

SECURITIES AND EXCHANGE COMMISSION

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

DEAN WITTER CALIFORNIA TAX FREE INCOME FUND

CIK: **745992** | State of Incorporation: **MA** | Fiscal Year End: **1231**
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DEAN WITTER CALIFORNIA TAX-FREE INCOME FUND Two World Trade Center, New York,
 LETTER TO THE SHAREHOLDERS June 30, 1996 New York 10048

DEAR SHAREHOLDER:

During the first half of 1996, the fixed income market outlook shifted from bullishness associated with a weak economy and low inflation to bearishness caused by stronger economic growth and the potential threat of renewed inflation. This change in market psychology began in earnest after a surprisingly larger increase in payroll employment was reported in early March. Other measures of economic activity and rising commodity prices added to the concern. In addition, the market began to speculate that the Federal Reserve Board would reverse its series of interest rate reductions with a move toward higher interest rates. The bond market reacted to these expectations by pushing long-term yields sharply higher.

MUNICIPAL MARKET CONDITIONS

Municipal bond yields as measured by 30-year insured revenue bonds began the year at 5.50 percent. Interest rates subsequently began to rise in mid-February on signs of stronger economic growth and reached a high of 6.15 percent in April and again in mid-June before finishing the first half of 1996 at 5.90 percent. Yields on one-year municipal notes increased from 3.60 percent to 3.90 percent over the first six months of the year. In June, the yield curve pickup for extending maturities from 1 to 30 years was 200 basis points.

Tax-exempt bonds outperformed U.S. Treasury securities during the first half of 1996 as the risk faded that flat tax proposals would cause a radical change in the tax code. The ratio of insured revenue bond yields to 30-year U.S. Treasury yields, which began the year at 92 percent, declined to 85 percent by the end of June. A declining ratio means that municipal bond prices were relatively stronger than U.S. Treasury prices.

The municipal market also benefited from steady demand. In addition to regular maturities and calls for redemption this year, it has been estimated that investors also face the retirement of \$66 billion of previously refunded debt. On the supply side, new issues increased

DEAN WITTER CALIFORNIA TAX-FREE INCOME FUND
 LETTER TO THE SHAREHOLDERS June 30, 1996, continued

30 percent to \$90 billion during the first six months of 1996. However, as interest rates rose, underwritings were frequently postponed and the pace of activity slowed.

California retained its number one position as the state with the greatest new issue volume. Underwritings totaled \$13 billion and continued to represent 14 percent of total volume in the first six months. Yields on California issues became more attractive as they more closely matched the yields available in the general municipal market.

PERFORMANCE

Dean Witter California Tax-Free Income Fund's total return for the first half of 1996 was -1.51 percent. The Fund's net asset value declined from \$12.92 to \$12.35 per share. Tax-free dividends of \$0.29 per share and taxable long-term capital gains distributions of \$0.09 per share were paid during the period. Since its inception on July 11, 1984, the Fund has provided shareholders with an average annual total return of 8.50 percent. The trailing 30-day SEC and distribution yields on June 30, 1996 were 4.40 percent and 4.73 percent, respectively.

PORTFOLIO STRUCTURE

The Fund's net assets of \$987 million were diversified among 12 long-term sectors and 84 credits. In response to the changing interest rate environment, the Fund increased its cash and short-term investment position from 3 percent to 7 percent of net assets during the first half of the year. Portfolio sales shifted to more market sensitive issues. Discount and current-coupon sales exceeded sales of defensive, higher coupon bonds with shorter calls. The average maturity and call protection of the long-term portfolio were 19 years and

California Tax-Free

FIVE LARGEST SECTORS AS OF JUNE 30, 1996
(% OF NET ASSETS)

TRANSPORTATION	14%
WATER & SEWER	14%
REFUNDED	12%
HOSPITAL	10%
ELECTRIC	9%
OTHER	41%

PORTFOLIO STRUCTURE IS SUBJECT TO CHANGE.

CREDIT RATINGS AS OF JUNE 30, 1996
(% OF TOTAL LONG-TERM PORTFOLIO)

Aaa OR AA	51%
Aa OR AA	17%
A OR A	21%
Baa OR BBB	8%
NOT RATED	3%

AS MEASURED BY STANDARD & POOR'S CORP. OR MOODY'S INVESTORS SERVICE, INC.

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DEAN WITTER CALIFORNIA TAX-FREE INCOME FUND
LETTER TO THE SHAREHOLDERS June 30, 1996, continued

7 years, respectively. The portfolio has consistently maintained its high quality characteristic with 68 percent of its long-term holdings rated double "A" or better.

LOOKING AHEAD

Future tax reduction proposals may renew investor concern. However, the balance between the supply of new issues and demand created by maturities should remain positive for the municipal market. Long-term insured municipal securities currently yield 85 percent to the yield on U.S. Treasury securities and may be expected to move in tandem with the Treasury market.

We appreciate your ongoing support of Dean Witter California Tax-Free Income Fund and look forward to continuing to serve your investment needs.

Very truly yours,

/s/ CHARLES A. FIUMEFREDDO

CHARLES A. FIUMEFREDDO
Chairman of the Board

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DEAN WITTER CALIFORNIA TAX-FREE INCOME FUND
PORTFOLIO OF INVESTMENTS June 30, 1996 (unaudited)

<TABLE> <CAPTION> PRINCIPAL AMOUNT IN THOUSANDS		COUPON RATE	MATURITY DATE	VALUE
<C>	<S>	<C>	<C>	<C>
	CALIFORNIA TAX-EXEMPT MUNICIPAL BONDS (92.0%) General Obligation (3.4%) California,			
\$ 5,000	Ser 1990.....	7.00 %	08/01/07	\$ 5,719,250
5,000	Ser 1990.....	7.00	08/01/08	5,732,100
2,000	Ser AT.....	9.50	02/01/10	2,680,020
10,000	Various Purpose dtd 04/01/93 (FSA).....	5.50	04/01/19	9,441,800
4,000	Santa Margarita/Dana Point Authority, Impr Dists #3, 3A, 4 & 4A 1994 Ser B Refg (MBIA).....	5.75	08/01/20	3,943,320
6,000	Santa Margarita Water District, Impr Dists #3 & 4 Refg Ser 1986.....	7.50	11/01/05	6,226,080
----- 32,000				----- 33,742,570
	Educational Facilities Revenue (5.0%) California Educational Facilities Authority,			
1,750	Loyola Marymount University Ser 1992 B.....	6.55	10/01/12	1,801,432
2,300	Loyola Marymount University Ser 1992 B.....	6.60	10/01/22	2,400,740
3,000	Stanford University Ser I.....	6.75	01/01/13	3,201,000

3,500	University of Southern California Ser 1989 A.....	7.20	10/01/15	3,682,420
8,000	California Public Works Board, California State University 1992 Ser A... California Statewide Communities Development Authority,	6.70	10/01/17	8,439,440
3,400	Gemological Institute of America COPs (Connie Lee).....	6.00	05/01/20	3,417,238
4,100	Gemological Institute of America COPs (Connie Lee).....	6.00	05/01/25	4,120,787
15,000	University of California, Multiple Purpose Refg Ser 1993 C (AMBAC).....	5.125	09/01/18	13,485,600
10,000	Whittier, Whittier College Refg Ser 1993 (Connie Lee).....	5.40	12/01/18	9,104,800
-----				-----
51,050				49,653,457
-----				-----
	Electric Revenue (9.2%)			
15,000	Los Angeles Department of Water & Power, Second Issue of 1993.....	5.40	11/15/13	14,331,600
5,000	Northern California Power Agency, Hydro #1 1993 Refg Ser A (MBIA)..... Sacramento Municipal Utility District,	5.50	07/01/16	4,800,900
5,700	Refg 1994 Ser H (MBIA).....	5.75	01/01/11	5,737,278
26,000	Refg 1992 Ser A (FGIC).....	6.30	08/15/18	26,593,840
	Southern California Public Power Authority,			
5,000	Mead-Adelanto 1994 Ser A (AMBAC).....	5.15	07/01/15	4,580,350
7,000	Transmission Refg Ser 1988 (FGIC).....	0.00	07/01/06	4,104,310
10,000	Transmission 1986 Refg Ser B.....	5.50	07/01/23	9,272,600
	Puerto Rico Electric Power Authority,			
9,000	Power Ser O.....	5.00	07/01/12	8,005,680
9,000	Power Ser X.....	6.125	07/01/21	9,104,040
4,000	Power Ser X.....	5.50	07/01/25	3,752,680
-----				-----
95,700				90,283,278
-----				-----
</TABLE>				

SEE NOTES TO FINANCIAL STATEMENTS

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DEAN WITTER CALIFORNIA TAX-FREE INCOME FUND
PORTFOLIO OF INVESTMENTS June 30, 1996 (unaudited) continued

<TABLE>				
<CAPTION>				
PRINCIPAL AMOUNT IN THOUSANDS				
		COUPON RATE	MATURITY DATE	VALUE
<C>	<S>	<C>	<C>	<C>
	Hospital Revenue (10.0%)			
\$ 7,100	Antelope Valley Hospital District, Ser 1989 COPs..... Bakersfield,	7.35 %	01/01/20	\$ 7,422,624
1,750	Bakersfield Memorial Hospital Ser 1992 A.....	6.375	01/01/12	1,803,025
2,000	Bakersfield Memorial Hospital Ser 1992 A.....	6.50	01/01/22	2,045,200
7,600	Berkeley, Alta Bates Medical Center Refg Ser A..... California Health Facilities Financing Authority,	6.50	12/01/11	7,562,912
5,000	Children's Hospital - San Diego Refg Ser 1996 (MBIA).....	5.375	07/01/16	4,710,850
4,350	Downey Community Hospital Ser 1993.....	5.625	05/15/08	4,274,005
5,000	Kaiser Permanente 1983 Ser.....	5.45	10/01/13	4,665,700
1,215	Merritt Peralta Medical Center 1985 Ser A.....	9.00	05/01/15	1,225,534
3,500	Sutter/CHS Ser 1996 A (MBIA) (WI).....	5.875	08/15/16	3,469,130
4,000	California Statewide Communities Development Authority, Sutter Health COPs (MBIA).....	5.50	08/15/22	3,808,280
20,000	Desert Hospital District, Desert Hospital Corp Ser 1992 COPs (FSA)..... Duarte,	6.392	07/28/20	20,479,200
3,000	City of Hope National Medical Center Ser 1993 COPs.....	5.50	04/01/01	2,942,040
4,000	City of Hope National Medical Center Ser 1993 COPs.....	6.25	04/01/23	3,873,440
6,000	Eden Township Hospital District, Ser 1989..... Madera County,	7.40	11/01/19	6,022,680
7,500	Valley Children's Hospital Ser 1995 COPs (MBIA).....	6.50	03/15/15	8,156,850
2,000	Valley Children's Hospital Ser 1995 COPs (MBIA).....	6.125	03/15/23	2,025,640
2,950	Rancho Mirage Joint Powers Financing Authority, Eisenhower Memorial Hospital COPs.....	7.00	03/01/22	3,148,122
2,000	Stockton, Dameron Hospital Assn Refg Ser 1988.....	8.25	12/01/00	2,112,980
9,000	University of California, UCLA Medical Center Refg Ser 1994 (MBIA).....	5.50	12/01/14	8,608,140
-----				-----
97,965				98,356,352
-----				-----
	Industrial Development/Pollution Control Revenue (5.9%)			
	California Pollution Control Financing Authority,			
5,000	Atlantic Richfield Co Ser 1996 A.....	5.00	04/01/08	4,781,850
6,000	Pacific Gas & Electric Co 1987 Ser B (AMT).....	8.875	01/01/10	6,402,480
3,000	San Diego Gas & Electric Co 1996 Ser A (WI).....	5.90	06/01/14	3,015,030
5,000	Southern California Edison Co 1988 Ser A (AMT).....	6.90	09/01/06	5,378,350
10,000	Southern California Edison Co 1987 Ser D.....	6.85	12/01/08	10,493,500
10,000	Southern California Edison Co 1992 Ser B (AMT).....	6.40	12/01/24	10,123,900
5,000	Waste Management Inc 1991 Ser A (AMT).....	7.15	02/01/11	5,310,200
1,400	Intermodal Container Transfer Facility Joint Powers Authority, Southern Pacific Transportation Co 1989 Ser A..... San Diego,	7.70	11/01/14	1,485,386

6,000	San Diego Gas & Electric Co 1986 Ser B (AMT).....	7.375	12/01/21	6,160,800
5,000	San Diego Gas & Electric Co 1987 Ser A (AMT).....	8.75	03/01/23	5,303,950
-----				-----
56,400				58,455,446
-----				-----

SEE NOTES TO FINANCIAL STATEMENTS

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DEAN WITTER CALIFORNIA TAX-FREE INCOME FUND
PORTFOLIO OF INVESTMENTS June 30, 1996 (unaudited) continued

<TABLE>				
<CAPTION>				
PRINCIPAL				
AMOUNT IN		COUPON	MATURITY	VALUE
THOUSANDS		RATE	DATE	
<C>	<S>	<C>	<C>	<C>
	Mortgage Revenue - Single Family (4.5%)			
	California Housing Finance Agency,			
\$ 9,000	Home 1995 Ser J (AMBAC).....	6.00 %	08/01/17	\$ 8,946,180
5,830	Home 1989 Ser A.....	7.75	08/01/17	6,156,538
7,000	Home 1995 Ser M (AMT) (MBIA).....	6.15	08/01/27	6,857,060
9,215	Home 1995 Ser K (AMT) (AMBAC).....	6.25	08/01/27	9,151,785
4,275	Home 1991 Ser G (AMT).....	7.05	08/01/27	4,435,996
7,000	Purchase 1995 Ser B-2 (AMT).....	6.30	08/01/24	6,926,710
	Puerto Rico Housing Finance Corporation,			
1,220	Portfolio One GNMA-Backed Ser B.....	7.65	10/15/22	1,277,303
705	Portfolio One GNMA-Backed Ser C.....	6.85	10/15/23	731,029
-----				-----
44,245				44,482,601
-----				-----
	Public Facilities Revenue (4.7%)			
10,000	Beverly Hills Public Financing Authority, 1993 Refg Ser A (MBIA).....	5.65	06/01/15	9,574,100
1,875	Campbell Redevelopment Agency, 1991 COPs.....	6.75	10/01/17	1,973,419
3,000	El Dorado County Public Agency Financing Authority, 1996 (FGIC).....	5.50	02/15/21	2,859,900
5,560	Grossmont Union High School District, Land Acquisition Convert Cap			
	Apprec COPs (FSA).....	0.00+	09/01/25	5,680,430
5,500	Los Angeles County-West Covina Civic Center Authority, 1987 Refg COPs...	6.875	09/01/14	5,689,475
6,500	Nevada County, Western Nevada County Solid Waste Mgmt 1991 COPs.....	7.50	06/01/21	6,562,140
10,000	San Jose Financing Authority, Convention Center Refg 1993 Ser C.....	6.375	09/01/13	10,139,400
2,500	Stanislaus County Capital Improvements Financing Authority, Ser A 1996			
	COPs (MBIA).....	5.25	05/01/14	2,324,575
1,200	Puerto Rico Infrastructure Financing Authority, Special Tax Ser 1988			
	A.....	7.90	07/01/07	1,300,668
-----				-----
46,135				46,104,107
-----				-----
	Tax Allocation (6.6%)			
5,000	Fountain Valley Agency for Community Development, 1985 Industrial			
	Area.....	9.10	01/01/15	5,179,100
	Garden Grove Community Development Agency,			
5,000	Refg Issue of 1993.....	5.70	10/01/13	4,671,550
7,000	Refg Issue of 1993.....	5.875	10/01/23	6,485,710
	Industry Urban-Development Agency,			
10,000	Civic Rec-Ind Redev Proj #1 Sub Refg Ser 1987 A.....	7.30	05/01/06	10,329,400
2,165	Civic Rec-Ind Redev Proj #1 Sub Refg Ser 1987 B.....	7.375	05/01/15	2,234,735
25,500	Long Beach Financing Authority, Ser 1992 (AMBAC).....	6.00	11/01/17	26,371,335
9,775	Pleasanton Joint Powers Financing Authority, Reassessment 1993 Ser A....	6.15	09/02/12	9,773,925
-----				-----
64,440				65,045,755
-----				-----

SEE NOTES TO FINANCIAL STATEMENTS

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DEAN WITTER CALIFORNIA TAX-FREE INCOME FUND
PORTFOLIO OF INVESTMENTS June 30, 1996 (unaudited) continued

<TABLE>				
<CAPTION>				
PRINCIPAL				
AMOUNT IN		COUPON	MATURITY	VALUE
THOUSANDS		RATE	DATE	
<C>	<S>	<C>	<C>	<C>
	Transportation Facilities Revenue (14.4%)			
\$ 5,000	Contra Costa Transportation Authority, Sales Tax 1993 Ser A (FGIC).....	6.00 %	03/01/09	\$ 5,244,200
15,000	Foothills/Eastern Transportation Corridor, Toll Road Sr Lien Ser 1995 A.	6.00	01/01/34	14,252,400

11,000	Long Beach, Harbor Ser 1989 A (AMT).....	7.375	05/15/09	11,726,550
10,000	Harbor Ser 1989 A (AMT).....	7.25	05/15/19	10,602,800
20,000	Harbor Ser 1995 (AMT) (MBIA).....	5.25	05/15/25	18,053,000
10,000	Los Angeles, Department of Airports Refg 1985 Ser A (FGIC).....	5.50	05/15/09	9,881,300
	Los Angeles County Transportation Commission, Sales Tax Ser 1991 B.....	6.50	07/01/13	20,820,000
5,000	Sales Tax Ser 1986 A.....	6.25	07/01/16	5,000,450
20,000	San Diego County Regional Transportation Commission, Sales Tax 1994 Ser A (FGIC).....	4.75	04/01/08	18,597,200
5,000	San Francisco Airports Commission, San Francisco Int'l Airport Second Ser Refg Issue 4 (MBIA).....	6.00	05/01/20	5,009,700
	San Francisco Bay Area Rapid Transit District, Sales Tax Ser 1990 (AMBAC).....	6.75	07/01/09	5,349,150
5,000	Sales Tax Ser 1995 (FGIC).....	5.50	07/01/15	4,811,900
4,000	Sales Tax Ser 1995 (FGIC).....	5.50	07/01/20	3,815,640
10,000	Puerto Rico Highway & Transportation Authority, Refg Ser X.....	5.25	07/01/21	9,011,100
-----				-----
145,000				142,175,390
-----				-----

Water & Sewer Revenue (14.3%)

	California Department of Water Resources, Central Valley Ser F.....	6.00	12/01/11	4,012,000
4,000	Central Valley Ser J-2.....	6.125	12/01/13	9,617,420
9,500	Castaic Lake Water Agency, Refg Ser 1994 A COPs (MBIA).....	6.00	08/01/18	8,041,520
8,000	Central Coast Water Authority, Ser 1992 (AMBAC).....	6.50	10/01/14	10,493,200
10,000	Contra Costa Water District, Ser G (MBIA).....	5.50	10/01/19	9,545,000
	East Bay Municipal Utility District, Water Refg Ser 1992.....	6.00	06/01/20	11,026,840
11,000	Water Refg Ser 1996 (FGIC).....	5.00	06/01/26	5,099,708
5,800	Eastern Municipal Water District, Water & Sewer Ser 1991 COPs.....	6.00	07/01/23	3,978,800
4,000	Fresno, Sewer 1995 Ser A (MBIA).....	5.00	09/01/23	4,418,550
5,000	Los Angeles, Wastewater Ser 1990.....	7.10	06/01/18	6,155,653
5,745	Los Angeles County Sanitation Districts Financing Authority, 1993 Ser A..	5.375	10/01/13	14,277,750
15,000	Metropolitan Water District of Southern California, Water Refg 1996 Ser B (MBIA).....	5.00	07/01/14	4,944,170
5,500	Water Refg 1996 Ser B (MBIA).....	5.00	07/01/15	5,020,840
5,500	San Diego, Sewer 1993 Ser A.....	5.25	05/15/20	13,493,250
15,000	San Diego County Water Authority, Water Ser 1991 B COPs (MBIA).....	6.30	04/08/21	8,125,840
8,000	San Diego Public Facilities Financing Authority, Sewer Ser 1995 (FGIC).....	5.00	05/15/20	8,901,200
10,000	San Francisco Public Utilities Commission, Water 1992 Refg Ser A.....	6.00	11/01/15	5,770,470
5,750	San Jose-Santa Clara Clean Water Financing Authority, Sewer Ser 1995 A (FGIC).....	5.375	11/15/20	3,749,640
4,000	Santa Rosa, Wastewater Refg 1996 Ser A (FGIC).....	5.00	09/01/22	4,817,229
5,440				-----
-----				141,489,080
147,235				-----

</TABLE>

SEE NOTES TO FINANCIAL STATEMENTS

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DEAN WITTER CALIFORNIA TAX-FREE INCOME FUND
PORTFOLIO OF INVESTMENTS June 30, 1996 (unaudited) continued

<TABLE>				
<CAPTION>				
PRINCIPAL				
AMOUNT IN		COUPON	MATURITY	VALUE
THOUSANDS		RATE	DATE	
<C>	<S>	<C>	<C>	<C>
	Other Revenue (1.9%)			
\$ 5,400	Los Angeles County, 1991 Master Refg COPs.....	6.708%	05/01/15	\$ 5,437,476
9,500	Los Angeles County, Public Properties Refg of 1987 COPs.....	0.00	04/01/04	5,562,250
5,000	Orange County Community Facilities District #86-2, Rancho Santa Margarita Ser A of 1990.....	7.65	08/15/17	5,114,250
2,750	Sacramento Area Flood Control Agency, Capital Assessment Dist #2 Ser 1995 (FGIC).....	5.375	10/01/20	2,578,208
-----				-----
22,650				18,692,184
-----				-----
	Refunded (12.1%)			
5,000	California Health Facilities Financing Authority, St Joseph Health Ser 1991 A.....	6.75	07/01/01++	5,536,650
	Los Angeles, Harbor Department Issue of 1985.....	8.70	09/01/99++	6,152,040
6,000	Wastewater Ser 1990-B.....	7.15	06/01/00++	11,065,400
10,000	Los Angeles Convention & Exhibition Center Authority, Ser 1985 COPs.....	9.00	12/01/05++	13,020,500
14,000	Ser 1985 COPs.....	9.00	12/01/05++	18,228,700
5,000	Los Angeles Department of Water & Power, Water Works Issue of 1991			

	(Crossover 04/01/01).....	7.00	04/01/31	5,519,750
10,000	Los Angeles County Transportation Commission, Sales Tax Ser 1987 A.....	6.75	07/01/02++	11,185,600
10,000	Northern California Transmission Agency, California-Oregon 1990 Ser A (MBIA).....	7.00	05/01/00++	10,972,600
11,000	University of California, Multiple Purpose Refg Ser A.....	6.875	09/01/02++	12,402,060
10,000	Puerto Rico Aqueduct & Sewer Authority, Ser 1988 A.....	7.875	07/01/98++	10,917,200
13,000	Puerto Rico Highway Authority, Ser Q.....	7.75	07/01/00++	14,720,550
-----				-----
104,000				119,721,050
-----				-----
906,820	TOTAL CALIFORNIA TAX-EXEMPT MUNICIPAL BONDS (Identified Cost \$879,532,217).....			908,201,270
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</TABLE>

SEE NOTES TO FINANCIAL STATEMENTS

DEAN WITTER CALIFORNIA TAX-FREE INCOME FUND
PORTFOLIO OF INVESTMENTS June 30, 1996 (unaudited) continued

<TABLE>				
<CAPTION>				
PRINCIPAL AMOUNT IN THOUSANDS		COUPON RATE	MATURITY DATE	VALUE

<C>	<S>	<C>	<C>	<C>
	CALIFORNIA TAX-EXEMPT SHORT-TERM MUNICIPAL OBLIGATIONS (7.1%)			
	California Health Facilities Financing Authority,			
\$ 8,900	St Joseph Health 1991 Ser B (Demand 07/01/96).....	3.00*%	07/01/09	\$ 8,900,000
9,800	Sutter Health Ser 1990 B (Demand 07/01/96).....	2.90*	03/01/20	9,800,000
25,800	California Pollution Control Financing Authority, Southern California Edison Co 1986 Ser A (Demand 07/01/96).....	3.45*	02/28/08	25,800,000
15,000	California School Cash Reserve Program Authority, 1995 Ser Pool A.....	4.75	07/03/96	15,000,000
10,770	Newport Beach, Hoag Memorial Hospital Presbyterian Ser 1992 (Demand 07/01/96).....	3.55*	10/01/22	10,770,000
-----				-----
70,270	TOTAL CALIFORNIA TAX-EXEMPT SHORT-TERM MUNICIPAL OBLIGATIONS (Identified Cost \$70,270,790).....			70,270,000
-----				-----
\$977,090	TOTAL INVESTMENTS (Identified Cost \$949,803,007) (a).....		99.1%	978,471,270
=====				=====
	CASH AND OTHER ASSETS IN EXCESS OF LIABILITIES.....		0.9	9,339,004
			----	-----
	NET ASSETS.....		100.0%	\$987,810,274
			=====	=====

</TABLE>

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- AMT Alternative Minimum Tax.
- COPs Certificates of Participation.
- WI Security purchased on a when issued basis.
- + Zero coupon; will convert to 7.375% on September 1, 1996.
- ++ Prerefunded to call date shown.
- * Current coupon of variable rate security.
- (a) The aggregate cost for federal income tax purposes approximates identified cost. The aggregate gross unrealized appreciation was \$40,334,576 and the aggregate gross unrealized depreciation was \$11,666,313, resulting in net unrealized appreciation of \$28,668,263.

Bond Insurance:

- AMBAC AMBAC Indemnity Corporation.
- Connie Lee Connie Lee Insurance Company.
- FGIC Financial Guaranty Insurance Company.
- FSA Financial Security Assurance Inc.
- MBIA Municipal Bond Investors Assurance Corporation.

SEE NOTES TO FINANCIAL STATEMENTS

DEAN WITTER CALIFORNIA TAX-FREE INCOME FUND
FINANCIAL STATEMENTS

<TABLE>	
<S>	
STATEMENT OF ASSETS AND LIABILITIES	
June 30, 1996 (unaudited)	
ASSETS:	
Investments in securities, at value (identified cost \$949,803,007).....	\$978,471,270

<C>

Cash.....	1,048,691
Receivable for:	
Interest.....	15,497,858
Shares of beneficial interest sold.....	793,557
Prepaid expenses.....	44,511

TOTAL ASSETS.....	995,855,887

LIABILITIES:	
Payable for:	
Investments purchased.....	6,447,897
Plan of distribution fee.....	604,062
Investment management fee.....	428,323
Dividends to shareholders.....	247,299
Shares of beneficial interest repurchased.....	208,376
Accrued expenses.....	109,656

TOTAL LIABILITIES.....	8,045,613

NET ASSETS:	
Paid-in-capital.....	956,080,832
Net unrealized appreciation.....	28,668,263
Accumulated undistributed net investment income.....	250,989
Accumulated undistributed net realized gain.....	2,810,190

NET ASSETS.....	\$987,810,274
	=====
NET ASSET VALUE PER SHARE	
80,001,330 shares outstanding	
(unlimited shares authorized of \$.01 par value).....	\$12.35
	=====

</TABLE>

SEE NOTES TO FINANCIAL STATEMENTS

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DEAN WITTER CALIFORNIA TAX-FREE INCOME FUND
FINANCIAL STATEMENTS, continued

<TABLE>	
<S>	<C>
STATEMENT OF OPERATIONS	
For the six months ended June 30, 1996 (unaudited)	
NET INVESTMENT INCOME:	
INTEREST INCOME.....	\$ 30,468,264

EXPENSES	
Plan of distribution fee.....	3,790,166
Investment management fee.....	2,679,693
Transfer agent fees and expenses.....	122,385
Custodian fees.....	31,041
Professional fees.....	26,041
Shareholder reports and notices.....	25,880
Trustees' fees and expenses.....	9,388
Registration fees.....	2,232
Other.....	10,262

TOTAL EXPENSES BEFORE EXPENSE OFFSET.....	6,697,088
LESS: EXPENSE OFFSET.....	(31,019)

TOTAL EXPENSES AFTER EXPENSE OFFSET.....	6,666,069

NET INVESTMENT INCOME.....	23,802,195

NET REALIZED AND UNREALIZED GAIN (LOSS):	
Net realized gain.....	2,810,144
Net change in unrealized appreciation.....	(41,734,455)

NET LOSS.....	(38,924,311)

NET DECREASE.....	\$ (15,122,116)
	=====

</TABLE>

SEE NOTES TO FINANCIAL STATEMENTS

12

DEAN WITTER CALIFORNIA TAX-FREE INCOME FUND
FINANCIAL STATEMENTS, continued

<TABLE>
<CAPTION>

STATEMENT OF CHANGES IN NET ASSETS
<S>

	<C> FOR THE SIX MONTHS ENDED JUNE 30, 1996	<C> FOR THE YEAR ENDED DECEMBER 31, 1995
	(unaudited)	
INCREASE (DECREASE) IN NET ASSETS:		
OPERATIONS:		
Net investment income.....	\$ 23,802,195	\$ 51,093,034
Net realized gain.....	2,810,144	15,612,579
Net change in unrealized appreciation.....	(41,734,455)	78,220,453
	-----	-----
NET INCREASE (DECREASE).....	(15,122,116)	144,926,066
	-----	-----
DIVIDENDS AND DISTRIBUTIONS FROM:		
Net investment income.....	(23,819,816)	(50,973,219)
Net realized gain.....	(7,417,428)	(6,253,247)
	-----	-----
TOTAL.....	(31,237,244)	(57,226,466)
	-----	-----
Net decrease from transactions in shares of beneficial interest.....	(20,711,259)	(40,657,242)
	-----	-----
TOTAL INCREASE (DECREASE).....	(67,070,619)	47,042,358
NET ASSETS:		
Beginning of period.....	1,054,880,893	1,007,838,535
	-----	-----
END OF PERIOD		
(Including undistributed net investment income of \$250,989 and \$268,610, respectively).....	\$ 987,810,274	\$1,054,880,893
	=====	=====

</TABLE>

SEE NOTES TO FINANCIAL STATEMENTS

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DEAN WITTER CALIFORNIA TAX-FREE INCOME FUND
NOTES TO FINANCIAL STATEMENTS June 30, 1996 (unaudited)

1. ORGANIZATION AND ACCOUNTING POLICIES

Dean Witter California Tax-Free Income Fund (the "Fund") is registered under the Investment Company Act of 1940, as amended (the "Act"), as a diversified, open-end management investment company. The Fund's investment objective is to provide a high level of current income which is exempt from federal and California income tax, consistent with the preservation of capital. The Fund was organized as a Massachusetts business trust on April 9, 1984 and commenced operations on July 11, 1984.

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and disclosures. Actual results could differ from those estimates. The following is a summary of significant accounting policies:

A. VALUATION OF INVESTMENTS -- Portfolio securities are valued for the Fund by an outside independent pricing service approved by the Trustees. The pricing service has informed the Fund that in valuing the Fund's portfolio securities, it uses both a computerized matrix of tax-exempt securities and evaluations by its staff, in each case based on information concerning market transactions and quotations from dealers which reflect the bid side of the market each day. The Fund's portfolio securities are thus valued by reference to a combination of transactions and quotations for the same or other securities believed to be comparable in quality, coupon, maturity, type of issue, call provisions, trading characteristics and other features deemed to be relevant. Short-term debt securities having a maturity date of more than sixty days at time of purchase are valued on a mark-to-market basis until sixty days prior to maturity and thereafter at amortized cost based on their value on the 61st day. Short-term debt securities having a maturity date of sixty days or less at the time of purchase are valued at amortized cost.

B. ACCOUNTING FOR INVESTMENTS -- Security transactions are accounted for on the trade date (date the order to buy or sell is executed). Realized gains and losses on security transactions are determined by the identified cost method. The Fund amortizes premiums and accretes discounts over the life of the respective securities. Interest income is accrued daily.

C. FEDERAL INCOME TAX STATUS -- It is the Fund's policy to comply with the requirements of the Internal Revenue Code applicable to regulated investment companies and to distribute all of its taxable and nontaxable income to its shareholders. Accordingly, no federal income tax provision is required.

D. DIVIDENDS AND DISTRIBUTIONS TO SHAREHOLDERS -- The Fund records dividends and distributions to its shareholders on the record date. The amount of dividends and distributions from net investment

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DEAN WITTER CALIFORNIA TAX-FREE INCOME FUND
NOTES TO FINANCIAL STATEMENTS June 30, 1996 (unaudited) continued

income and net realized capital gains are determined in accordance with federal income tax regulations which may differ from generally accepted accounting principles. These "book/tax" differences are either considered temporary or permanent in nature. To the extent these differences are permanent in nature, such amounts are reclassified within the capital accounts based on their federal tax-basis treatment; temporary differences do not require reclassification. Dividends and distributions which exceed net investment income and net realized capital gains for financial reporting purposes but not for tax purposes are reported as dividends in excess of net investment income or distributions in excess of net realized capital gains. To the extent they exceed net investment income and net realized capital gains for tax purposes, they are reported as distributions of paid-in-capital.

2. INVESTMENT MANAGEMENT AGREEMENT

Pursuant to an Investment Management Agreement with Dean Witter InterCapital Inc. (the "Investment Manager"), the Fund pays the Investment Manager a management fee, accrued daily and payable monthly, by applying the following annual rates to the Fund's net assets determined as of the close of each business day: 0.55% to the portion of daily net assets not exceeding \$500 million; 0.525% to the portion of daily net assets exceeding \$500 million but not exceeding \$750 million; 0.50% to the portion of daily net assets exceeding \$750 million but not exceeding \$1 billion; 0.475% to the portion of daily net assets exceeding \$1 billion. Effective May 1, 1996, the annual rate will be reduced to 0.45% to the portion of daily net assets in excess of \$1.25 billion.

Under the terms of the Agreement, in addition to managing the Fund's investments, the Investment Manager maintains certain of the Fund's books and records and furnishes, at its own expense, office space, facilities, equipment, clerical, bookkeeping and certain legal services and pays the salaries of all personnel, including officers of the Fund who are employees of the Investment Manager. The Investment Manager also bears the cost of telephone services, heat, light, power and other utilities provided to the Fund.

3. PLAN OF DISTRIBUTION

Shares of the Fund are distributed by Dean Witter Distributors Inc. (the "Distributor"), an affiliate of the Investment Manager. The Fund has adopted a Plan of Distribution (the "Plan") pursuant to Rule 12b-1 under the Act pursuant to which the Fund pays the Distributor compensation, accrued daily and payable monthly, at an annual rate of 0.75% of the lesser of: (a) the average daily aggregate gross sales of the Fund's shares since the Fund's inception (not including reinvestment of dividend or capital gain distributions) less the average daily aggregate net asset value of the Fund's shares redeemed since the Fund's inception upon which a contingent deferred sales charge has been imposed or upon which

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DEAN WITTER CALIFORNIA TAX-FREE INCOME FUND
NOTES TO FINANCIAL STATEMENTS June 30, 1996 (unaudited) continued

such charge has been waived; or (b) the Fund's average daily net assets. Amounts paid under the Plan are paid to the Distributor to compensate it for the services provided and the expenses borne by it and others in the distribution of the Fund's shares, including the payment of commissions for sales of the Fund's shares and incentive compensation to, and expenses of, account executives of Dean Witter Reynolds Inc., an affiliate of the Investment Manager and Distributor, and other employees and selected broker-dealers, who engage in or support distribution of the Fund's shares or who service shareholder accounts, including overhead and telephone expenses, printing and distribution of prospectuses and reports used in connection with the offering of the Fund's shares to other than current shareholders and preparation, printing and distribution of sales literature and advertising materials. In addition, the Distributor may be compensated under the Plan for its opportunity costs in advancing such amounts, which compensation would be in the form of a carrying charge on any unreimbursed expenses by the Distributor.

Provided that the Plan continues in effect, any cumulative expenses incurred but not yet recovered may be recovered through future distribution fees from the Fund and contingent deferred sales charges from the Fund's shareholders.

The Distributor has informed the Fund that for the six months ended June 30, 1996, it received approximately \$695,000 in contingent deferred sales charges from certain redemptions of the Fund's shares. The Fund's shareholders pay such

charges which are not an expense of the Fund.

4. SECURITY TRANSACTIONS AND TRANSACTIONS WITH AFFILIATES

The cost of purchases and proceeds from sales of portfolio securities, excluding short-term investments, for the six months ended June 30, 1996 aggregated \$58,103,435 and \$125,460,993, respectively.

Dean Witter Trust Company, an affiliate of the Investment Manager and Distributor, is the Fund's transfer agent. At June 30, 1996, the Fund had transfer agent fees and expenses payable of approximately \$24,000.

The Fund has an unfunded noncontributory defined benefit pension plan covering all independent Trustees of the Fund who will have served as independent Trustees for at least five years at the time of retirement. Benefits under this plan are based on years of service and compensation during the last five years of service. Aggregate pension costs for the six months ended June 30, 1996 included in Trustees' fees and expenses in the Statement of Operations amounted to \$464. At June 30, 1996, the Fund had an accrued pension liability of \$49,196 which is included in accrued expenses in the Statement of Assets and Liabilities.

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DEAN WITTER CALIFORNIA TAX-FREE INCOME FUND
NOTES TO FINANCIAL STATEMENTS June 30, 1996 (unaudited) continued

5. SHARES OF BENEFICIAL INTEREST

Transactions in shares of beneficial interest were as follows:

<TABLE>
<CAPTION>

	FOR THE SIX MONTHS ENDED JUNE 30, 1996		FOR THE YEAR ENDED DECEMBER 31, 1995	
	(unaudited)			
	SHARES	AMOUNT	SHARES	AMOUNT
<S>	<C>	<C>	<C>	<C>
Sold.....	3,329,936	\$ 41,895,641	7,610,885	\$ 95,058,902
Reinvestment of dividends and distributions.....	1,393,930	17,392,275	2,505,960	31,541,595
	4,723,866	59,287,916	10,116,845	126,600,497
Repurchased.....	(6,380,167)	(79,999,175)	(13,380,382)	(167,257,739)
Net decrease.....	(1,656,301)	\$(20,711,259)	(3,263,537)	\$(40,657,242)

</TABLE>

6. FEDERAL INCOME TAX STATUS

During the year ended December 31, 1995, the Fund utilized its net capital loss carryover of approximately \$1,942,000.

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DEAN WITTER CALIFORNIA TAX-FREE INCOME FUND
FINANCIAL HIGHLIGHTS

Selected ratios and per share data for a share of beneficial interest outstanding throughout each period:

<TABLE>
<CAPTION>

	FOR THE SIX MONTHS ENDED JUNE 30, 1996	FOR THE YEAR ENDED DECEMBER 31	
	(unaudited)	1995	1994
	<C>	<C>	<C>
PER SHARE OPERATING PERFORMANCE:			
Net asset value, beginning of period.....	\$12.92	\$11.87	\$13.31
Net investment income.....	0.29	0.61	0.64
Net realized and unrealized gain (loss).....	(0.48)	1.13	(1.42)
Total from investment operations.....	(0.19)	1.74	(0.78)
Less dividends and distributions from:			
Net investment income.....	(0.29)	(0.61)	(0.64)
Net realized gain.....	(0.09)	(0.08)	(0.02)

Total dividends and distributions.....	(0.38)	(0.69)	(0.66)
Net asset value, end of period.....	\$12.35	\$12.92	\$11.87
TOTAL INVESTMENT RETURN+.....	(1.51)%(1)	14.96%	(5.97)%
RATIOS TO AVERAGE NET ASSETS:			
Expenses.....	1.33%(2) (3)	1.33%	1.32%
Net investment income.....	4.71%(2)	4.90%	5.10%
SUPPLEMENTAL DATA:			
Net assets, end of period, in millions.....	\$988	\$1,055	\$1,008
Portfolio turnover rate.....	6%(1)	23%	12%

<CAPTION>

	FOR THE YEAR ENDED DECEMBER 31		
	1993	1992	1991
<S>	<C>	<C>	<C>
PER SHARE OPERATING PERFORMANCE:			
Net asset value, beginning of period.....	\$12.70	\$12.46	\$11.99
Net investment income.....	0.67	0.69	0.71
Net realized and unrealized gain (loss).....	0.70	0.26	0.48
Total from investment operations.....	1.37	0.95	1.19
Less dividends and distributions from:			
Net investment income.....	(0.67)	(0.69)	(0.71)
Net realized gain.....	(0.09)	(0.02)	(0.01)
Total dividends and distributions.....	(0.76)	(0.71)	(0.72)
Net asset value, end of period.....	\$13.31	\$12.70	\$12.46
TOTAL INVESTMENT RETURN+.....	10.97%	7.83%	10.18%
RATIOS TO AVERAGE NET ASSETS:			
Expenses.....	1.27%	1.32%	1.28%
Net investment income.....	5.03%	5.45%	5.78%
SUPPLEMENTAL DATA:			
Net assets, end of period, in millions.....	\$1,190	\$987	\$834
Portfolio turnover rate.....	10%	6%	3%

</TABLE>

+ Does not reflect the deduction of sales charge. Calculated based on the net asset value as of the last business day of the period.

(1) Not annualized.

(2) Annualized.

(3) The above expense ratio was 1.32% after expense offset, which reflects 0.01% effect for custody cash credits.

SEE NOTES TO FINANCIAL STATEMENTS

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BOARD OF DIRECTORS

Michael Bozic
Charles A. Fiunefreddo
Edwin J. Garn
John R. Haire
Dr. Manuel H. Johnson
Michael E. Nugent
Philip J. Purcell
John L. Schroeder

OFFICERS

Charles A. Fiunefreddo
Chairman and Chief Executive Officer

Sheldon Curtis

Vice President, Secretary and General Counsel

James F. Willison
Vice President

Thomas F. Caloia
Treasurer

TRANSFER AGENT
Dean Witter Trust Company
Harborside Financial Center - Plaza Two
Jersey City, New Jersey 07311

INDEPENDENT ACCOUNTANTS
Price Waterhouse LLP
1177 Avenue of the Americas
New York, New York 10036

INVESTMENT MANAGER
Dean Witter InterCapital Inc.
Two World Trade Center
New York, New York 10048

The financial statements included herein have been taken from the records of the Fund without examination by the independent accountants and accordingly they do not express an opinion thereon.

This report is submitted for the general information of shareholders of the Fund. For more detailed information about the Fund, its officers and directors, fees, expenses and other pertinent information, please see the prospectus of the Fund.

This report is not authorized for distribution to prospective investors in the Fund unless preceded or accompanied by an effective prospectus.

DEAN WITTER
CALIFORNIA
TAX-FREE
INCOME FUND

[LOGO]

Semiannual Report
June 30, 1996