



FRANKLIN TEMPLETON
INVESTMENTS

Annual Report
and Shareholder Letter

September 30, 2018

Franklin New York Intermediate-Term Tax-Free Income Fund

A SERIES OF FRANKLIN NEW YORK TAX-FREE TRUST



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Franklin Templeton Investments

Why choose Franklin Templeton Investments?

Successful investing begins with ambition. And achievement only comes when you reach for it. That's why we continually strive to deliver better outcomes for investors. No matter what your goals are, our deep, global investment expertise allows us to offer solutions that can help.

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Dear Shareholder:

The 12 months ended September 30, 2018, benefited from mostly upbeat economic data as the U.S. job market continued to improve and the unemployment rate declined. Accordingly, the U.S. Federal Reserve (Fed), under new chairman Jerome Powell, increased its federal funds rate by 0.25% at its March, June and September 2018 meetings, after a 0.25% increase in December 2017, bringing the rate from 1.25% at the start of the period to 2.25% by period-end. In its September meeting, the Fed cited growing business investment and household spending as further evidence of strong economic growth. The Fed also stated that inflation remained near 2.00% and that longer-term inflation expectations had changed little.

During the 12-month period, the municipal bond market posted modest performance similar to other U.S. fixed income classes, with generally higher returns for longer-term and lower-rated municipal bonds. Factors contributing to this positive investment environment for municipals included relatively low inflation, increased employment, the strength of the U.S. economy and international political concerns. Against the backdrop of rising interest rates and increasing market

volatility, municipal bonds performed relatively well compared to other fixed income sectors, as supply and demand patterns remained favorable overall.

Franklin New York Intermediate-Term Tax-Free Income Fund's annual report includes more detail about municipal bond market conditions and a discussion from the portfolio managers. In addition, on our website, franklintempleton.com, you can find updated commentary by our municipal bond experts. Municipal bonds can provide tax-free income and diversification from equities. Despite periods of volatility, municipal bonds historically have had a solid long-term record of performance, driven mostly by their compounding income component. Please remember all securities markets fluctuate, as do mutual fund share prices.

As always, we recommend investors consult their financial advisors to help them make the best decisions for the long term. In a constantly changing market environment, we remain committed to our disciplined strategy as we manage the Fund, keeping in mind the trust you have placed in us. We appreciate

Not FDIC Insured | May Lose Value | No Bank Guarantee

your confidence in us and encourage you to contact us when you have questions about your Franklin Templeton tax-free investment.

Sincerely,



Rupert H. Johnson, Jr.
Chairman
Franklin New York Intermediate-Term Tax-Free Income Fund



Sheila Amoroso



Rafael R. Costas Jr.
Senior Vice Presidents and Co-Directors
Franklin Municipal Bond Department

This letter reflects our analysis and opinions as of September 30, 2018, unless otherwise indicated. The information is not a complete analysis of every aspect of any market, state, industry, security or fund. Statements of fact are from sources considered reliable.

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Visit franklintempleton.com for fund updates, to access your account, or to find helpful financial planning tools.

Annual Report

Franklin New York Intermediate-Term Tax-Free Income Fund

This annual report for Franklin New York Intermediate-Term Tax-Free Income Fund covers the fiscal year ended September 30, 2018.

Your Fund's Goal and Main Investments

The Fund seeks to provide as high a level of income exempt from federal, New York State and New York City personal income taxes as is consistent with prudent investment management and preservation of shareholders' capital by investing at least 80% of its total assets in securities that pay interest free from federal income taxes and New York State personal income taxes.¹ As a non-fundamental policy, the Fund also normally invests at least 80% of its total assets in securities that pay interest free from the personal income taxes of New York City.¹ The Fund maintains a dollar-weighted average portfolio maturity (the time at which the debt must be repaid) of three to 10 years, and only buys securities rated, at the time of purchase, in one of the top four ratings categories by one or more US nationally recognized rating services (or comparable unrated or short-term rated securities).

Performance Overview

The Fund's Class A share price, as measured by net asset value, decreased from \$11.26 on September 10, 2018, to \$11.19 on September 30, 2018. The Fund's Class A shares paid dividends totaling 1.52 cents per share in September.² The Performance Summary beginning on page 7 shows that at the end of this reporting period the Fund's Class A shares' distribution rate was 1.59% based on an annualization of September's 1.52 cent per share dividend and the maximum offering price of \$11.45 on September 30, 2018. An investor in the 2018 maximum combined effective federal and New York State and City personal income tax bracket of 53.50% (including 3.8% Medicare tax) would need to earn a distribution rate of 3.42% from a taxable investment to match the Fund's Class A tax-free distribution rate. For other performance data, please see the Performance Summary.

Credit Quality Composition*

9/30/18

Ratings	% of Total Investments
AAA	19.94%
AA	53.89%
A	11.72%
BBB	0.14%
Refunded	14.31%

*Securities, except for those labeled Not Rated, are assigned ratings by one or more Nationally Recognized Statistical Credit Rating Organizations (NRSROs), such as Standard & Poor's, Moody's and Fitch, that can be considered by the investment manager as part of its independent securities analysis. When ratings from multiple agencies are available, the highest is used, consistent with the portfolio investment process. Ratings reflect an NRSRO's opinion of an issuer's creditworthiness and typically range from AAA (highest) to D (lowest). The Below Investment Grade category consists of bonds rated below BBB-. The Refunded category generally consists of refunded bonds secured by U.S. government or other high-quality securities and not rerated by an NRSRO. The Not Rated category consists of ratable securities that have not been rated by an NRSRO. Cash and equivalents are excluded from this composition.

Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. For most recent month-end performance, go to franklintempleton.com or call (800) 342-5236.

Municipal Bond Market Overview

The municipal bond market outperformed the U.S. Treasury and corporate bond markets but underperformed U.S. stock markets during the 12-month period ended September 30, 2018. Investment-grade municipal bonds, as measured by the Bloomberg Barclays Municipal Bond Index, generated a +0.35% total return for the period, while U.S. Treasuries, as measured by the Bloomberg Barclays U.S. Treasury Index, had a -1.62% total return and investment-grade corporate bonds, as measured by the Bloomberg Barclays U.S. Corporate Bond

1. For investors subject to alternative minimum tax, a small portion of the Fund dividends may be taxable. Distributions of capital gains are generally taxable. To avoid imposition of 28% backup withholding on all Fund distributions and redemption proceeds, US investors must be properly certified on Form W-9 and non-US investors on Form W-8BEN.

2. The distribution amount is the sum of all net investment income distributions for the period shown. Assumes shares were purchased and held for the entire accrual period. Since dividends accrue daily, your actual distributions will vary depending on the date you purchased your shares and any account activity. All Fund distributions will vary depending upon current market conditions, and past distributions are not indicative of future trends.

The dollar value, number of shares or principal amount, and names of all portfolio holdings are listed in the Fund's Statement of Investments (SOI). The SOI begins on page 17.

Index, had a -1.19% total return.³ Both high-yield corporate bonds and high-yield municipal bonds outperformed their investment-grade counterparts. U.S. stocks, as represented by the Standard & Poor's® 500 Index, outperformed the fixed income markets with a +17.91% total return for the reporting period.³ U.S. equity markets rose overall during the period, benefiting from mostly upbeat economic data and better U.S. corporate earnings. After reaching record highs in January 2018, U.S. stocks declined amid multiple factors, including indications of rising interest rates and escalating trade tensions. Although U.S. stocks recovered to reach another all-time high in September, market volatility during the period drove losses in both the municipal bond market and U.S. Treasury market year-to-date in 2018.

Municipal issuance during the reporting period totaled \$394 billion, almost equaling total issuance of \$396 billion in the previous 12-month period (ended September 30, 2017).⁴ Impending tax reform contained potential implications for the municipal bond market and caused a deluge of supply in December, as issuers rushed to market before the end of 2017. December supply of \$63 billion and fourth-quarter 2017 supply of \$145 billion eclipsed previous monthly and quarterly records of municipal bond issuance, respectively.⁴ Despite this extraordinary supply pressuring the market, strong demand buoyed returns through the end of 2017. However, diminished issuance (\$249 billion in the year-to-date 2018, a 15% decline from the same time period in 2017),⁴ heavy dealer inventories and selling pressures in 2018 led municipals to have a -0.40% total return year-to-date in 2018, as measured by the Bloomberg Barclays Municipal Bond Index.³ Municipals performed slightly better than U.S. Treasuries year-to-date, which had a total return of -1.67% during the same period, as measured by the Bloomberg Barclays U.S. Treasury Index.³

The technical environment remained supportive for municipal bonds during the period. After accounting for redemptions (bonds that matured or were called out of the market), net issuance stood at \$64 billion in 2017, which marked a third consecutive year of positive net issuance.⁵ Net issuance turned negative in the first three quarters of 2018, standing at -\$40 billion at period-end.⁵ According to the Investment Company Institute, municipal bond funds reported inflows for eight of the 12 months of the reporting period, with negative flows occurring in December 2017 and in February, April and

Dividend Distributions*

10/1/17–9/30/18

Month	Dividend per Share (cents)				
	Class A**	Class A1	Class C	Class R6	Advisor Class
October	—	2.51	1.97	2.64	2.60
November	—	2.51	1.97	2.64	2.60
December	—	2.42	1.88	2.56	2.51
January	—	2.42	1.88	2.56	2.51
February	—	2.42	1.88	2.56	2.51
March	—	2.46	1.93	2.57	2.55
April	—	2.46	1.93	2.57	2.55
May	—	2.51	1.98	2.62	2.60
June	—	2.51	1.99	2.64	2.60
July	—	2.51	1.99	2.64	2.60
August	—	2.51	1.99	2.64	2.60
September	1.52	2.51	1.98	2.65	2.60
Total	1.52	29.75	23.37	31.29	30.83

*The distribution amount is the sum of all net investment income distributions for the period shown. Assumes shares were purchased and held for the entire accrual period. Since dividends accrue daily, your actual distributions will vary depending on the date you purchased your shares and any account activity. All Fund distributions will vary depending upon current market conditions, and past distributions are not indicative of future trends.

**Effective 9/10/18, the Fund began offering Class A shares. See the prospectus for details.

September 2018. The total inflows for the period were approximately \$23 billion.⁶

The US Federal Reserve (Fed) raised its target range for the federal funds rate 0.25% at its December 2017 meeting and another 0.25% at its March, June and September 2018 meetings. The target range stood at 2.00%–2.25% at period-end. The Fed also increased the discount rate 0.25% to 2.00% in December and another 0.25% at the March, June and September 2018 meetings, to finish the period at 2.75%. After the Fed's anticipated September rate hike, it noted in its press release that "the labor market has continued to strengthen and that economic activity has been rising at a strong rate." In total, the Fed raised the target range three times in 2017 (March, June and December), as well as three times so far in 2018.

Investors continued to favor risky assets through most of the period. Municipal bonds with longer maturities generally performed better than bonds with shorter maturities, and high yield tax-exempt bonds outperformed their investment-grade

3. Source: Morningstar. Treasuries, if held to maturity, offer a fixed rate of return and a fixed principal value; their interest payments and principal are guaranteed.

4. Source: The Bond Buyer, Thomson Reuters.

5. Source: Barclays Municipal Credit Research.

6. Source: Investment Company Institute.

counterparts. During the 12-month reporting period, the Bloomberg Barclays High Yield Municipal Bond Index generated a +6.36% total return and the Bloomberg Barclays Municipal Long Bond (22+ Years) Index returned +1.07%.³

At period-end, we maintained our positive view of the municipal bond market. We believe municipal bonds continue to be an attractive asset class among fixed income securities, and we intend to follow our solid discipline of investing to maximize income, while seeking value in the municipal bond market.

State Update

Over the 12 months under review, New York's large and diverse economy continued to generate above-average income and wealth. The state continued to benefit from favorable labor conditions including a significant presence of corporate headquarters and a highly educated and global workforce, which supported job growth during the period. New York's unemployment rate decreased from 4.6% in March 2018 to 4.1% at period-end, which was higher than the national average of 3.7%.⁷

New York enacted a fiscal year 2019 budget that boosted spending for education and contributions to pensions, while staying within controlled spending targets. In response to recently enacted changes to the federal tax code that are expected to have a significant negative impact on the state's tax burdens and tax receipts, state legislators introduced two solutions to reduce the increased burden of the new federal tax law on state taxpayers, while protecting bondholders. The impact of these measures is currently uncertain as they undergo regulatory challenges.

New York's net tax-supported debt was moderately high at 5.2% of personal income and \$3,082 per capita, compared with the 2.3% and \$987 national medians, respectively.⁸ During the period under review, independent credit rating agency Standard & Poor's (S&P) affirmed its AA+ rating and stable outlook on New York's general obligation debt.⁹ S&P's rating reflected its view of the state's history of conservative budgeting, active management of expenses, established reserve fund, prudent use of monetary settlements, and well-funded pension system. These strengths are counterbalanced by disparities between upstate and downstate economies, heavy reliance on the state's

personal income tax, unfunded benefit liability, and the potential negative impact of federal actions regarding tariffs and taxes.

Portfolio Composition

9/30/18

	% of Total Investments*
Transportation	19.20%
Refunded**	16.61%
Tax-Supported	15.67%
General Obligation	12.66%
Subject to Government Appropriations	12.37%
Utilities	8.99%
Hospital & Health Care	5.12%
Other Revenue	4.50%
Higher Education	3.82%
Corporate-Backed	0.64%
Housing	0.42%

*Does not include cash and cash equivalents.

**Includes all refunded bonds; the percentage may differ from that in the Credit Quality Composition.

Investment Strategy

We use a consistent, disciplined strategy in an effort to maximize tax-exempt income for our shareholders by seeking to maintain exposure to higher coupon securities while balancing risk and return within the Fund's range of allowable investments. We generally employ a buy-and-hold approach and invest in securities we believe should provide the most relative value in the market. We do not use leverage or derivatives, nor do we use hedging techniques that could add volatility and contribute to underperformance in adverse markets.

Manager's Discussion

Consistent with our strategy, we typically look to construct a portfolio that maintains a dollar-weighted average maturity of three to 10 years. We believe our conservative, buy-and-hold investment strategy can help us achieve high, current, tax-free income for shareholders. The Fund did not own any securities issued by U.S. territories, such as Puerto Rico, during the period under review.

7. Source: Bureau of Labor Statistics.

8. Source: Moody's Investors Service, *States - US: Medians - State debt continues slow growth trend*, 4/24/18.

9. This does not indicate S&P's rating of the Fund.

See www.franklintempletondatasources.com for additional data provider information.

Thank you for your continued participation in Franklin New York Intermediate-Term Tax-Free Income Fund. We look forward to serving your future investment needs.

The foregoing information reflects our analysis, opinions and portfolio holdings as of September 30, 2018, the end of the reporting period. The way we implement our main investment strategies and the resulting portfolio holdings may change depending on factors such as market and economic conditions. These opinions may not be relied upon as investment advice or an offer for a particular security. The information is not a complete analysis of every aspect of any market, state, industry, security or the Fund. Statements of fact are from sources considered reliable, but the investment manager makes no representation or warranty as to their completeness or accuracy. Although historical performance is no guarantee of future results, these insights may help you understand our investment management philosophy.

Performance Summary as of September 30, 2018

The performance tables and graphs do not reflect any taxes that a shareholder would pay on Fund dividends, capital gain distributions, if any, or any realized gains on the sale of Fund shares. Total return reflects reinvestment of the Fund's dividends and capital gain distributions, if any, and any unrealized gains or losses. Your dividend income will vary depending on dividends or interest paid by securities in the Fund's portfolio, adjusted for operating expenses of each class. Capital gain distributions are net profits realized from the sale of portfolio securities.

Performance as of 9/30/18

Cumulative total return excludes sales charges. Average annual total return includes maximum sales charges. Sales charges will vary depending on the size of the investment and the class of share purchased. The maximum is 2.25% and the minimum is 0%. **Class A:** 2.25% maximum initial sales charge; **Advisor Class:** no sales charges. For other share classes, visit franklintempleton.com.

Share Class	Cumulative Total Return ¹	Average Annual Total Return ²
A³		
1-Year	-1.25%	-3.47%
5-Year	+11.93%	+1.81%
10-Year	+44.28%	+3.50%
Advisor⁴		
1-Year	-1.05%	-1.05%
5-Year	+12.68%	+2.42%
10-Year	+46.06%	+3.86%

Share Class	Distribution Rate ⁵	Taxable Equivalent Distribution Rate ⁶	30-Day Standardized Yield ⁷	Taxable Equivalent 30-Day Standardized Yield ⁶
A⁸	1.59%	3.42%	—%	—%
Advisor	2.78%	5.98%	1.74%	3.74%

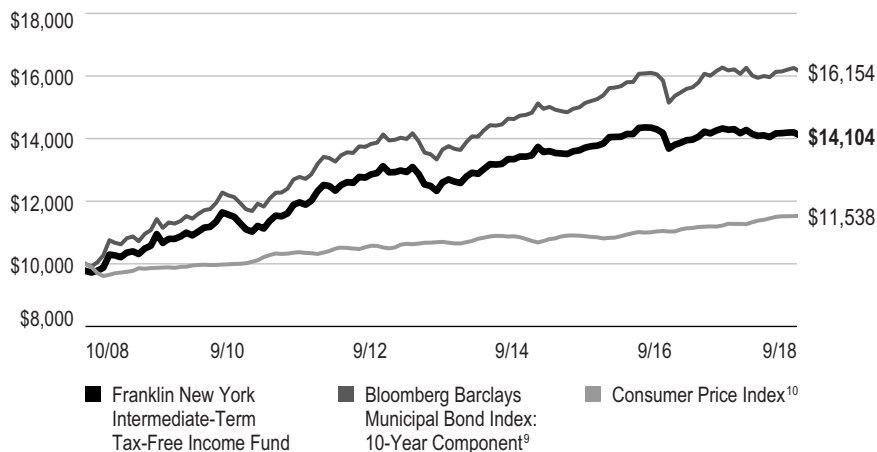
Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. For most recent month-end performance, go to franklintempleton.com or call (800) 342-5236.

See page 10 for Performance Summary footnotes.

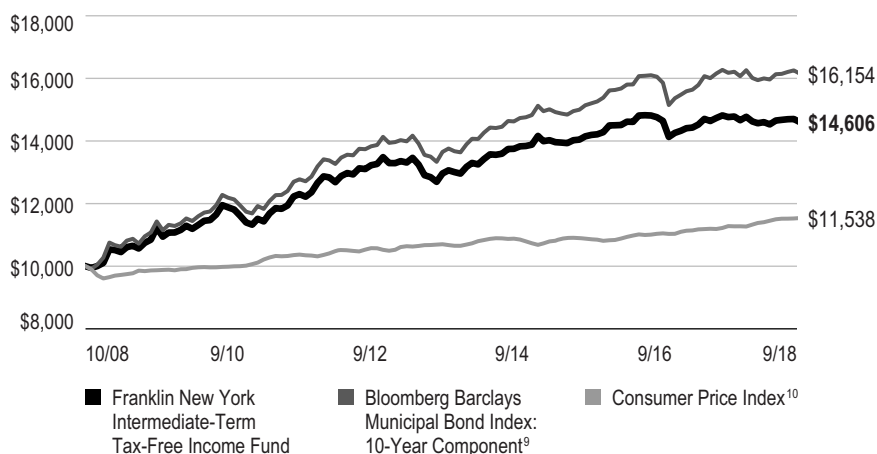
Total Return Index Comparison for a Hypothetical \$10,000 Investment

Total return represents the change in value of an investment over the periods shown. It includes any applicable maximum sales charge, Fund expenses, account fees and reinvested distributions. The unmanaged indexes include reinvestment of any income or distributions. They differ from the Fund in composition and do not pay management fees or expenses. One cannot invest directly in an index.

Class A (10/1/08–9/30/18)



Advisor Class (10/1/08–9/30/18)



See page 10 for Performance Summary footnotes.

FRANKLIN NEW YORK INTERMEDIATE-TERM TAX-FREE INCOME FUND
PERFORMANCE SUMMARY

Net Asset Value

Share Class (Symbol)	9/30/18	9/10/18	9/30/17	Change
A (FKNQX)	\$11.19	\$11.26	N/A	-\$0.07
A1 (FKNIX)	\$11.20	N/A	\$11.63	-\$0.43
C (FKNCX)	\$11.23	N/A	\$11.67	-\$0.44
R6 (FKNRX)	\$11.23	N/A	\$11.66	-\$0.43
Advisor (FNYZX)	\$11.23	N/A	\$11.66	-\$0.43

Distributions (10/1/17–9/30/18)

Share Class	Net Investment Income
A	\$0.0152
A1	\$0.2975
C	\$0.2337
R6	\$0.3129
Advisor	\$0.3083

Total Annual Operating Expenses¹¹

Share Class	
A	0.80%
Advisor	0.55%

See page 10 for Performance Summary footnotes.

FRANKLIN NEW YORK INTERMEDIATE-TERM TAX-FREE INCOME FUND
PERFORMANCE SUMMARY

Each class of shares is available to certain eligible investors and has different annual fees and expenses, as described in the prospectus.

All investments involve risks, including possible loss of principal. Because municipal bonds are sensitive to interest rate movements, the Fund's yield and share price will fluctuate with market conditions. Bond prices generally move in the opposite direction of interest rates. Thus, as prices of bonds in the Fund adjust to a rise in interest rates, the Fund's share price may decline. Because the Fund invests principally in a single state, it is subject to greater risk of adverse economic and regulatory changes in that state than a geographically diversified fund. Changes in the credit rating of a bond, or in the credit rating or financial strength of a bond's issuer, insurer or guarantor, may affect the bond's value. The Fund may invest a significant part of its assets in municipal securities that finance similar types of projects, such as utilities, hospitals, higher education and transportation. A change that affects one project would likely affect all similar projects, thereby increasing market risk. The Fund is actively managed but there is no guarantee that the manager's investment decisions will produce the desired results. The Fund's prospectus also includes a description of the main investment risks.

1. Cumulative total return represents the change in value of an investment over the periods indicated.
2. Average annual total return represents the average annual change in value of an investment over the periods indicated. Return for less than one year, if any, has not been annualized.
3. Effective 9/10/18, Class A shares closed to new investors, were renamed Class A1 shares, and a new Class A share with a different expense structure became available. Class A performance shown has been calculated as follows: (a) for periods prior to 9/10/18, a restated figure is used based on the Fund's Class A1 performance that includes any Rule 12b-1 rate differential that exists between Class A1 and Class A; and (b) for periods after 9/10/18, actual Class A performance is used, reflecting all charges and fees applicable to that class.
4. Effective 12/1/08, the Fund began offering Advisor Class shares, which do not have sales charges or a Rule 12b-1 plan. Performance quotations for this class reflect the following methods of calculation: (a) For periods prior to 12/1/08, a restated figure is used based upon the Fund's Class A performance, excluding the effect of Class A's maximum initial sales charge, but reflecting the effect of the Class A Rule 12b-1 fees; and (b) for periods after 12/1/08, actual Advisor Class performance is used reflecting all charges and fees applicable to that class. Since 12/1/08 (commencement of sales), the cumulative and average annual total returns of Advisor Class shares were +46.27% and +3.94%.
5. Distribution rate is based on an annualization of the respective class's September dividend and the maximum offering price (NAV for Advisor Class) per share on 9/30/18.
6. Taxable equivalent distribution rate and yield assume the published rates as of 6/18/18 for the maximum combined effective federal and New York State and City personal income tax rate of 53.50%, based on the federal income tax rate of 37.00% plus 3.80% Medicare tax.
7. The Fund's 30-day standardized yield is calculated over a trailing 30-day period using the yield to maturity on bonds and/or the dividends accrued on stocks. It may not equal the Fund's actual income distribution rate, which reflects the Fund's past dividends paid to shareholders.
8. Share Class A launched on 9/10/18 and yield cannot be produced until this share class has been in existence for 30 days. This value will not be calculated until 10/31/18.
9. Source: Morningstar. The Bloomberg Barclays Municipal Bond Index: 10-Year Component is the 10-year (8-12) component of the Bloomberg Barclays Municipal Bond Index, which is a market value-weighted index engineered for the long-term tax-exempt bond market. To be included in the index, bonds must be fixed rate, have at least one year to final maturity and be rated investment grade (Baa3/BBB- or higher) by at least two of the following agencies: Moody's, S&P and Fitch.
10. Source: Bureau of Labor Statistics, bls.gov/cpi. The Consumer Price Index (CPI) is a commonly used measure of the inflation rate.
11. Figures are as stated in the Fund's current prospectus and may differ from the expense ratios disclosed in the Your Fund's Expenses and Financial Highlights sections in this report. In periods of market volatility, assets may decline significantly, causing total annual Fund operating expenses to become higher than the figures shown. See www.franklintempletondatasources.com for additional data provider information.

Your Fund's Expenses

As a Fund shareholder, you can incur two types of costs: (1) transaction costs, including sales charges (loads) on Fund purchases and redemptions; and (2) ongoing Fund costs, including management fees, distribution and service (12b-1) fees, and other Fund expenses. All mutual funds have ongoing costs, sometimes referred to as operating expenses. The table below shows ongoing costs of investing in the Fund and can help you understand these costs and compare them with those of other mutual funds. The table assumes a \$1,000 investment held for the six months indicated.

Actual Fund Expenses

The table below provides information about actual account values and actual expenses in the columns under the heading "Actual." In these columns the Fund's actual return, which includes the effect of Fund expenses, is used to calculate the "Ending Account Value" for each class of shares. You can estimate the expenses you paid during the period by following these steps (*of course, your account value and expenses will differ from those in this illustration*): Divide your account value by \$1,000 (*if your account had an \$8,600 value, then $\$8,600 \div \$1,000 = 8.6$*). Then multiply the result by the number in the row for your class of shares under the headings "Actual" and "Expenses Paid During Period" (*if Actual Expenses Paid During Period were \$7.50, then $8.6 \times \$7.50 = \64.50*). In this illustration, the actual expenses paid this period are \$64.50.

Hypothetical Example for Comparison with Other Funds

Under the heading "Hypothetical" in the table, information is provided 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. This information may not be used to estimate the actual ending account balance or expenses you paid for the period, but it can help you compare ongoing costs of investing in the Fund with those of other funds. To do so, compare this 5% hypothetical example for the class of shares you hold with the 5% hypothetical examples that appear in the shareholder reports of other funds.

Please note that expenses shown in the table are meant to highlight ongoing costs and do not reflect any transactional costs. Therefore, information under the heading "Hypothetical" is useful in comparing ongoing costs only, and will not help you compare total costs of owning different funds. In addition, if transactional costs were included, your total costs would have been higher.

Share Class	Beginning Account Value 4/1/18 ¹	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio
		Ending Account Value 9/30/18	Expenses Paid During Period 4/1/18–9/30/18 ^{2,3}	Ending Account Value 9/30/18	Expenses Paid During Period 4/1/18–9/30/18 ³	
A	\$1,000	\$ 995.40	\$0.45	\$1,020.91	\$4.20	0.83%
A1	\$1,000	\$1,000.90	\$3.51	\$1,021.56	\$3.55	0.70%
C	\$1,000	\$ 997.20	\$6.26	\$1,018.80	\$6.33	1.25%
R6	\$1,000	\$1,001.50	\$2.61	\$1,022.46	\$2.64	0.52%
Advisor	\$1,000	\$1,000.50	\$3.01	\$1,022.06	\$3.04	0.60%

1. For Classes A1, C, R6 and Advisor, 4/1/18 for Actual and Hypothetical. For Class A, 9/10/18 for Actual and 4/1/18 for Hypothetical.

2. For Classes A1, C, R6 and Advisor, 4/1/18–9/30/18. For Class A, 9/10/18–9/30/18.

3. Expenses are equal to the annualized expense ratio for the six-month period as indicated above—in the far right column—multiplied by the simple average account value over the period indicated, and then multiplied by 183/365 to reflect the one-half year period. The multiplier is 20/365 for Actual Class A expenses to reflect the number of days since inception.

Financial Highlights

Franklin New York Intermediate-Term Tax-Free Income Fund

Year Ended
September 30,
2018^a

Class A

Per share operating performance

(for a share outstanding throughout the year)

Net asset value, beginning of year	\$11.26
Income from investment operations ^b :	
Net investment income ^c	0.02
Net realized and unrealized gains (losses)	(0.07)
Total from investment operations	(0.05)
Less distributions from net investment income	(0.02)
Net asset value, end of year.	\$11.19
Total return ^d	(0.46)%

Ratios to average net assets^e

Expenses ^f	0.83%
Net investment income	2.47%

Supplemental data

Net assets, end of year (000's)	\$145
Portfolio turnover rate	11.15%

^aFor the period September 10, 2018 (effective date) to September 30, 2018.

^bThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

^cBased on average daily shares outstanding.

^dTotal return does not reflect sales commissions or contingent deferred sales charges, if applicable, and is not annualized for periods less than one year.

^eRatios are annualized for periods less than one year, except for non-recurring expenses, if any.

^fBenefit of expense reduction rounds to less than 0.01%.

Franklin New York Intermediate-Term Tax-Free Income Fund (continued)

	Year Ended September 30,				
	2018	2017	2016	2015	2014
Class A1					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$11.63	\$11.94	\$11.75	\$11.74	\$11.41
Income from investment operations ^a :					
Net investment income ^b	0.30	0.30	0.30	0.32	0.33
Net realized and unrealized gains (losses)	(0.43)	(0.31)	0.19	0.01	0.33
Total from investment operations	(0.13)	(0.01)	0.49	0.33	0.66
Less distributions from net investment income	(0.30)	(0.30)	(0.30)	(0.32)	(0.33)
Net asset value, end of year.	\$11.20	\$11.63	\$11.94	\$11.75	\$11.74
Total return ^c	(1.15)%	(0.08)%	4.24%	2.81%	5.88%
Ratios to average net assets					
Expenses	0.68% ^d	0.65%	0.65%	0.65%	0.66%
Net investment income	2.62%	2.56%	2.54%	2.71%	2.87%
Supplemental data					
Net assets, end of year (000's)	\$440,120	\$497,363	\$574,905	\$535,083	\$522,201
Portfolio turnover rate	11.15%	9.30%	3.30%	6.32%	8.88%

^aThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

^bBased on average daily shares outstanding.

^cTotal return does not reflect sales commissions or contingent deferred sales charges, if applicable.

^dBenefit of expense reduction rounds to less than 0.01%.

Franklin New York Intermediate-Term Tax-Free Income Fund (continued)

	Year Ended September 30,				
	2018	2017	2016	2015	2014
Class C					
Per share operating performance (for a share outstanding throughout the year)					
Net asset value, beginning of year	\$11.67	\$11.98	\$11.79	\$11.78	\$11.44
Income from investment operations ^a :					
Net investment income ^b	0.24	0.23	0.24	0.25	0.27
Net realized and unrealized gains (losses)	(0.45)	(0.31)	0.19	0.01	0.34
Total from investment operations	(0.21)	(0.08)	0.43	0.26	0.61
Less distributions from net investment income	(0.23)	(0.23)	(0.24)	(0.25)	(0.27)
Net asset value, end of year.	\$11.23	\$11.67	\$11.98	\$11.79	\$11.78
Total return ^c	(1.78)%	(0.55)%	3.57%	2.22%	5.40%
Ratios to average net assets					
Expenses	1.23% ^d	1.20%	1.20%	1.20%	1.20%
Net investment income	2.07%	2.01%	1.99%	2.16%	2.32%
Supplemental data					
Net assets, end of year (000's)	\$124,250	\$157,323	\$192,805	\$165,045	\$153,264
Portfolio turnover rate	11.15%	9.30%	3.30%	6.32%	8.88%

^aThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

^bBased on average daily shares outstanding.

^cTotal return does not reflect sales commissions or contingent deferred sales charges, if applicable.

^dBenefit of expense reduction rounds to less than 0.01%.

Franklin New York Intermediate-Term Tax-Free Income Fund (continued)

	Year Ended September 30,	
	2018	2017^a
Class R6		
Per share operating performance		
(for a share outstanding throughout the year)		
Net asset value, beginning of year	\$11.66	\$11.69
Income from investment operations ^b :		
Net investment income ^c	0.32	0.05
Net realized and unrealized gains (losses)	(0.44)	(0.03)
Total from investment operations	(0.12)	0.02
Less distributions from net investment income	(0.31)	(0.05)
Net asset value, end of year.	\$11.23	\$11.66
Total return ^d	(1.01)%	0.19%
Ratios to average net assets		
Expenses before waiver and payments by affiliates	0.52%	1.57%
Expenses net of waiver and payments by affiliates	0.51% ^e	0.51%
Net investment income	2.79%	2.70%
Supplemental data		
Net assets, end of year (000's)	\$69,281	\$5
Portfolio turnover rate	11.15%	9.30%

^aFor the period August 1, 2017 (effective date) to September 30, 2017.

^bThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

^cBased on average daily shares outstanding.

^dTotal return is not annualized for periods less than one year.

^eBenefit of expense reduction rounds to less than 0.01%.

Franklin New York Intermediate-Term Tax-Free Income Fund (continued)

	Year Ended September 30,				
	2018	2017	2016	2015	2014
Advisor Class					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$11.66	\$11.97	\$11.78	\$11.77	\$11.43
Income from investment operations ^a :					
Net investment income ^b	0.31	0.31	0.32	0.33	0.34
Net realized and unrealized gains (losses)	(0.43)	(0.31)	0.18	0.01	0.34
Total from investment operations	(0.12)	—	0.50	0.34	0.68
Less distributions from net investment income	(0.31)	(0.31)	(0.31)	(0.33)	(0.34)
Net asset value, end of year.	\$11.23	\$11.66	\$11.97	\$11.78	\$11.77
Total return	(1.05)%	0.02%	4.31%	2.90%	6.07%
Ratios to average net assets					
Expenses	0.58% ^c	0.55%	0.55%	0.55%	0.56%
Net investment income	2.72%	2.66%	2.64%	2.81%	2.97%
Supplemental data					
Net assets, end of year (000's)	\$327,215	\$440,149	\$425,166	\$365,499	\$313,114
Portfolio turnover rate	11.15%	9.30%	3.30%	6.32%	8.88%

^aThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

^bBased on average daily shares outstanding.

^cBenefit of expense reduction rounds to less than 0.01%.

Statement of Investments, September 30, 2018
Franklin New York Intermediate-Term Tax-Free Income Fund

	Principal Amount	Value
Municipal Bonds 99.3%		
New York 99.3%		
Allegany County GO, Public Improvement, Refunding, BAM Insured, 5.00%, 9/15/26	\$ 1,245,000	\$ 1,410,261
Brookhaven GO,		
Suffolk County, Public Improvement, Raymond James and Associates, Series B, 3.00%, 1/15/27	3,290,000	3,326,256
Suffolk County, Public Improvement, Raymond James and Associates, Series B, 3.00%, 1/15/28	4,420,000	4,458,896
Erie County IDA School Facility Revenue,		
City School District of the City of Buffalo Project, Series A, Pre-Refunded, 5.00%, 5/01/20	8,345,000	8,498,381
City School District of the City of Buffalo Project, Series A, Pre-Refunded, 5.25%, 5/01/24	16,520,000	16,847,426
Grand Island CSD,		
GO, Refunding, School District, 4.00%, 12/01/29	3,915,000	4,211,170
GO, School District, 4.00%, 12/01/30	3,650,000	3,906,996
Haverstraw-Stony Point CSD,		
GO, Rockland and Orange Counties, School District, Refunding, 5.00%, 10/15/25	850,000	954,236
GO, Rockland and Orange Counties, School District, Refunding, AGMC Insured, 5.00%, 10/15/31	600,000	666,960
Long Island Power Authority Electric System Revenue,		
General, Refunding, Series B, 5.00%, 9/01/26	5,000,000	5,463,200
General, Refunding, Series B, 5.00%, 9/01/31	4,000,000	4,556,720
Monroe County GO,		
Public Improvement, Series A, Assured Guaranty, 4.50%, 6/01/20	2,855,000	2,903,878
Public Improvement, Series A, Assured Guaranty, 4.75%, 6/01/23	2,860,000	2,910,765
Monroe County IDA School Facility Revenue,		
Rochester Schools Modernization Project, 5.00%, 5/01/26	5,000,000	5,556,050
Rochester Schools Modernization Project, 5.00%, 5/01/29	9,645,000	10,651,456
Rochester Schools Modernization Project, 5.00%, 5/01/29	1,175,000	1,332,368
Monroe County IDC Revenue,		
University of Rochester Project, Series A, Pre-Refunded, 5.00%, 7/01/25	5,445,000	6,162,651
University of Rochester Project, Series A, Pre-Refunded, 5.00%, 7/01/27	6,220,000	7,039,796
MTA Dedicated Tax Fund Revenue, Capital Appreciation, Refunding, Series A, zero cpn., 11/15/32	70,000,000	41,311,900
MTA Revenue,		
Transportation, Green Bonds, Climate Bond Certified, Capital Appreciation, Refunding, Series C-2, Subseries C-2, zero cpn., 11/15/39	15,000,000	6,391,950
Transportation, Green Bonds, Climate Bond Certified, Refunding, Series A, Subseries A-1, 5.00%, 11/15/29	4,440,000	5,034,205
Transportation, Series A, AGMC Insured, 5.50%, 11/15/22	8,765,000	9,901,645
Transportation, Series A, AGMC Insured, 5.50%, 11/15/23	10,000,000	11,531,600
Transportation, Series B, NATL Insured, 5.25%, 11/15/20	11,250,000	11,963,700
Transportation, Series E, BAM Insured, Pre-Refunded, 5.00%, 11/15/27	8,900,000	10,141,728
Nassau County GO,		
General Improvement, Series A, AGMC Insured, Pre-Refunded, 4.25%, 4/01/26	10,540,000	11,101,677
General Improvement, Series C, Pre-Refunded, 4.00%, 10/01/24	6,200,000	6,446,512
Multi-Modal, Series A, Pre-Refunded, 4.25%, 12/01/23	5,615,000	5,885,980
Multi-Modal, Series B, Pre-Refunded, 4.25%, 12/01/23	5,925,000	6,210,940
New York City GO,		
Fiscal 2012, Series D, Subseries D-1, 5.00%, 10/01/24	5,000,000	5,396,350
Fiscal 2015, Refunding, Series A, 5.00%, 8/01/26	10,000,000	11,359,800
Fiscal 2016, Refunding, Series A, 5.00%, 8/01/26	9,000,000	10,367,820
Fiscal 2018, Series B, Subseries B-1, 5.25%, 10/01/33	5,195,000	6,097,268
Fiscal 2018, Series E, Subseries E-1, 5.25%, 3/01/31	5,000,000	5,948,200
New York City HDC, MFHR, Series C-1, 5.00%, 11/01/24	2,810,000	2,851,335
New York City IDAR, Pilot, Yankee Stadium Project, Capital Appreciation, Series A, Assured Guaranty, zero cpn., 3/01/21	10,150,000	9,547,800

Franklin New York Intermediate-Term Tax-Free Income Fund (continued)

	Principal Amount	Value
Municipal Bonds (continued)		
New York (continued)		
New York City Municipal Water Finance Authority Water and Sewer System Revenue,		
Second General Resolution, Fiscal 2012, Refunding, Series EE, 5.00%, 6/15/28	\$ 8,000,000	\$ 8,780,160
Second General Resolution, Fiscal 2014, Refunding, Series DD, 5.00%, 6/15/23	6,000,000	6,769,380
Second General Resolution, Fiscal 2015, Refunding, Series DD, 5.00%, 6/15/29	7,790,000	8,735,161
Second General Resolution, Fiscal 2015, Refunding, Series GG, 5.00%, 6/15/27	10,000,000	11,520,300
Second General Resolution, Fiscal 2018, Refunding, Series FF, 5.00%, 6/15/34	5,000,000	5,767,900
Second General Resolution, Fiscal 2018, Series CC, Subseries CC-1, 4.00%, 6/15/37	5,000,000	5,136,800
New York City Transitional Finance Authority Building Aid Revenue,		
Fiscal 2009, Series S-3, 5.00%, 1/15/22	11,865,000	11,968,581
Fiscal 2009, Series S-4, 5.00%, 1/15/20	1,000,000	1,009,110
Fiscal 2012, Series S-1, Subseries S-1A, 5.00%, 7/15/26	9,020,000	9,698,575
New York City Transitional Finance Authority Revenue,		
Future Tax Secured, New York City Recovery, Fiscal 2003, Subseries 13, 5.00%, 11/01/22	6,800,000	7,547,524
Future Tax Secured, Subordinate, Fiscal 2010, Series A, Subseries A-1, Pre-Refunded, 5.00%, 5/01/22	10,000,000	10,180,900
Future Tax Secured, Subordinate, Fiscal 2011, Refunding, Series E, 4.50%, 11/01/19	10,000,000	10,274,500
Future Tax Secured, Subordinate, Fiscal 2012, Series E, Subseries E-1, 5.00%, 2/01/23	5,000,000	5,452,150
Future Tax Secured, Subordinate, Fiscal 2016, Series A, Subseries A-1, 5.00%, 8/01/28	5,000,000	5,722,850
Future Tax Secured, Subordinate, Fiscal 2018, Series B, Subseries B-1, 4.00%, 8/01/35	4,000,000	4,166,080
New York City Trust for Cultural Resources Revenue,		
Lincoln Center for Performing Arts Inc., Refunding, Series A, 5.00%, 12/01/26	2,500,000	2,940,700
Whitney Museum of American Art, 5.00%, 7/01/21	8,000,000	8,526,400
New York Convention Center Development Corp. Revenue, Hotel Unit Fee Secured, Refunding, 5.00%, 11/15/25		
	2,250,000	2,608,357
New York Liberty Development Corp. Revenue, Goldman Sachs Headquarters Issue, Second Tranche, 5.25%, 10/01/35		
	5,000,000	6,085,000
New York State Dormitory Authority Revenues,		
Memorial Sloan-Kettering Cancer Center, Series C, NATL Insured, 5.50%, 7/01/23	9,450,000	10,588,347
Non-State Supported Debt, Master Boces Program, Lease, Oneida Herkimer Madison, Refunding, 5.00%, 8/15/28	1,100,000	1,275,714
Non-State Supported Debt, Memorial Sloan-Kettering Cancer Center, Refunding, Series 1, 5.00%, 7/01/23	1,250,000	1,364,000
Non-State Supported Debt, Mount Sinai School of Medicine of New York University, Series A, 5.00%, 7/01/19	1,500,000	1,532,940
Non-State Supported Debt, Mount Sinai School of Medicine of New York University, Series A, 5.00%, 7/01/21	3,000,000	3,138,360
Non-State Supported Debt, Municipal Health Facilities Improvement Program, Lease, New York City Issue, Refunding, Series A, 3.375%, 5/15/21	1,980,000	2,020,907
Non-State Supported Debt, Municipal Health Facilities Improvement Program, Lease, New York City Issue, Refunding, Series A, 3.50%, 5/15/22	2,000,000	2,042,400
Non-State Supported Debt, Municipal Health Facilities Improvement Program, Lease, New York City Issue, Refunding, Series A, 3.625%, 5/15/23	2,000,000	2,043,460
Non-State Supported Debt, Municipal Health Facilities Improvement Program, Lease, New York City Issue, Refunding, Series A, 3.75%, 5/15/24	2,000,000	2,044,200
Non-State Supported Debt, Municipal Health Facilities Improvement Program, Lease, New York City Issue, Series 1, 4.00%, 1/15/21	13,510,000	13,833,700
Non-State Supported Debt, New York University, Refunding, Series A, 5.00%, 7/01/33	12,000,000	13,853,880
Non-State Supported Debt, New York University, Series A, Pre-Refunded, 5.00%, 7/01/23	7,400,000	7,570,866
Non-State Supported Debt, North Shore-Long Island Jewish Obligated Group, Refunding, Series A, 5.00%, 5/01/27	6,000,000	6,784,320

Franklin New York Intermediate-Term Tax-Free Income Fund (continued)

	Principal Amount	Value
Municipal Bonds (continued)		
New York (continued)		
New York State Dormitory Authority Revenues, (continued)		
Non-State Supported Debt, North Shore-Long Island Jewish Obligated Group, Refunding, Series E, 5.00%, 5/01/19	\$ 5,000,000	\$ 5,090,450
Non-State Supported Debt, North Shore-Long Island Jewish Obligated Group, Refunding, Series E, 5.00%, 5/01/20	11,695,000	11,900,364
Non-State Supported Debt, NYSARC Inc., Series A, 5.00%, 7/01/19	1,250,000	1,278,013
Non-State Supported Debt, NYU Hospitals Center, Refunding, 5.00%, 7/01/26	1,000,000	1,127,890
Non-State Supported Debt, Rochester Institute of Technology, Refunding, 4.00%, 7/01/26	4,000,000	4,214,680
Non-State Supported Debt, School Districts, Financing Program, Refunding, Series A, 5.00%, 10/01/24	345,000	373,601
Non-State Supported Debt, School Districts, Financing Program, Series A, AGMC Insured, 5.00%, 10/01/19	4,000,000	4,122,720
Non-State Supported Debt, School Districts, Financing Program, Series A, AGMC Insured, 5.00%, 10/01/23	6,425,000	7,127,959
Non-State Supported Debt, School Districts, Financing Program, Series A, AGMC Insured, 5.00%, 10/01/23	860,000	907,145
Non-State Supported Debt, School Districts, Financing Program, Series A, AGMC Insured, Pre- Refunded, 5.00%, 10/01/23	13,420,000	14,228,823
Non-State Supported Debt, School Districts, Financing Program, Series A, Assured Guaranty, 5.00%, 10/01/24	160,000	164,491
Non-State Supported Debt, School Districts, Financing Program, Series A, Assured Guaranty, Pre-Refunded, 5.00%, 10/01/24	4,570,000	4,711,122
Non-State Supported Debt, School Districts, Financing Program, Series A, Assured Guaranty, Pre-Refunded, 5.00%, 10/01/24	270,000	278,203
Non-State Supported Debt, School Districts, Financing Program, Series A, Pre-Refunded, 5.00%, 10/01/24	6,710,000	7,290,750
Non-State Supported Debt, State University of New York Dormitory Facilities, Series A, 5.00%, 7/01/29	1,000,000	1,167,060
^a Non-State Supported Debt, State University of New York Dormitory Facilities, Series A, 5.00%, 7/01/33	1,000,000	1,156,570
Non-State Supported Debt, Student Housing Corp., NATL Insured, 5.25%, 7/01/22	1,250,000	1,345,250
Non-State Supported Debt, Upstate Community Colleges, Refunding, Series B, NATL Insured, 5.50%, 7/01/22	10,000,000	11,203,400
Non-State Supported Debt, Wyckoff Heights Medical Center, Refunding, 5.00%, 2/15/21	1,000,000	1,065,470
State Supported Debt, City University System, Consolidated Fifth General Resolution, Series A, NATL Insured, 5.50%, 7/01/22	9,240,000	10,334,201
State Supported Debt, Mental Health Services Facilities Improvement, Series A, AGMC Insured, 5.00%, 2/15/19	440,000	441,060
State Supported Debt, Mental Health Services Facilities Improvement, Series A, AGMC Insured, 5.00%, 2/15/20	280,000	280,692
State Supported Debt, Mental Health Services Facilities Improvement, Series A, AGMC Insured, 5.00%, 2/15/21	440,000	441,069
Third General Resolution, State University Educational Facilities Issue, Refunding, Series A, 5.00%, 5/15/26	8,000,000	8,745,840
Third General Resolution, State University Educational Facilities Issue, Refunding, Series A, NATL Insured, 5.50%, 5/15/21	7,000,000	7,620,200
Third General Resolution, State University Educational Facilities Issue, Refunding, Series A, NATL Insured, 5.50%, 5/15/24	7,790,000	9,101,291

Franklin New York Intermediate-Term Tax-Free Income Fund (continued)

	Principal Amount	Value
Municipal Bonds (continued)		
New York (continued)		
New York State Dormitory Authority Sales Tax Revenue,		
Refunding, Series A, 5.00%, 3/15/25	\$12,000,000	\$ 13,870,200
Series A, 5.00%, 3/15/32	7,000,000	8,015,840
Series A, 5.00%, 3/15/33	5,000,000	5,790,950
Series B, 5.00%, 3/15/29	15,000,000	17,193,900
New York State Dormitory Authority State Personal Income Tax Revenue,		
General Purpose, Refunding, Series A, 5.00%, 2/15/25	5,000,000	5,670,000
General Purpose, Refunding, Series A, 5.00%, 2/15/29	12,215,000	14,187,478
General Purpose, Refunding, Series A, 4.00%, 2/15/33	10,000,000	10,568,000
General Purpose, Refunding, Series D, 5.00%, 2/15/27	10,000,000	11,674,500
Series A, 5.00%, 2/15/21	7,090,000	7,382,604
Series A, Pre-Refunded, 5.00%, 2/15/21	45,000	46,845
New York State Environmental Facilities Corp. State Personal Income Tax Revenue, Series A, 5.00%, 12/15/21		
	15,000	15,099
New York State GO,		
Series A, 5.00%, 3/15/26	5,195,000	6,004,641
Series E, 3.25%, 12/15/26	10,520,000	10,770,902
New York State Local Government Assistance Corp. Revenue, senior lien, Refunding, Series B-C/D, 5.00%, 4/01/20		
	5,000,000	5,080,100
New York State Municipal Bond Bank Agency Revenue,		
Series C, Sub-Series C1, Assured Guaranty, 5.00%, 2/15/20	5,705,000	5,924,700
Series C, Sub-Series C1, Assured Guaranty, 5.00%, 2/15/21	5,790,000	6,011,352
Series C, Sub-Series C1, Assured Guaranty, 5.00%, 2/15/22	4,615,000	4,788,893
New York State Thruway Authority General Revenue,		
Refunding, Series K, 5.00%, 1/01/28	10,000,000	11,295,300
Refunding, Series K, 5.00%, 1/01/29	10,000,000	11,258,600
Refunding, Series L, 5.00%, 1/01/32	1,750,000	2,018,503
Series I, 5.00%, 1/01/25	5,000,000	5,411,750
New York State Thruway Authority Revenue, Local Highway and Bridge Service Contract, Refunding, 5.00%, 4/01/20		
	5,000,000	5,153,900
New York State Thruway Authority Second General Highway and Bridge Trust Fund Revenue,		
Series A, Pre-Refunded, 5.00%, 4/01/23	5,000,000	5,226,950
Series B, Pre-Refunded, 5.00%, 4/01/21	5,000,000	5,079,100
New York State Thruway Authority State Personal Income Tax Revenue,		
Transportation, Series A, 5.00%, 3/15/26	5,000,000	5,334,950
Transportation, Series A, Pre-Refunded, 5.00%, 3/15/21	10,000,000	10,145,400
New York State Urban Development Corp. Revenue,		
Empire State Development Corp., Service Contract, Refunding, Series A, Subseries A-2, 5.00%, 1/01/22	7,650,000	7,918,591
Refunding, Series D, Assured Guaranty, 5.50%, 1/01/19	10,000,000	10,091,200
State Personal Income Tax, Economic Development and Housing, Series A-1, Pre-Refunded, 5.00%, 12/15/22	1,500,000	1,509,900
State Personal Income Tax, General Purpose, Refunding, Series A, 5.00%, 3/15/30	10,000,000	11,564,100
Niagara Falls Bridge Commission Toll Revenue, Bridge System, Series A, Assured Guaranty, 4.00%, 10/01/19		
	6,045,000	6,099,707
Niagara Falls Public Water Authority Water and Sewer System Revenue, Series A, BAM Insured, 5.00%, 7/15/29		
	7,060,000	7,754,210
Port Authority of New York and New Jersey Revenue,		
Consolidated, Refunding, One Hundred Eighty-Fourth Series, 5.00%, 9/01/25	2,655,000	3,042,869
Consolidated, Refunding, One Hundred Eighty-Fourth Series, 5.00%, 9/01/28	3,250,000	3,699,767
Consolidated, Refunding, One Hundred Ninety-Fourth Series, 5.00%, 10/15/28	9,085,000	10,503,986

Franklin New York Intermediate-Term Tax-Free Income Fund (continued)

	Principal Amount	Value
Municipal Bonds (continued)		
New York (continued)		
Port Authority of New York and New Jersey Revenue, (continued)		
Consolidated, Refunding, Two Hundred Ninth Series, 5.00%, 7/15/34	\$15,000,000	\$ 17,430,450
Suffolk County EDC Revenue,		
Catholic Health Services, Long Island Obligated Group Project, Pre-Refunded, 5.00%, 7/01/28	1,755,000	1,894,031
Catholic Health Services, Long Island Obligated Group Project, Refunding, 5.00%, 7/01/28	10,245,000	10,945,860
Suffolk County GO,		
Refunding, AGMC Insured, 5.00%, 2/01/23	5,045,000	5,603,229
Refunding, Series A, 5.00%, 4/01/19	3,435,000	3,487,281
Refunding, Series A, 5.00%, 4/01/20	2,240,000	2,271,629
Refunding, Series D, BAM Insured, 4.00%, 10/15/28	10,000,000	10,844,000
Suffolk County Water Authority Revenue, Water System, Series A, 3.25%, 6/01/43	17,100,000	15,551,253
Triborough Bridge and Tunnel Authority Revenue,		
MTA Bridges and Tunnels, Capital Appreciation, Refunding, Series A, zero cpn., 11/15/31	5,000,000	3,102,850
MTA Bridges and Tunnels, Capital Appreciation, Subordinate, Refunding, Series A, zero cpn., 11/15/30	14,175,000	9,209,639
MTA Bridges and Tunnels, General, Refunding, Series B, 5.00%, 11/15/28	4,000,000	4,837,360
MTA Bridges and Tunnels, General, Series A, Pre-Refunded, 5.00%, 1/01/27	10,000,000	10,958,200
MTA Bridges and Tunnels, General, Series B-3, 5.00%, 11/15/34	3,480,000	3,946,946
Ulster County GO,		
Public Improvement, Refunding, 5.00%, 11/15/24	2,600,000	2,819,076
Public Improvement, Refunding, 5.00%, 11/15/28	2,995,000	3,245,472
Utility Debt Securitization Authority Revenue, Restructuring, Refunding, Series A, 5.00%, 12/15/26	5,000,000	5,751,100
Yonkers GO, Series A, AGMC Insured, Pre-Refunded, 5.00%, 10/01/24	1,000,000	1,088,070
Total Municipal Bonds before Short Term Investments (Cost \$938,716,967)		<u>954,140,945</u>
 Short Term Investments (Cost \$400,000) 0.0%[†]		
Municipal Bonds 0.0%[†]		
New York 0.0%[†]		
^b Triborough Bridge and Tunnel Authority Revenue, General, MTA Bridges and Tunnels, Refunding, Series C, LOC State Street Bank B&T Co., Weekly VRDN and Put, 1.64%, 1/01/32	400,000	400,000
Total Investments (Cost \$939,116,967) 99.3%		<u>954,540,945</u>
Other Assets, less Liabilities 0.7%		<u>6,469,197</u>
Net Assets 100.0%		<u>\$961,010,142</u>

See Abbreviations on page 33.

[†]Rounds to less than 0.1% of net assets.

^aSecurity purchased on a when-issued basis. See Note 1(b).

^bVariable rate demand notes (VRDNs) are obligations which contain a floating or variable interest rate adjustment formula and an unconditional right of demand to receive payment of the principal balance plus accrued interest at specified dates. Unless otherwise noted, the coupon rate is determined based on factors including supply and demand, underlying credit, tax treatment, and current short term rates. The coupon rate shown represents the rate at period end.

Financial Statements

Statement of Assets and Liabilities

September 30, 2018

Franklin New York Intermediate-Term Tax-Free Income Fund

Assets:

Investments in securities:

Cost - Unaffiliated issuers	\$939,116,967
Value - Unaffiliated issuers	\$954,540,945
Cash	67,311
Receivables:	
Capital shares sold	586,460
Interest	11,306,864
Other assets	402
Total assets	966,501,982

Liabilities:

Payables:

Investment securities purchased	1,151,130
Capital shares redeemed	3,245,010
Management fees	381,402
Distribution fees	212,330
Transfer agent fees	92,227
Distributions to shareholders	316,610
Accrued expenses and other liabilities	93,131
Total liabilities	5,491,840
Net assets, at value	\$961,010,142

Net assets consist of:

Paid-in capital	\$954,587,751
Total distributable earnings (loss)	6,422,391
Net assets, at value	\$961,010,142

Statement of Assets and Liabilities (continued)
September 30, 2018

Franklin New York Intermediate-Term Tax-Free Income Fund

Class A:

Net assets, at value	\$ 144,941
Shares outstanding	12,947
Net asset value per share ^a	\$11.19
Maximum offering price per share (net asset value per share ÷ 97.75%)	\$11.45

Class A1:

Net assets, at value	\$440,120,055
Shares outstanding	39,311,922
Net asset value per share ^a	\$11.20
Maximum offering price per share (net asset value per share ÷ 97.75%)	\$11.46

Class C:

Net assets, at value	\$124,249,772
Shares outstanding	11,059,582
Net asset value and maximum offering price per share ^a	\$11.23

Class R6:

Net assets, at value	\$ 69,280,683
Shares outstanding	6,171,577
Net asset value and maximum offering price per share	\$11.23

Advisor Class:

Net assets, at value	\$327,214,691
Shares outstanding	29,140,856
Net asset value and maximum offering price per share	\$11.23

^aRedemption price is equal to net asset value less contingent deferred sales charges, if applicable.

FRANKLIN NEW YORK TAX-FREE TRUST
FINANCIAL STATEMENTS

Statement of Operations

for the year ended September 30, 2018

Franklin New York Intermediate-Term Tax-Free Income Fund

Investment income:	
Interest:	
Unaffiliated issuers	\$ 34,190,368
Expenses:	
Management fees (Note 3a)	4,890,180
Distribution fees: (Note 3c)	
Class A	7
Class A1	473,205
Class C	912,588
Transfer agent fees: (Note 3e)	
Class A	2
Class A1	376,382
Class C	112,149
Class R6	12,605
Advisor Class	296,192
Custodian fees (Note 4)	8,716
Reports to shareholders	55,236
Registration and filing fees	49,376
Professional fees	62,173
Trustees' fees and expenses	50,069
Other	48,329
Total expenses	7,347,209
Expense reductions (Note 4)	(980)
Expenses waived/paid by affiliates (Note 3f)	(2,794)
Net expenses	7,343,435
Net investment income	26,846,933
Realized and unrealized gains (losses):	
Net realized gain (loss) from:	
Investments:	
Unaffiliated issuers	(621,209)
Net change in unrealized appreciation (depreciation) on:	
Investments:	
Unaffiliated issuers	(39,234,126)
Net realized and unrealized gain (loss)	(39,855,335)
Net increase (decrease) in net assets resulting from operations	\$(13,008,402)

Statements of Changes in Net Assets

Franklin New York Intermediate-Term Tax-Free Income Fund

	Year Ended September 30,	
	2018	2017
Increase (decrease) in net assets:		
Operations:		
Net investment income	\$ 26,846,933	\$ 28,080,681
Net realized gain (loss)	(621,209)	(3,971,742)
Net change in unrealized appreciation (depreciation)	(39,234,126)	(27,837,576)
Net increase (decrease) in net assets resulting from operations	(13,008,402)	(3,728,637)
Distributions to shareholders: (Note 1d)		
Class A	(52)	—
Class A1	(12,351,000)	(13,394,723)
Class C	(2,880,931)	(3,421,658)
Class R6	(1,409,412)	(22)
Advisor Class	(10,036,706)	(11,050,250)
Total distributions to shareholders	(26,678,101)	(27,866,653)
Capital share transactions: (Note 2)		
Class A	144,822	—
Class A1	(39,057,330)	(62,241,187)
Class C	(27,679,651)	(30,297,212)
Class R6	71,167,262	5,000
Advisor Class	(98,719,013)	26,093,798
Total capital share transactions	(94,143,910)	(66,439,601)
Net increase (decrease) in net assets	(133,830,413)	(98,034,891)
Net assets:		
Beginning of year	1,094,840,555	1,192,875,446
End of year (Note 1d)	\$ 961,010,142	\$1,094,840,555

Notes to Financial Statements

Franklin New York Intermediate-Term Tax-Free Income Fund

1. Organization and Significant Accounting Policies

Franklin New York Tax-Free Trust (Trust) is registered under the Investment Company Act of 1940 (1940 Act) as an open-end management investment company, consisting of one fund, Franklin New York Intermediate-Term Tax-Free Income Fund (Fund) and applies the specialized accounting and reporting guidance in U.S. Generally Accepted Accounting Principles (U.S. GAAP). The Fund offers five classes of shares: Class A, Class A1, Class C, Class R6 and Advisor Class. Each class of shares may differ by its initial sales load, contingent deferred sales charges, voting rights on matters affecting a single class, its exchange privilege and fees due to differing arrangements for distribution and transfer agent fees.

Effective September 10, 2018, Class A shares were renamed A1, and the Fund began offering a new class of shares, Class A. Class A1 shares are only offered to existing Class A1 shareholders.

The following summarizes the Fund's significant accounting policies.

a. Financial Instrument Valuation

The Fund's investments in financial instruments are carried at fair value daily. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. The Fund calculates the net asset value (NAV) per share each business day as of 4 p.m. Eastern time or the regularly scheduled close of the New York Stock Exchange (NYSE), whichever is earlier. Under compliance policies and procedures approved by the Trust's Board of Trustees (the Board), the Fund's administrator has responsibility for oversight of valuation, including leading the cross-functional Valuation Committee (VC). The VC provides administration and oversight of the Fund's valuation policies and procedures, which are approved annually by the Board. Among other things, these procedures allow the Fund to utilize independent pricing services, quotations from securities and financial instrument dealers, and other market sources to determine fair value.

Debt securities generally trade in the over-the-counter market rather than on a securities exchange. The Fund's pricing services use multiple valuation techniques to determine fair value. In instances where sufficient market activity exists, the pricing services may utilize a market-based approach through

which quotes from market makers are used to determine fair value. In instances where sufficient market activity may not exist or is limited, the pricing services also utilize proprietary valuation models which may consider market characteristics such as benchmark yield curves, credit spreads, estimated default rates, anticipated market interest rate volatility, coupon rates, anticipated timing of principal repayments, underlying collateral, and other unique security features in order to estimate the relevant cash flows, which are then discounted to calculate the fair value.

The Fund has procedures to determine the fair value of financial instruments for which market prices are not reliable or readily available. Under these procedures, the VC convenes on a regular basis to review such financial instruments and considers a number of factors, including significant unobservable valuation inputs, when arriving at fair value. The VC primarily employs a market-based approach which may use related or comparable assets or liabilities, recent transactions, market multiples, book values, and other relevant information for the investment to determine the fair value of the investment. An income-based valuation approach may also be used in which the anticipated future cash flows of the investment are discounted to calculate fair value. Discounts may also be applied due to the nature or duration of any restrictions on the disposition of the investments. Due to the inherent uncertainty of valuations of such investments, the fair values may differ significantly from the values that would have been used had an active market existed. The VC employs various methods for calibrating these valuation approaches including a regular review of key inputs and assumptions, transactional back-testing or disposition analysis, and reviews of any related market activity.

b. Securities Purchased on a When-Issued Basis

The Fund purchases securities on a when-issued basis, with payment and delivery scheduled for a future date. These transactions are subject to market fluctuations and are subject to the risk that the value at delivery may be more or less than the trade date purchase price. Although the Fund will generally purchase these securities with the intention of holding the securities, it may sell the securities before the settlement date. Sufficient assets have been segregated for these securities.

Franklin New York Intermediate-Term Tax-Free Income Fund (continued)

c. Income Taxes

It is the Fund's policy to qualify as a regulated investment company under the Internal Revenue Code. The Fund intends to distribute to shareholders substantially all of its income and net realized gains to relieve it from federal income and excise taxes. As a result, no provision for U.S. federal income taxes is required.

The Fund may recognize an income tax liability related to its uncertain tax positions under U.S. GAAP when the uncertain tax position has a less than 50% probability that it will be sustained upon examination by the tax authorities based on its technical merits. As of September 30, 2018, the Fund has determined that no tax liability is required in its financial statements related to uncertain tax positions for any open tax years (or expected to be taken in future tax years). Open tax years are those that remain subject to examination and are based on the statute of limitations in each jurisdiction in which the Fund invests.

d. Security Transactions, Investment Income, Expenses and Distributions

Security transactions are accounted for on trade date. Realized gains and losses on security transactions are determined on a specific identification basis. Interest income and estimated expenses are accrued daily. Amortization of premium and accretion of discount on debt securities are included in interest income. Dividends from net investment income are normally declared daily; these dividends may be reinvested or paid monthly to shareholders. Distributions from realized capital gains and other distributions, if any, are recorded on the ex-dividend date. Distributable earnings are determined according to income tax regulations (tax basis) and may differ from earnings recorded in accordance with U.S. GAAP. These differences may be permanent or temporary. Permanent differences are reclassified among capital accounts to reflect their tax character. These reclassifications have no impact on net assets or the results of operations. Temporary differences are not reclassified, as they may reverse in subsequent periods.*

Realized and unrealized gains and losses and net investment income, excluding class specific expenses, are allocated daily to each class of shares based upon the relative proportion of net assets of each class. Differences in per share distributions by class are generally due to differences in class specific expenses.

e. Insurance

The scheduled payments of interest and principal for each insured municipal security in the Trust are insured by either a new issue insurance policy, a portfolio insurance policy, or a secondary insurance policy. Depending on the type of coverage, premiums for insurance are either added to the cost basis of the security or paid by a third party.

Insurance companies typically insure municipal bonds that tend to be of very high quality, with the majority of underlying municipal bonds rated A or better. However, an event involving an insurer could have an adverse effect on the value of the securities insured by that insurance company. There can be no assurance the insurer will be able to fulfill its obligations under the terms of the policy.

f. Accounting Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

Franklin New York Intermediate-Term Tax-Free Income Fund (continued)

1. Organization and Significant Accounting Policies (continued)

g. Guarantees and Indemnifications

Under the Trust's organizational documents, its officers and trustees are indemnified by the Trust against certain liabilities arising out of the performance of their duties to the Trust. Additionally, in the normal course of business, the Trust, on

behalf of the Fund, enters into contracts with service providers that contain general indemnification clauses. The Trust's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Trust that have not yet occurred. Currently, the Trust expects the risk of loss to be remote.

*Effective with the current reporting period, it is no longer required to present certain line items on the Statements of Changes in Net Assets. Such disclosure changes are included in the Statements of Changes in Net Assets, therefore prior period amounts are presented below.

For the year ended September 30, 2017, distributions to shareholders were as follows:

Distributions from net investment income:

Class A1	\$(13,394,723)
Class C	(3,421,658)
Class R6	(22)
Advisor Class	(11,050,250)

For the year ended September 30, 2017, undistributed net investment income included in net assets was \$1,029,036.

2. Shares of Beneficial Interest

At September 30, 2018, there were an unlimited number of shares authorized (without par value). Transactions in the Fund's shares were as follows:

	Year Ended September 30,			
	2018 ^a		2017 ^b	
	Shares	Amount	Shares	Amount
Class A Shares:				
Shares sold	13,293	\$ 148,683		
Shares issued in reinvestment of distributions	4	46		
Shares redeemed	(350)	(3,907)		
Net increase (decrease)	12,947	\$ 144,822		
Class A1 Shares:				
Shares sold	5,069,104	\$ 58,218,813	5,107,402	\$ 59,111,925
Shares issued in reinvestment of distributions	978,704	11,133,985	1,051,089	12,176,250
Shares redeemed	(9,504,363)	(108,410,128)	(11,546,379)	(133,529,362)
Net increase (decrease)	(3,456,555)	\$ (39,057,330)	(5,387,888)	\$ (62,241,187)
Class C Shares:				
Shares sold	618,622	\$ 7,118,055	1,382,539	\$ 16,063,719
Shares issued in reinvestment of distributions	207,690	2,371,611	241,142	2,802,474
Shares redeemed	(3,250,441)	(37,169,317)	(4,240,027)	(49,163,405)
Net increase (decrease)	(2,424,129)	\$ (27,679,651)	(2,616,346)	\$ (30,297,212)

Franklin New York Intermediate-Term Tax-Free Income Fund (continued)

	Year Ended September 30,			
	2018 ^a		2017 ^b	
	Shares	Amount	Shares	Amount
Class R6 Shares:				
Shares sold	6,906,053	\$ 79,500,737	428	\$ 5,000
Shares issued in reinvestment of distributions	124,205	1,408,567	—	—
Shares redeemed	(859,109)	(9,742,042)	—	—
Net increase (decrease)	6,171,149	\$ 71,167,262	428	\$ 5,000
Advisor Class Shares:				
Shares sold	7,419,734	\$ 85,032,631	11,119,828	\$ 129,047,522
Shares issued in reinvestment of distributions	690,707	7,889,233	775,245	9,008,079
Shares redeemed	(16,713,880)	(191,640,877)	(9,670,547)	(111,961,803)
Net increase (decrease)	(8,603,439)	\$ (98,719,013)	2,224,526	\$ 26,093,798

^aFor the period September 10, 2018 (effective date) to September 30, 2018, for Class A.

^bFor the period August 1, 2017 (effective date) to September 30, 2017, for Class R6.

3. Transactions with Affiliates

Franklin Resources, Inc. is the holding company for various subsidiaries that together are referred to as Franklin Templeton Investments. Certain officers and trustees of the Trust are also officers and/or directors of the following subsidiaries:

Subsidiary	Affiliation
Franklin Advisers, Inc. (Advisers)	Investment manager
Franklin Templeton Services, LLC (FT Services)	Administrative manager
Franklin Templeton Distributors, Inc. (Distributors)	Principal underwriter
Franklin Templeton Investor Services, LLC (Investor Services)	Transfer agent

a. Management Fees

The Fund pays an investment management fee to Advisers based on the month-end net assets of the Fund as follows:

Annualized Fee Rate	Net Assets
0.625%	Up to and including \$100 million
0.500%	Over \$100 million, up to and including \$250 million
0.450%	Over \$250 million, up to and including \$7.5 billion
0.440%	Over \$7.5 billion, up to and including \$10 billion
0.430%	Over \$10 billion, up to and including \$12.5 billion
0.420%	Over \$12.5 billion, up to and including \$15 billion
0.400%	Over \$15 billion, up to and including \$17.5 billion
0.380%	Over \$17.5 billion, up to and including \$20 billion
0.360%	In excess of \$20 billion

For the year ended September 30, 2018, the gross effective investment management fee rate was 0.471% of the Fund's average daily net assets.

Franklin New York Intermediate-Term Tax-Free Income Fund (continued)

3. Transactions with Affiliates (continued)

b. Administrative Fees

Under an agreement with Advisers, FT Services provides administrative services to the Fund. The fee is paid by Advisers based on the Fund's average daily net assets, and is not an additional expense of the Fund.

c. Distribution Fees

The Board has adopted distribution plans for each share class, with the exception of Class R6 and Advisor Class shares, pursuant to Rule 12b-1 under the 1940 Act. Under the Fund's Class A and Class A1 reimbursement distribution plan, the Fund reimburses Distributors for costs incurred in connection with the servicing, sale and distribution of the Fund's shares up to the maximum annual plan rate. Under the Class A and Class A1 reimbursement distribution plan, costs exceeding the maximum for the current plan year cannot be reimbursed in subsequent periods. In addition, under the Fund's Class C compensation distribution plan, the Fund pays Distributors for costs incurred in connection with the servicing, sale and distribution of the Fund's shares up to the maximum annual plan rate. The plan year, for purposes of monitoring compliance with the maximum annual plan rates, is February 1 through January 31.

The maximum annual plan rates, based on the average daily net assets, for each class, are as follows:

Class A	0.25%
Class A1	0.10%
Class C	0.65%

d. Sales Charges/Underwriting Agreements

Front-end sales charges and contingent deferred sales charges (CDSC) do not represent expenses of the Fund. These charges are deducted from the proceeds of sales of Fund shares prior to investment or from redemption proceeds prior to remittance, as applicable. Distributors has advised the Fund of the following commission transactions related to the sales and redemptions of the Fund's shares for the year:

Sales charges retained net of commissions paid to unaffiliated brokers/dealers	\$34,372
CDSC retained	\$ 4,142

Effective September 10, 2018, the Board approved changes to certain front-end sales charges and dealer commissions on Class A and A1 shares. Further details are disclosed in the Fund's Prospectus.

e. Transfer Agent Fees

Each class of shares pays transfer agent fees to Investor Services for its performance of shareholder servicing obligations. Effective November 1, 2017, the fees are based on an annualized asset based fee of 0.02% plus a transaction based fee. Prior to November 1, 2017, the fees were account based fees that varied based on fund or account type. In addition, each class reimburses Investor Services for out of pocket expenses incurred and, except for Class R6, reimburses shareholder servicing fees paid to third parties. These fees are allocated daily based upon their relative proportion of such classes' aggregate net assets. Class R6 pays Investor Services transfer agent fees specific to that class.

For the year ended September 30, 2018, the Fund paid transfer agent fees of \$797,330, of which \$283,703 was retained by Investor Services.

f. Waiver and Expense Reimbursements

Investor Services has voluntarily agreed in advance to waive or limit its fees so that the Class R6 transfer agent fees do not exceed 0.02% based on the average net assets of the class. Investor Services may discontinue this waiver in the future.

Franklin New York Intermediate-Term Tax-Free Income Fund (continued)

4. Expense Offset Arrangement

The Fund has entered into an arrangement with its custodian whereby credits realized as a result of uninvested cash balances are used to reduce a portion of the Fund's custodian expenses. During the year ended September 30, 2018, the custodian fees were reduced as noted in the Statement of Operations.

5. Income Taxes

For tax purposes, capital losses may be carried over to offset future capital gains.

At September 30, 2018, the capital loss carryforwards were as follows:

Capital loss carryforwards not subject to expiration:	
Short Term	\$ 9,227,445
Long Term	972,011
Total capital loss carryforwards	<u>\$10,199,456</u>

On September 30, 2018, the Fund had expired capital loss carryforwards of \$1,069,047, which were reclassified to paid-in capital.

The tax character of distributions paid during the years ended September 30, 2018 and 2017, was as follows:

	<u>2018</u>	<u>2017</u>
Distributions paid from tax exempt income	\$26,678,101	\$27,866,653

At September 30, 2018, the cost of investments, net unrealized appreciation (depreciation), undistributed tax exempt income for income tax purposes were as follows:

Cost of investments	<u>\$938,733,283</u>
Unrealized appreciation	\$ 20,603,622
Unrealized depreciation	(4,795,960)
Net unrealized appreciation (depreciation)	<u>\$ 15,807,662</u>
Distributable earnings:	
Undistributed tax exempt income	<u>\$ 1,130,793</u>

Differences between income and/or capital gains as determined on a book basis and a tax basis are primarily due to differing treatment of bond discounts.

6. Investment Transactions

Purchases and sales of investments (excluding short term securities) for the year ended September 30, 2018, aggregated \$114,539,130 and \$200,963,154, respectively.

7. Concentration of Risk

The Fund invests a large percentage of its total assets in obligations of issuers within New York. Such concentration may subject the Fund to risks associated with industrial or regional matters, and economic, political or legal developments occurring within New York. In addition, investments in these securities are sensitive to interest rate changes and credit risk of the issuer and may subject the Fund to increased market volatility. The market for these investments may be limited, which may make them difficult to buy or sell.

Franklin New York Intermediate-Term Tax-Free Income Fund (continued)

8. Credit Facility

The Fund, together with other U.S. registered and foreign investment funds (collectively, Borrowers), managed by Franklin Templeton Investments, are borrowers in a joint syndicated senior unsecured credit facility totaling \$2 billion (Global Credit Facility) which, matures on February 8, 2019. This Global Credit Facility provides a source of funds to the Borrowers for temporary and emergency purposes, including the ability to meet future unanticipated or unusually large redemption requests.

Under the terms of the Global Credit Facility, the Fund shall, in addition to interest charged on any borrowings made by the Fund and other costs incurred by the Fund, pay its share of fees and expenses incurred in connection with the implementation and maintenance of the Global Credit Facility, based upon its relative share of the aggregate net assets of all of the Borrowers, including an annual commitment fee of 0.15% based upon the unused portion of the Global Credit Facility. These fees are reflected in other expenses in the Statement of Operations. During the year ended September 30, 2018, the Fund did not use the Global Credit Facility.

9. Fair Value Measurements

The Fund follows a fair value hierarchy that distinguishes between market data obtained from independent sources (observable inputs) and the Fund's own market assumptions (unobservable inputs). These inputs are used in determining the value of the Fund's financial instruments and are summarized in the following fair value hierarchy:

- Level 1 – quoted prices in active markets for identical financial instruments
- Level 2 – other significant observable inputs (including quoted prices for similar financial instruments, interest rates, prepayment speed, credit risk, etc.)
- Level 3 – significant unobservable inputs (including the Fund's own assumptions in determining the fair value of financial instruments)

The input levels are not necessarily an indication of the risk or liquidity associated with financial instruments at that level.

For movements between the levels within the fair value hierarchy, the Fund has adopted a policy of recognizing the transfers as of the date of the underlying event which caused the movement.

At September 30, 2018, all of the Fund's investments in financial instruments carried at fair value were valued using Level 2 inputs.

10. New Accounting Pronouncements

In August 2018, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) No. 2018-13, Fair Value Measurement (Topic 820): Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurements. The amendments in the ASU modify the disclosure requirements on fair value measurements in Topic 820. The ASU is effective for interim and annual reporting periods beginning after December 15, 2019. Management is currently evaluating the impact, if any, of applying this provision.

Franklin New York Intermediate-Term Tax-Free Income Fund (continued)

11. Subsequent Events

The Fund has evaluated subsequent events through the issuance of the financial statements and determined that no events have occurred that require disclosure, except for the following:

On February 27, 2018, the Board approved an automatic conversion feature for Class C that will convert shareholders' Class C shares into Class A shares after they have been held for 10 years. The conversion feature will become effective October 5, 2018. Further details are disclosed in the Fund's Prospectus.

Abbreviations

Selected Portfolio

AGMC	Assured Guaranty Municipal Corp.
BAM	Build America Mutual Assurance Co.
CSD	Central School District
EDC	Economic Development Corp.
GO	General Obligation
HDC	Housing Development Corp.
IDA	Industrial Development Authority/Agency
IDAR	Industrial Development Authority Revenue
IDC	Industrial Development Corp.
LOC	Letter of Credit
MFHR	Multi-Family Housing Revenue
MTA	Metropolitan Transit Authority
NATL	National Public Financial Guarantee Corp.

Report of Independent Registered Public Accounting Firm

To the Board of Trustees of Franklin New York Tax-Free Trust and Shareholders of Franklin New York Intermediate-Term Tax-Free Income Fund

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities, including the statement of investments, of Franklin New York Intermediate-Term Tax-Free Income Fund (the "Fund") as of September 30, 2018, the related statement of operations for the year ended September 30, 2018, the statement of changes in net assets for each of the two years in the period ended September 30, 2018, including the related notes, and the financial highlights for each of the periods indicated therein (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as of September 30, 2018, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period ended September 30, 2018 and the financial highlights for each of the periods indicated therein in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on the Fund's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of September 30, 2018 by correspondence with the custodian, and brokers; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP

San Francisco, California

November 29, 2018

We have served as the auditor of one or more investment companies in the Franklin Templeton Group of Funds since 1948.

Tax Information (unaudited)

Franklin New York Intermediate-Term Tax-Free Income Fund

Under Section 852(b)(5)(A) of the Internal Revenue Code, the Fund hereby reports 100% of the distributions paid from net investment income as exempt-interest dividends for the fiscal year ended September 30, 2018. A portion of the Fund's exempt-interest dividends may be subject to the federal alternative minimum tax. By mid-February 2019, shareholders will be notified of amounts for use in preparing their 2018 income tax returns.

Special Meeting of Shareholders

MEETING OF SHAREHOLDERS: OCTOBER 30, 2017 AND RECONVENED ON DECEMBER 15, 2017 AND DECEMBER 29, 2017

(UNAUDITED)

A Special Meeting of Shareholders of Franklin New York Tax-Free Trust was held at the offices of Franklin Templeton Investments, One Franklin Parkway, San Mateo, California on October 30, 2017 and reconvened on December 15, 2017 and December 29, 2017. The purpose of the meeting was to elect Trustees of Franklin New York Tax-Free Trust and to vote on the following proposals: to approve the use of a “manager of managers” structure whereby the Fund’s investment manager would be able to hire and replace subadvisers without shareholder approval and to approve an amended fundamental investment restriction regarding investments in commodities for the Fund. At the meeting, (i) the following persons were elected by the shareholders to serve as Trustees of Franklin New York Tax-Free Trust: Harris J. Ashton, Terrence J. Checki, Mary C. Choksi, Edith E. Holiday, Gregory E. Johnson, Rupert H. Johnson, Jr., J. Michael Luttig, Larry D. Thompson, and John B. Wilson; and (ii) sufficient votes were not received to pass the proposals to use a “manager of managers” structure and to approve the amended fundamental investment restriction regarding investments in commodities. No other business was transacted at the meeting.

In connection with the meeting, management is aware that some shareholders received from the proxy solicitor numerous calls and mailings that may have been distracting. Management is taking steps to ensure that, in the future, for any new shareholder meeting solicitations that occur, such activity is not repeated. Management apologizes for any inconvenience that may have been caused as a result of such calls and mailings.

The results of the voting at the meeting are as follows:

Proposal 1. To elect a Board of Trustees:

Name	For	Withheld
Harris J. Ashton	58,267,110	1,403,377
Terrence J. Checki	58,303,970	1,366,518
Mary C. Choksi	58,417,641	1,252,847
Edith E. Holiday	58,223,718	1,446,770
Gregory E. Johnson	58,322,519	1,347,968
Rupert H. Johnson, Jr.	58,266,620	1,403,867
J. Michael Luttig	58,321,562	1,348,926
Larry D. Thompson	58,277,561	1,392,927
John B. Wilson	58,310,809	1,359,679

Total Trust Shares Outstanding*: 94,061,330

* As of the record date.

Proposal 2. To approve the use of a “manager of managers” structure whereby the Fund’s investment manager would be able to hire and replace subadvisers without shareholder approval:

	Shares
For	34,595,064
Against	2,902,884
Abstain	1,378,595
Broker Non-Votes	20,793,950
Total Fund Shares Voted	59,670,488
Total Fund Shares Outstanding*.	94,061,330

Proposal 3. To approve an amended fundamental investment restriction regarding investments in commodities:

	Shares
For	34,921,025
Against	2,104,420
Abstain	1,851,093
Broker Non-Votes	20,793,950
Total Fund Shares Voted	59,670,488
Total Fund Shares Outstanding*.	94,061,330

Board Members and Officers

The name, year of birth and address of the officers and board members, as well as their affiliations, positions held with the Fund, principal occupations during at least the past five years and number of U.S. registered portfolios overseen in the Franklin Templeton Investments fund complex, are shown below. Generally, each board member serves until that person's successor is elected and qualified.

Independent Board Members

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member*	Other Directorships Held During at Least the Past 5 Years
Harris J. Ashton (1932) One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 1986	136	Bar-S Foods (meat packing company) (1981-2010).
Principal Occupation During at Least the Past 5 Years: Director of various companies; and formerly , Director, RBC Holdings, Inc. (bank holding company) (until 2002); and President, Chief Executive Officer and Chairman of the Board, General Host Corporation (nursery and craft centers) (until 1998).				
Terrence J. Checki (1945) One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since December 2017	112	Hess Corporation (exploration of oil and gas) (2014-present).
Principal Occupation During at Least the Past 5 Years: Member of the Council on Foreign Relations (1996-present); Member of the National Committee on U.S.-China Relations (1999-present); member of the Board of Trustees of the Economic Club of New York (2013-present); member of the Board of Trustees of the Foreign Policy Association (2005-present) and member of various other boards of trustees and advisory boards; and formerly , Executive Vice President of the Federal Reserve Bank of New York and Head of its Emerging Markets and Internal Affairs Group and Member of Management Committee (1995-2014); and Visiting Fellow at the Council on Foreign Relations (2014).				
Mary C. Choksi (1950) One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 2014	136	Avis Budget Group Inc. (car rental) (2007-present), Omnicom Group Inc. (advertising and marketing communications services) (2011-present) and White Mountains Insurance Group, Ltd. (holding company) (2017-present).
Principal Occupation During at Least the Past 5 Years: Director of various companies; and formerly , Founder and Senior Advisor, Strategic Investment Group (investment management group) (2015-2017); Founding Partner and Senior Managing Director, Strategic Investment Group (1987-2015); Founding Partner and Managing Director, Emerging Markets Management LLC (investment management firm) (1987-2011); and Loan Officer/Senior Loan Officer/Senior Pension Investment Officer, World Bank Group (international financial institution) (1977-1987).				
Edith E. Holiday (1952) One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 2005	136	Hess Corporation (exploration of oil and gas) (1993-present), Canadian National Railway (railroad) (2001-present), White Mountains Insurance Group, Ltd. (holding company) (2004-present), Santander Consumer USA Holdings, Inc. (consumer finance) (2016-present), RTI International Metals, Inc. (manufacture and distribution of titanium) (1999-2015) and H.J. Heinz Company (processed foods and allied products) (1994-2013).
Principal Occupation During at Least the Past 5 Years: Director or Trustee of various companies and trusts; and formerly , Assistant to the President of the United States and Secretary of the Cabinet (1990-1993); General Counsel to the United States Treasury Department (1989-1990); and Counselor to the Secretary and Assistant Secretary for Public Affairs and Public Liaison-United States Treasury Department (1988-1989).				
J. Michael Luttig (1954) One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 2009	136	Boeing Capital Corporation (aircraft financing) (2006-2013).
Principal Occupation During at Least the Past 5 Years: Executive Vice President, General Counsel and member of the Executive Council, The Boeing Company (aerospace company) (2006-present); and formerly , Federal Appeals Court Judge, U.S. Court of Appeals for the Fourth Circuit (1991-2006).				

Independent Board Members (continued)

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member*	Other Directorships Held During at Least the Past 5 Years
Larry D. Thompson (1945) One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 2007	136	The Southern Company (energy company) (2014-present; previously 2010-2012), Graham Holdings Company (education and media organization) (2011-present) and Cbeyond, Inc. (business communications provider) (2010-2012).

Principal Occupation During at Least the Past 5 Years:

Director of various companies; Counsel, Finch McCranie, LLP (law firm) (2015-present); Independent Compliance Monitor and Auditor, Volkswagen AG (manufacturer of automobiles and commercial vehicles) (2017-present); John A. Sibley Professor of Corporate and Business Law, University of Georgia School of Law (2015-present; previously 2011-2012); and **formerly**, Executive Vice President - Government Affairs, General Counsel and Corporate Secretary, PepsiCo, Inc. (consumer products) (2012-2014); Senior Vice President - Government Affairs, General Counsel and Secretary, PepsiCo, Inc. (2004-2011); Senior Fellow of The Brookings Institution (2003-2004); Visiting Professor, University of Georgia School of Law (2004); and Deputy Attorney General, U.S. Department of Justice (2001-2003).

John B. Wilson (1959) One Franklin Parkway San Mateo, CA 94403-1906	Lead Independent Trustee	Trustee since 2007 and Lead Independent Trustee since 2008	112	None
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Principal Occupation During at Least the Past 5 Years:

President and Founder, Hyannis Port Capital, Inc. (real estate and private equity investing) (2002-present); Senior Advisor, McKinsey & Co. (consulting) (2017-present); serves on private and non-profit boards; and **formerly**, President, Staples International and Head of Global Transformation (office supplies) (2012-2016); Chief Operating Officer and Executive Vice President, Gap, Inc. (retail) (1996-2000); Chief Financial Officer and Executive Vice President – Finance and Strategy, Staples, Inc. (1992-1996); Senior Vice President – Corporate Planning, Northwest Airlines, Inc. (airlines) (1990-1992); and Vice President and Partner, Bain & Company (consulting firm) (1986-1990).

Interested Board Members and Officers

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member*	Other Directorships Held During at Least the Past 5 Years
**Gregory E. Johnson (1961) One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 2007	150	None

Principal Occupation During at Least the Past 5 Years:

Chairman of the Board, Member - Office of the Chairman, Director, and Chief Executive Officer, Franklin Resources, Inc.; officer and/or director or trustee, as the case may be, of some of the other subsidiaries of Franklin Resources, Inc. and of 42 of the investment companies in Franklin Templeton Investments; Vice Chairman, Investment Company Institute; and **formerly**, President, Franklin Resources, Inc. (1994-2015).

**Rupert H. Johnson, Jr. (1940) One Franklin Parkway San Mateo, CA 94403-1906	Chairman of the Board and Trustee	Since 2013	136	None
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Principal Occupation During at Least the Past 5 Years:

Vice Chairman, Member - Office of the Chairman and Director, Franklin Resources, Inc.; Director, Franklin Advisers, Inc.; Senior Vice President, Franklin Advisory Services, LLC; and officer and/or director or trustee, as the case may be, of some of the other subsidiaries of Franklin Resources, Inc. and of 40 of the investment companies in Franklin Templeton Investments.

Sheila Amoroso (1959) One Franklin Parkway San Mateo, CA 94403-1906	Vice President	Since 1999	Not Applicable	Not Applicable
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Principal Occupation During at Least the Past 5 Years:

Senior Vice President, Franklin Advisers, Inc.; and officer of seven of the investment companies in Franklin Templeton Investments.

Interested Board Members and Officers (continued)

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member*	Other Directorships Held During at Least the Past 5 Years
Alison E. Baur (1964) One Franklin Parkway San Mateo, CA 94403-1906	Vice President	Since 2012	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Deputy General Counsel, Franklin Templeton Investments; and officer of some of the other subsidiaries of Franklin Resources, Inc. and of 44 of the investment companies in Franklin Templeton Investments.				
Rafael R. Costas, Jr. (1965) One Franklin Parkway San Mateo, CA 94403-1906	Vice President	Since 1999	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Senior Vice President, Franklin Advisers, Inc.; and officer of seven of the investment companies in Franklin Templeton Investments.				
Gaston Gardey (1967) One Franklin Parkway San Mateo, CA 94403-1906	Chief Financial Officer, Chief Accounting Officer and Treasurer	Since 2009	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Treasurer, U.S. Fund Administration & Reporting, Franklin Templeton Investments; and officer of 28 of the investment companies in Franklin Templeton Investments.				
Aliya S. Gordon (1973) One Franklin Parkway San Mateo, CA 94403-1906	Vice President	Since 2009	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Senior Associate General Counsel, Franklin Templeton Investments; and officer of 44 of the investment companies in Franklin Templeton Investments.				
Steven J. Gray (1955) One Franklin Parkway San Mateo, CA 94403-1906	Vice President	Since 2009	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Senior Associate General Counsel, Franklin Templeton Investments; Vice President, Franklin Templeton Distributors, Inc. and FASA, LLC; and officer of 44 of the investment companies in Franklin Templeton Investments.				
Matthew T. Hinkle (1971) One Franklin Parkway San Mateo, CA 94403-1906	Chief Executive Officer – Finance and Administration	Since 2017	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Senior Vice President, Franklin Templeton Services, LLC; officer of 44 of the investment companies in Franklin Templeton Investments; and formerly , Vice President, Global Tax (2012-April 2017) and Treasurer/Assistant Treasurer, Franklin Templeton Investments (2009-2017).				
Robert Lim (1948) One Franklin Parkway San Mateo, CA 94403-1906	Vice President – AML Compliance	Since 2016	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Vice President, Franklin Templeton Companies, LLC; Chief Compliance Officer, Franklin Templeton Distributors, Inc. and Franklin Templeton Investor Services, LLC; and officer of 44 of the investment companies in Franklin Templeton Investments.				

Interested Board Members and Officers (continued)

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member*	Other Directorships Held During at Least the Past 5 Years
Christopher J. Molumphy (1962) One Franklin Parkway San Mateo, CA 94403-1906	President and Chief Executive Officer - Investment Management	Since 2010	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Director and Executive Vice President, Franklin Advisers, Inc.; Executive Vice President, Franklin Templeton Institutional, LLC; and officer of some of the other subsidiaries of Franklin Resources, Inc. and of 21 of the investment companies in Franklin Templeton Investments.				
Kimberly H. Novotny (1972) 300 S.E. 2nd Street Fort Lauderdale, FL 33301-1923	Vice President	Since 2013	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Associate General Counsel, Franklin Templeton Investments; Vice President and Corporate Secretary, Fiduciary Trust International of the South; Vice President, Templeton Investment Counsel, LLC; Assistant Secretary, Franklin Resources, Inc.; and officer of 44 of the investment companies in Franklin Templeton Investments.				
Robert C. Rosselot (1960) 300 S.E. 2nd Street Fort Lauderdale, FL 33301-1923	Chief Compliance Officer	Since 2013	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Director, Global Compliance, Franklin Templeton Investments; Vice President, Franklin Templeton Companies, LLC; officer of 44 of the investment companies in Franklin Templeton Investments; and formerly , Senior Associate General Counsel, Franklin Templeton Investments (2007-2013); and Secretary and Vice President, Templeton Group of Funds (2004-2013).				
Karen L. Skidmore (1952) One Franklin Parkway San Mateo, CA 94403-1906	Vice President and Secretary	Since 2006	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Senior Associate General Counsel, Franklin Templeton Investments; and officer of 44 of the investment companies in Franklin Templeton Investments.				
Navid J. Tofigh (1972) One Franklin Parkway San Mateo, CA 94403-1906	Vice President	Since 2015	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Associate General Counsel, Franklin Templeton Investments; and officer of 44 of the investment companies in Franklin Templeton Investments.				
Craig S. Tyle (1960) One Franklin Parkway San Mateo, CA 94403-1906	Vice President	Since 2005	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: General Counsel and Executive Vice President, Franklin Resources, Inc.; and officer of some of the other subsidiaries of Franklin Resources, Inc. and of 44 of the investment companies in Franklin Templeton Investments.				
Thomas Walsh (1961) One Franklin Parkway San Mateo, CA 94403-1906	Vice President	Since 1999	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Senior Vice President, Franklin Advisers, Inc.; and officer of seven of the investment companies in Franklin Templeton Investments.				

Interested Board Members and Officers (continued)

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member*	Other Directorships Held During at Least the Past 5 Years
Lori A. Weber (1964) 300 S.E. 2nd Street Fort Lauderdale, FL 33301-1923	Vice President	Since 2011	Not Applicable	Not Applicable

Principal Occupation During at Least the Past 5 Years:

Senior Associate General Counsel, Franklin Templeton Investments; Assistant Secretary, Franklin Resources, Inc.; Vice President and Secretary, Templeton Investment Counsel, LLC; and officer of 44 of the investment companies in Franklin Templeton Investments.

*We base the number of portfolios on each separate series of the U.S. registered investment companies within the Franklin Templeton Investments fund complex. These portfolios have a common investment manager or affiliated investment managers.

**Gregory E. Johnson is considered to be an interested person of the Fund under the federal securities laws due to his position as an officer and director of Franklin Resources, Inc. (Resources), which is the parent company of the Fund's investment manager and distributor. Rupert H. Johnson, Jr. is considered to be an interested person of the Fund under the federal securities laws due to his position as an officer and director and major shareholder of Resources.

Note 1: Rupert H. Johnson, Jr. is the uncle of Gregory E. Johnson.

Note 2: Officer information is current as of the date of this report. It is possible that after this date, information about officers may change.

The Sarbanes-Oxley Act of 2002 and Rules adopted by the Securities and Exchange Commission require the Fund to disclose whether the Fund's Audit Committee includes at least one member who is an audit committee financial expert within the meaning of such Act and Rules. The Fund's Board has determined that there is at least one such financial expert on the Audit Committee and has designated John B. Wilson as its audit committee financial expert. The Board believes that Mr. Wilson qualifies as such an expert in view of his extensive business background and experience, including service as chief financial officer of Staples, Inc. from 1992 to 1996. Mr. Wilson has been a Member and Chairman of the Fund's Audit Committee since 2007. As a result of such background and experience, the Board believes that Mr. Wilson has acquired an understanding of generally accepted accounting principles and financial statements, the general application of such principles in connection with the accounting estimates, accruals and reserves, and analyzing and evaluating financial statements that present a breadth and level of complexity of accounting issues generally comparable to those of the Fund, as well as an understanding of internal controls and procedures for financial reporting and an understanding of audit committee functions. Mr. Wilson is an independent Board member as that term is defined under the relevant Securities and Exchange Commission Rules and Releases.

The Statement of Additional Information (SAI) includes additional information about the board members and is available, without charge, upon request. Shareholders may call (800) DIAL BEN/342-5236 to request the SAI.

Shareholder Information

Proxy Voting Policies and Procedures

The Fund's investment manager has established Proxy Voting Policies and Procedures (Policies) that the Fund uses to determine how to vote proxies relating to portfolio securities. Shareholders may view the Fund's complete Policies online at franklintempleton.com. Alternatively, shareholders may request copies of the Policies free of charge by calling the Proxy Group collect at (954) 527-7678 or by sending a written request to: Franklin Templeton Companies, LLC, 300 S.E. 2nd Street, Fort Lauderdale, FL 33301, Attention: Proxy Group. Copies of the Fund's proxy voting records are also made available online at franklintempleton.com and posted on the U.S. Securities and Exchange Commission's website at sec.gov and reflect the most recent 12-month period ended June 30.

Quarterly Consolidated Statement of Investments

The Trust, on behalf of the Fund, files a complete consolidated statement of investments with the U.S. Securities and Exchange Commission for the first and third quarters for each fiscal year on Form N-Q. Shareholders may view the filed Form N-Q by visiting the Commission's website at sec.gov. The filed form may also be viewed and copied at the Commission's Public Reference Room in Washington, DC. Information regarding the operations of the Public Reference Room may be obtained by calling (800) SEC-0330.

Householding of Reports and Prospectuses

You will receive each Fund's financial reports every six months as well as an annual updated summary prospectus (prospectus available upon request). To reduce Fund expenses, we try to identify related shareholders in a household and send only one copy of the financial reports and summary prospectus. This process, called "householding," will continue indefinitely unless you instruct us otherwise. If you prefer not to have these documents househanded, please call us at (800) 632-2301. At any time you may view current prospectuses/summary prospectuses and financial reports on our website. If you choose, you may receive these documents through electronic delivery.

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**Annual Report and Shareholder Letter
Franklin New York Intermediate-Term Tax-Free Income Fund**

Investment Manager
Franklin Advisers, Inc.

Distributor
Franklin Templeton Distributors, Inc.
(800) DIAL BEN® / 342-5236
franklintempleton.com

Shareholder Services
(800) 632-2301

Authorized for distribution only when accompanied or preceded by a summary prospectus and/or prospectus. Investors should carefully consider a fund's investment goals, risks, charges and expenses before investing. A prospectus contains this and other information; please read it carefully before investing.

To help ensure we provide you with quality service, all calls to and from our service areas are monitored and/or recorded.