

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name		2 Issuer's employer identification number (EIN)	
Franklin Tax-Free Trust - Franklin Insured Tax-Free Income Fund		94-2961785	
3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact	
Shareholder Services	(800) 632-2301	N/A	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact		7 City, town, or post office, state, and Zip code of contact	
One Franklin Parkway; Attn: Fund Tax Department		San Mateo, CA 94403	
8 Date of action		9 Classification and description	
12/2/2016		Multiple classes of shares issued by a single mutual fund/regulated investment company	
10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)
See Attachment		See Attachment	

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ In accordance with the Plan of Reorganization, on December 2, 2016, the tax free reorganization consisted of (i) the acquisition by Franklin Federal Tax-Free Income Fund, of substantially all of the assets of Franklin Tax-Free Trust - Franklin Insured Tax-Free Income Fund in exchange solely for full and fractional Class A, Class C, and Advisor Class shares of beneficial interest, with no par value, of Franklin Federal Tax-Free Income Fund; (ii) the distribution of Franklin Federal Tax-Free Income Fund shares to holders of Class A, Class C, and Advisor Class shares of beneficial interest of Franklin Tax-Free Trust - Franklin Insured Tax-Free Income Fund respectively, according to their respective interests in Franklin Tax-Free Trust - Franklin Insured Tax-Free Income Fund in complete liquidation of Franklin Tax-Free Trust - Franklin Insured Tax-Free Income Fund; and (iii) the dissolution of Franklin Tax-Free Trust - Franklin Insured Tax-Free Income Fund.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ See Attachment

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ There was no change in aggregate basis as a result of the above described organizational action.
 For additional details see attachment.

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ _____
IRC Sections 354(a), 357(a), 358(a), 361(a), 361(c), 362(b), 368(a), 1032(a), 1223(1), and 1223(2)

18 Can any resulting loss be recognized? ▶ No loss can be recognized as a result of this event.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ _____
The above described organizational action is reportable in tax year 2016.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here Signature ▶ Signed copy is maintained by the issuer Date ▶ _____

Paid Preparer Use Only	Print your name ▶ Matthew Hinkle	Preparer's signature	Title ▶ Assistant Treasurer	Check <input type="checkbox"/> if self-employed	PTIN
	Print/Type preparer's name		Date	Firm's EIN ▶	
	Firm's name ▶			Phone no.	
	Firm's address ▶				

FTFT – Franklin Insured Tax-Free Income Fund
 EIN: 94-2961785
 FYE: December 2, 2016
 Attachment to Form 8937

Attachment to Form 8937

Form 8937 Part II Line 15

Franklin Insured Tax-Free Income Fund (Acquired Fund)				Franklin Federal Tax-Free Income Fund (Acquiring Fund)				Merger Ratio
Ticker	CUSIP	Class	NAV	Ticker	CUSIP	Class	NAV	
FTFIX	354723108	A	12.0461	FKTIX	353519101	A	11.91	1.01143
FRITX	354723652	C	12.2247	FRFTX	353519200	C	11.91	1.02642
FINZX	354723264	Advisor	12.0417	FAFTX	353519408	Advisor	11.92	1.01021

NAVs shown are as of immediately prior to the merger.

Merger Ratio is the number of Acquiring Fund shares received per one Acquired Fund share surrendered.

Effect on Basis

Each shareholder has an aggregate basis in Franklin Federal Tax-Free Income Fund shares received in the merger equal to the aggregate basis of that shareholder's Franklin Insured Tax-Free Income Fund shares surrendered in the merger.

The number of Franklin Federal Tax-Free Income Fund shares received for each share of Franklin Insured Tax-Free Income Fund shares given up in the exchange is as follows:

- 1.01143 shares of Franklin Federal Tax-Free Income Fund Class A shares for one Franklin Insured Tax-Free Income Fund Class A share;
- 1.02642 shares of Franklin Federal Tax-Free Income Fund Class C shares for one Franklin Insured Tax-Free Income Fund Class C share;
- 1.01021 shares of Franklin Federal Tax-Free Income Fund Advisor Class shares for one Franklin Insured Tax-Free Income Fund Advisor Class share.