operations.....	0.005	0.003	0.006	0.014	0.044	0.048
Less distributions from:						
Dividends from net investment income.....	(0.005)	(0.003)	(0.006)	(0.014)	(0.044)	(0.048)
Net realized gains on investments.....	(0.000)	(0.000)	(0.000)	(--)	(0.000)	(--)
Total distributions.....	(0.005)	(0.003)	(0.006)	(0.014)	(0.044)	(0.048)
Net asset value, end of period.....	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
Total Return.....	0.55% (a)	0.28%	0.64%	1.39%	4.54%	4.95%
Ratios/Supplemental Data						
Net assets, end of period (000's).....	\$ 258,257	\$ 250,634	\$ 236,931	\$241,906	\$484,681	\$ 491,022
Ratios to average net assets:						
Expenses (net of fees waived) (b).....	0.87% (c)	0.84%	0.79%	0.89%	0.93%	0.94%
Net investment income.....	1.10% (c)	0.28%	0.64%	1.46%	4.42%	4.77%
Expenses paid indirectly.....	0.00% (c)	0.00%	0.00%	0.00%	0.00%	0.00%

</TABLE>

- (a) Not annualized
- (b) Includes expenses paid indirectly
- (c) Annualized

 =====

6. Financial Highlights (Continued)

<TABLE>
<CAPTION>

Class B shares -----	Six Months Ended	U.S. Government Portfolio				
	February 28, 2005	Year Ended August 31,				
	(Unaudited)	2004	2003	2002	2001	2000
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Per Share Operating Performance:						
(for a share outstanding throughout the period)						
Net asset value, beginning of period.....	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
Income from investment operations:						
Net investment income.....	0.007	0.005	0.008	0.017	0.048	0.052
Net realized and unrealized gain (loss) on investments.....	0.000	0.000	0.000	--	0.000	--
Total from investment operations.....	0.007	0.005	0.008	0.017	0.048	0.052
Less distributions from:						
Dividends from net investment income.....	(0.007)	(0.005)	(0.008)	(0.017)	(0.048)	(0.052)
Net realized gains on investments.....	(0.000)	(0.000)	(0.000)	(--)	(0.000)	(--)
Total distributions.....	(0.007)	(0.005)	(0.008)	(0.017)	(0.048)	(0.052)
)						
Net asset value, end of period.....	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
Total Return.....	0.69% (a)	0.53%	0.84%	1.69%	4.91%	5.32%
Ratios/Supplemental Data						
Net assets, end of period (000's).....	\$ 252,466	\$ 290,512	\$ 331,130	\$400,833	\$216,573	\$ 135,862
Ratios to average net assets:						
Expenses (net of fees waived) (b).....	0.60% (c)	0.60%	0.59%	0.58%	0.58%	0.58%
Net investment income.....	1.37% (c)	0.52%	0.84%	1.61%	4.77%	5.23%
Expenses paid indirectly.....	0.00% (c)	0.00%	0.00%	0.00%	0.00%	0.00%

</TABLE>

- (a) Not annualized
- (b) Includes expenses paid indirectly
- (c) Annualized

SHORT TERM
INCOME
FUND, INC.

Semi-Annual Report
February 28, 2005
(Unaudited)

This report is submitted for the general information of the shareholders of the Fund. It is not authorized for distribution to prospective investors in the Fund unless preceded or accompanied by an effective prospectus, which includes information regarding the Fund's objectives and policies, experience of its management, marketability of shares, and other information.

Short Term Income Fund, Inc.
600 Fifth Avenue
New York, New York 10020

Manager
Reich & Tang Asset Management, LLC
600 Fifth Avenue
New York, New York 10020

Custodian
The Bank of New York
101 Barclay Street, 13th Floor
New York, New York 10286

Transfer Agent &
Dividend Disbursing Agent
Reich & Tang Services, Inc.
600 Fifth Avenue
New York, New York 10020

STIF2/05S

ITEM 2: CODE OF ETHICS

Not Applicable.

ITEM 3: AUDIT COMMITTEE FINANCIAL EXPERT

Not Applicable

ITEM 4: PRINCIPAL ACCOUNTANT FEES AND SERVICES

Not Applicable

ITEM 5: AUDIT COMMITTEE OF LISTED REGISTRANTS

Not applicable.

ITEM 6: SCHEDULE OF INVESTMENTS

Schedule of Investments in securities of unaffiliated issuers is included under Item 1.

ITEM 7: DISCLOSURE OF PROXY VOTING POLICIES AND PROCEDURES FOR CLOSED-END MANAGEMENT INVESTMENT COMPANIES

Not applicable.

ITEM 8: PURCHASES OF EQUITY SECURITIES BY CLOSED-END MANAGEMENT INVESTMENT COMPANY AND AFFILIATED PURCHASERS

Not applicable.

ITEM 9: SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

There were no material changes to the procedures by which shareholders may recommend nominees to the registrant's board of directors that were implemented after the registrant last provided disclosure in response to the requirements of Item 7(d)(2)(ii)(G) of Schedule 14A, or this Item 9.

ITEM 10: CONTROLS AND PROCEDURES

- (a) The registrant's Principal Executive Officer and Principal Financial Officer have evaluated the design and operation of the registrant's disclosure controls and procedures within 90 days of this filing and have concluded that the registrant's disclosure controls and procedures were effective in ensuring that information required to be disclosed by the registrant in this Form N-CSR was recorded, processed, summarized and reported on a timely basis.
- (b) There were no changes in the registrant's internal controls over financial reporting that occurred during the registrant's second fiscal quarter of the period covered by this report that have materially affected, or are reasonably likely to affect, the registrant's internal controls over financial reporting.

ITEM 11: EXHIBITS

- (a)(1) Not applicable (disclosure required in annual report on N-CSR only).
- (a)(2) Certifications of Principal Executive Officer and Principal Financial Officer, under Rule 30a-2 of the Investment Company Act of 1940.
- (a)(3) Not applicable.
- (b) Certifications of Principal Executive Officer and Principal Financial Officer, under Section 906 of the Sarbanes-Oxley Act of 2002 and 18 U.S.C. ss.1350.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

(Registrant) Short Term Income Fund, Inc.

By (Signature and Title)* /s/ Rosanne Holtzer

Rosanne Holtzer, Secretary

Date: May 2, 2005

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By (Signature and Title)* /s/ Steven W. Duff

Steven W. Duff, President

Date: May 2, 2005

By (Signature and Title)* /s/ Anthony Pace

Anthony Pace, Treasurer

Date: May 2, 2005

* Print the name and title of each signing officer under his or her signature.

CERTIFICATIONS

I, Steven W. Duff, certify that:

1. I have reviewed this report on Form N-CSR of Short Term Income Fund, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations, changes in net assets, and cash flows (if the financial statements are required to include a statement of cash flows) of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940) and internal control over financial reporting (as defined in Rule 30a-3(d) under the Investment Company Act of 1940) for the registrant and have:
 - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of a date within 90 days prior to the filing date of this report based on such evaluation; and
 - (d) disclosed in this report any change in the registrant's

internal control over financial reporting that occurred during the second fiscal quarter of the period covered by this report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
- (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 2, 2005

/s/ Steven W. Duff

Steven W. Duff
President

EX-99.CERT 11(a)(2)(B)

CERTIFICATIONS

I, Anthony Pace, certify that:

1. I have reviewed this report on Form N-CSR of Short Term Income Fund, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations, changes in net assets, and cash flows (if the financial statements are required to include a statement of cash flows) of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as

defined in Rule 30a-3(c) under the Investment Company Act of 1940) and internal control over financial reporting (as defined in Rule 30a-3(d) under the Investment Company Act of 1940) for the registrant and have:

- (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
- (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
- (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of a date within 90 days prior to the filing date of this report based on such evaluation; and
- (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the second fiscal quarter of the period covered by this report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

- (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and
- (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 2, 2005

/s/ Anthony Pace

Anthony Pace
Treasurer

This certification is provided pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and 18 U.S.C. ss.1350, and accompanies the report on Form N-CSR for the period ended February 28, 2005 of Short Term Income Fund, Inc. (the "Company").

Each of the undersigned officers of the Company hereby certify that, to the best of such officer's knowledge:

(i) the Form N-CSR fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a) or 78o(d)); and

(ii) the information contained in the Form N-CSR fairly presents, in all material respects, the financial condition and results of operation of the Company.

Date: May 2, 2005

/s/ Steven W. Duff

Steven W. Duff
President

Date: May 2, 2005

/s/ Anthony Pace

Anthony Pace
Treasurer