MARCH 31, 2013

SEMIANNUAL REPORT
AND SHAREHOLDER LETTER

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Franklin New York Intermediate-Term Tax-Free Income Fund

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Not part of the semiannual report

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Shareholder Letter

Dear Shareholder:

During the six-month period ended March 31, 2013, the municipal bond market recorded slightly positive performance. Ongoing demand, relatively low new supply and growing confidence by investors that defaults would not amount to predicted levels were major factors supporting returns.

Although U.S. economic data were generally favorable, economic growth was uneven during the period. The Federal Reserve Board (Fed) kept interest rates low and monitored indicators of economic growth and inflation. Seeking to support a stronger economic recovery, the Fed engaged in a third round of quantitative easing (QE3). QE3 consists of $40 billion monthly purchases of mortgage-backed securities. The Fed also continued buying long-term Treasury bonds and selling short-term Treasury bills and notes in an effort to put downward pressure on long-term interest rates. In December, Fed Chairman Ben Bernanke announced a 6.5% unemployment level as a guide to maintaining the historically low federal funds target rate.

Troubles in the eurozone persisted despite some progress and caused jitters in global equity markets, which experienced significant volatility. In October, the launch of the European Stability Mechanism (ESM) and approval of expanded supervision of eurozone banks by the European Central Bank represented steps toward allowing direct ESM recapitalization of banks. Near the end of November, members of the eurozone unveiled a plan to help Greece reduce the percentage of its debt to gross domestic product, and Spain announced a series of bailouts for some of its troubled banks. In February 2013, Prime Minister Mario Monti's party suffered a defeat in the Italian parliamentary elections, and no party was left clearly in control of the government. In March 2013, a financial crisis erupted in another eurozone country, Cyprus. As the Cypriot government worked out a bailout deal with the International Monetary Fund and other creditors, banks in Cyprus were closed for a number of days, renewing volatility and fear in global financial markets.

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In the U.S. late in 2012, financial markets seemed to be in a narrow trading range as the U.S. presidential election neared and rhetoric intensified. Economists, business leaders and market watchers pointed to the approach of the "fiscal cliff" the U.S. would face at the beginning of 2013 when, unless Congress acted, income tax rates were scheduled to go up significantly and automatic federal budget cuts would take effect. They feared these combined events could cause the U.S. economy to fall into another recession. On November 6, President Obama was re-elected, Republicans held on to their majority in the House of Representatives, and Democrats retained their majority in the Senate — the balance of power remained the same. The parties failed to reach a compromise to avoid the fiscal cliff by the year-end deadline; however, a bill was passed late on January 1, 2013. Much of the compromise revolved around increases in revenues, mostly through higher income tax rates on the wealthiest Americans. Little was done in terms of meaningful entitlement reforms or other expenditures. Across-the-board spending cuts for defense and domestic programs were deferred until March 1, 2013. Once again, no compromise could be reached and the automatic cuts — known as "sequestration" — went into effect on March 1.

During the six-month period, investors generally rotated back into stocks as economic data began to improve. Fiscal cliff negotiations hinted at changing municipal bonds' tax-exempt status, which may have prompted some withdrawals from municipal bond funds. In this environment, the Barclays Municipal Bond Index, which tracks investment-grade municipal securities, posted a +0.96% total return.[1]

Franklin New York Intermediate-Term Tax-Free Income Fund's semiannual report goes into greater detail about municipal bond market conditions during the period under review. In addition, you will find performance data, financial information and a discussion from the portfolio managers. We invite you to periodically check our website, **franklintempleton.com**, for updated commentary by our municipal bond experts. Please remember all securities markets fluctuate, as do mutual fund share prices. 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 income component.

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As always, we recommend investors seek the counsel and advice of qualified 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 your confidence and encourage you to contact us when you have questions about your Franklin Templeton tax-free investment.

Sincerely,

Charles B. Johnson
Chairman
Franklin New York Tax-Free Trust

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 March 31, 2013. The information is not a complete analysis of every aspect of any market, country, industry, security or fund. Statements of fact are from sources considered reliable.

Semiannual Report

Franklin New York Intermediate-Term Tax-Free Income Fund

Your Fund's Goal and Main Investments: Franklin New York Intermediate-Term Tax-Free Income 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 in the top four rating categories by one or more U.S. nationally recognized rating services (or comparable unrated or short-term rated securities).

Credit Quality Breakdown*
3/31/13

Ratings	% of Total Long-Term Investments**
AAA	12.8%
AA	66.0%
A	17.9%
BBB	2.7%
Not Rated	0.6%

*Standard & Poor's (S&P) is used as the primary independent rating agency source. Moody's is secondary, and Fitch, if available, is used for securities not rated by Moody's or S&P. The ratings are an indication of an issuer's credit-worthiness, with long-term ratings typically ranging from AAA (highest) to Below Investment Grade (lowest; includes ratings BB to D). This methodology differs from that used in Fund marketing materials.

**Does not include short-term investments and other net assets.

This semiannual report for Franklin New York Intermediate-Term Tax-Free Income Fund covers the period ended March 31, 2013.

1. For investors subject to alternative minimum tax, a small portion of 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, U.S. investors must be properly certified on Form W-9 and non-U.S. investors on Form W-8BEN.

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 18.

Dividend Distributions*
10/1/12–3/31/13

	Dividend per Share (cents)		
Month	Class A	Class C	Advisor Class
October	2.69	2.14	2.80
November	2.69	2.14	2.80
December	2.69	2.13	2.80
January	2.69	2.13	2.80
February	2.69	2.13	2.80
March	2.69	2.13	2.78
Total	**16.14**	**12.80**	**16.78**

*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.

Performance Overview

The Fund's Class A share price, as measured by net asset value, decreased from $11.96 on September 30, 2012, to $11.87 on March 31, 2013. The Fund's Class A shares paid dividends totaling 16.14 cents per share for the same period.[2] The Performance Summary beginning on page 10 shows that at the end of this reporting period the Fund's Class A shares' distribution rate was 2.66% based on an annualization of the 2.69 cent per share March dividend and the maximum offering price of $12.14 on March 31, 2013. An investor in the 2013 maximum combined effective federal and New York state and City personal income tax bracket of 50.32% (including 3.8% Medicare tax) would need to earn a distribution rate of 5.35% from a taxable investment to match the Fund's Class A tax-free distribution rate. For the Fund's Class C and Advisor shares' performance, please see the Performance Summary.

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. Please visit ***franklintempleton.com*** *or call* ***(800) 342-5236*** *for most recent month-end performance.*

State Update

New York's large, diverse economy continued its uneven recovery during the six months under review and benefited from national trends as well as the state's concentration of corporate headquarters and industrial and commercial business concerns across many employment sectors. Over the past few years, New York regained the number of public and private sector jobs lost during the national recession. However, given the concentration of new jobs in New York City and its suburbs, the state remained vulnerable, particularly as some economists anticipated losses in the finance and insurance industries that provided

2. All Fund distributions will vary depending upon current market conditions, and past distributions are not indicative of future trends.

Portfolio Breakdown
3/31/13

	% of Total Long-Term Investments*
Subject to Government Appropriations	25.7%
General Obligation	20.4%
Tax-Supported	13.5%
Transportation	13.4%
Higher Education	7.9%
Utilities	7.2%
Hospital & Health Care	6.7%
Other Revenue	3.3%
Refunded	1.6%
Housing	0.3%

*Does not include short-term investments and other net assets.

an above-average share of state income and were critical components of the state's revenue base. Additionally, many counties outside the New York metropolitan area had double-digit unemployment rates, with almost half of those affected being unemployed for over six months, and many new jobs in lower paying industries compared to jobs lost during the recession. Federal budget cuts and the European sovereign debt crisis also remained concerns regarding the state's ongoing recovery. Despite encouraging national employment trends, the state's unemployment rate remained above the national average during the period, declining from 8.5% to 8.2%, while the national rate similarly decreased from 7.8% to 7.6%.[3]

For the second consecutive year, the budget was approved on time. The fiscal year 2013 budget planned to close a deficit by raising taxes on high income earners and reducing spending through consolidation of agencies, purchasing and human resources. The governor's amended budget proposal for fiscal year 2014 projected that the fiscal year 2013 general fund balance will further decrease, including use of reserves specifically set aside for retroactive labor agreements that were settled after enactment of the fiscal year 2013 budget, but remaining estimated reserves were viewed as adequate. The fiscal year 2014 executive budget proposed increased spending that would be largely covered by federal relief funds for Superstorm Sandy and federal health care legislation. Budget gaps were planned to be closed by approximating fiscal year 2013 state agency spending levels and lowering debt service costs, extending expiring revenue measures, transferring funds from a workers' compensation fund, and controlling social services and school aid spending increases.

New York's net tax-supported debt was 6.6% of personal income and $3,208 per capita, compared with the 2.8% and $1,117 national medians.[4] Although the state's debt levels ranked among the nation's highest, they were considered manageable and in line with other northeastern states. New York has a history of conservative budgeting and active financial management, and its debt profile is further bolstered by its track record of closing annual budget gaps. Independent credit rating agency Standard & Poor's (S&P) rated New York's general obligation bonds AA with a positive outlook.[5] The rating and outlook reflected S&P's view of the state's movement toward structural budget balance and its lower projected gaps in future years. According to S&P, these positives were balanced against cyclical state finances, moderately high debt levels and other large, unfunded post-employment benefits.

3. Source: Bureau of Labor Statistics.
4. Source: Moody's Investors Service, "Median Report: 2012 State Debt Medians Report," 5/22/12.
5. This does not indicate S&P's rating of the Fund.

Municipal Bond Market Overview

For the six-month period ended March 31, 2013, the municipal bond market produced small, positive returns. During this period, the Barclays Municipal Bond Index, which tracks investment-grade municipal securities, returned +0.96%.[6] In comparison, the Barclays U.S. Treasury Index had a -0.27% return.[6] The tax-exempt nature of most municipal bond coupon payments included in the Barclays Municipal Bond Index further enhanced the relative strength of municipal bond performance for the period under review.

The municipal market delivered positive performance even though Moody's Investors Service, S&P and Fitch, the three largest independent municipal bond rating agencies, lowered credit ratings of several municipalities during the review period. In 2012, the agencies collectively issued 1,469 downgrades to 838 upgrades. S&P was the only firm to boost more ratings than it downgraded, whereas Moody's was the most aggressive, cutting 824 ratings while upgrading 187. Some of the more noteworthy downgrades over the past 12 months included Connecticut, Illinois, Pennsylvania and Puerto Rico. Despite the high number of downgrades during 2012, actual monetary defaults amounted to $2.7 billion or 0.072% of issues.[7] Low default rates have been a characteristic of the municipal bond market since the Great Depression ended.

During 2012, investors continued to buy municipal bonds and bond funds at a strong pace. According to the Investment Company Institute, investors committed $49.6 billion in new net purchases to municipal bond funds.[8] Concurrent with investors' appetite for municipal bonds, municipalities throughout the country borrowed for new purposes at the slowest rate since 1997. Strong demand for municipal bonds coupled with low supply supported the municipal market's positive performance.

Individual investors choose to invest in the municipal bond market for various reasons. High personal income tax rates and tax-exempt yields offered on municipal bonds are often major drivers of an investor's preference for municipal bonds. In addition, lower price volatility implicit in protracted periods of low interest rates can give investors confidence in their fixed income investments. Federal Reserve Board (Fed) Chairman Ben Bernanke testified before the Senate Banking Committee on February 26, 2013, and reaffirmed the Fed's

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7. Source: BofA Merrill Lynch Global Research, "Muni Commentary: Monetary and Fiscal Policy in Flux," 1/4/13.

8. Source: Investment Company Institute, Washington, DC 2013.

commitment to keeping interest rates low. One of the Fed's tools used to maintain low rates is the purchase of government and governmental agency debt in the secondary market. The Fed indicated it will maintain its bond-buying strategy "until the outlook for the labor markets has improved substantially." This continued strategy could help support further demand for municipal bonds.

After the November elections, discussions about ways to achieve deficit reduction included possibly changing municipal bonds' tax-exempt status. Investor nervousness about such changes prompted outflows from municipal bond mutual funds in December that reached the highest weekly level since January 2011, according to Lipper Inc. Municipal bond prices fell and their yields rose near the end of 2012. Late on January 1, 2013, Congress agreed to raise income taxes on the wealthiest Americans and defer some federal spending cuts. The bill did not include changes to municipal bonds' tax-exempt status.

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.

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 exotic derivatives, nor do we use hedging techniques that could add volatility and contribute to underperformance in adverse markets. We generally seek to stay fully invested to help maximize income distribution.

Manager's Discussion

Consistent with our strategy, we typically look to remain fully invested in a portfolio that maintains an average weighted 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.

Thank you for your 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 March 31, 2013, 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 3/31/13

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. The performance table does 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.

Price and Distribution Information

Class A (Symbol: FKNIX)		Change	3/31/13	9/30/12
Net Asset Value (NAV)		-$0.09	$11.87	$11.96
Distributions (10/1/12–3/31/13)				
Dividend Income	$0.1614			
Class C (Symbol: FKNCX)		**Change**	**3/31/13**	**9/30/12**
Net Asset Value (NAV)		-$0.09	$11.90	$11.99
Distributions (10/1/12–3/31/13)				
Dividend Income	$0.1280			
Advisor Class (Symbol: FNYZX)		**Change**	**3/31/13**	**9/30/12**
Net Asset Value (NAV)		-$0.09	$11.90	$11.99
Distributions (10/1/12–3/31/13)				
Dividend Income	$0.1678			

Performance Summary *(continued)*

Performance[1]

Cumulative total return excludes sales charges. Average annual total return includes maximum sales charges. ***Class A:*** *2.25% maximum initial sales charge;* ***Class C:*** *1% contingent deferred sales charge in first year only;* ***Advisor Class:*** *no sales charges.*

Class A	6-Month	1-Year	5-Year	10-Year
Cumulative Total Return[2]	+0.59%	+4.76%	+29.78%	+50.84%
Average Annual Total Return[3]	-1.71%	+2.38%	+4.87%	+3.96%
Distribution Rate[4]	2.66%			
Taxable Equivalent Distribution Rate[5]	5.35%			
30-Day Standardized Yield[6]	1.27%			
Taxable Equivalent Yield[5]	2.56%			
Total Annual Operating Expenses[7]	0.66%			
Class C	**6-Month**	**1-Year**	**5-Year**	**Inception (7/1/03)**
Cumulative Total Return[2]	+0.31%	+4.17%	+26.39%	+39.29%
Average Annual Total Return[3]	-0.68%	+3.17%	+4.80%	+3.46%
Distribution Rate[4]	2.15%			
Taxable Equivalent Distribution Rate[5]	4.33%			
30-Day Standardized Yield[6]	0.74%			
Taxable Equivalent Yield[5]	1.49%			
Total Annual Operating Expenses[7]	1.21%			
Advisor Class[8]	**6-Month**	**1-Year**	**5-Year**	**10-Year**
Cumulative Total Return[2]	+0.65%	+4.94%	+30.62%	+51.81%
Average Annual Total Return[3]	+0.65%	+4.94%	+5.49%	+4.26%
Distribution Rate[4]	2.80%			
Taxable Equivalent Distribution Rate[5]	5.64%			
30-Day Standardized Yield[6]	1.40%			
Taxable Equivalent Yield[5]	2.82%			
Total Annual Operating Expenses[7]	0.56%			

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****.*

Performance Summary *(continued)*

Endnotes

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. Since the Fund concentrates its investments 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 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.

Class C: Prior to 1/1/04, these shares were offered with an initial sales charge; thus actual total returns would have differed. These shares have higher annual fees and expenses than Class A shares.

Advisor Class: Shares are available to certain eligible investors as described in the prospectus.

1. Fund investment results reflect past expense reductions, without which the results would have been lower.

2. Cumulative total return represents the change in value of an investment over the periods indicated.

3. Average annual total return represents the average annual change in value of an investment over the periods indicated. Six-month return has not been annualized.

4. Distribution rate is based on an annualization of the respective class's March dividend and the maximum offering price (NAV for Classes C and Advisor) per share on 3/31/13.

5. Taxable equivalent distribution rate and yield assume the published rates as of 1/8/13 for the maximum combined effective federal and New York state and City personal income tax rate of 50.32%, based on the federal income tax rate of 39.60% plus 3.8% Medicare tax.

6. The 30-day standardized yield for the 30 days ended 3/31/13 reflects an estimated yield to maturity (assuming all portfolio securities are held to maturity). It should be regarded as an estimate of the Fund's rate of investment income, and it may not equal the Fund's actual income distribution rate (which reflects the Fund's past dividends paid to shareholders) or the income reported in the Fund's financial statements.

7. Figures are as stated in the Fund's prospectus current as of the date of this report. In periods of market volatility, assets may decline significantly, causing total annual Fund operating expenses to become higher than the figures shown.

8. 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 +33.28% and +6.86%.

Your Fund's Expenses

As a Fund shareholder, you can incur two types of costs:

- Transaction costs, including sales charges (loads) on Fund purchases; and
- 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 following table 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 first line (Actual) for each share class listed in the table provides actual account values and expenses. The "Ending Account Value" is derived from the Fund's actual return, which includes the effect of Fund expenses.

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:*

1. Divide your account value by $1,000.
   If an account had an $8,600 value, then $8,600 ÷ $1,000 = 8.6.
2. Multiply the result by the number under the heading "Expenses Paid During Period."
   If Expenses Paid During Period were $7.50, then 8.6 x $7.50 = $64.50.

In this illustration, the estimated expenses paid this period are $64.50.

Hypothetical Example for Comparison with Other Funds

Information in the second line (Hypothetical) for each class in the table can help you compare ongoing costs of investing in the Fund with those of other mutual funds. This information may not be used to estimate the actual ending account balance or expenses you paid during the period. The hypothetical "Ending Account Value" is based on the actual expense ratio for each class and an assumed 5% annual rate of return before expenses, which does not represent the Fund's actual return. The figure under the heading "Expenses Paid During Period" shows the hypothetical expenses your account would have incurred under this scenario. You can compare this figure with the 5% hypothetical examples that appear in shareholder reports of other funds.

Your Fund's Expenses *(continued)*

Please note that expenses shown in the table are meant to highlight ongoing costs and do not reflect any transaction costs, such as sales charges. Therefore, the second line for each class is useful in comparing ongoing costs only, and will not help you compare total costs of owning different funds. In addition, if transaction costs were included, your total costs would have been higher. Please refer to the Fund prospectus for additional information on operating expenses.

Class A	Beginning Account Value 10/1/12	Ending Account Value 3/31/13	Expenses Paid During Period* 10/1/12–3/31/13
Actual	$1,000	$1,005.90	$3.25
Hypothetical (5% return before expenses)	$1,000	$1,021.69	$3.28
Class C			
Actual	$1,000	$1,003.10	$5.99
Hypothetical (5% return before expenses)	$1,000	$1,018.95	$6.04
Advisor Class			
Actual	$1,000	$1,006.50	$2.75
Hypothetical (5% return before expenses)	$1,000	$1,022.19	$2.77

*Expenses are calculated using the most recent six-month expense ratio, annualized for each class (A: 0.65%; C: 1.20%; and Advisor: 0.55%), multiplied by the average account value over the period, multiplied by 182/365 to reflect the one-half year period.

Franklin New York Tax-Free Trust

Financial Highlights

Franklin New York Intermediate-Term Tax-Free Income Fund

Class A	Six Months Ended March 31, 2013 (unaudited)	Year Ended September 30, 2012	2011	2010	2009	2008
Per share operating performance (for a share outstanding throughout the period)						
Net asset value, beginning of period	$11.96	$11.47	$11.46	$11.21	$10.37	$10.80
Income from investment operations[a]:						
Net investment income[b]	0.16	0.34	0.36	0.37	0.38	0.39
Net realized and unrealized gains (losses)	(0.09)	0.50	0.01	0.25	0.84	(0.42)
Total from investment operations	0.07	0.84	0.37	0.62	1.22	(0.03)
Less distributions from net investment income	(0.16)	(0.35)	(0.36)	(0.37)	(0.38)	(0.40)
Redemption fees[c]	—	—	—	—	—	—[d]
Net asset value, end of period	$11.87	$11.96	$11.47	$11.46	$11.21	$10.37
Total return[e]	0.59%	7.39%	3.38%	5.71%	12.00%	(0.39)%
Ratios to average net assets[f]						
Expenses	0.65%	0.66%	0.66%	0.68%	0.71%	0.73%
Net investment income	2.72%	2.93%	3.23%	3.31%	3.60%	3.58%
Supplemental data						
Net assets, end of period (000's)	$659,733	$619,530	$536,697	$541,101	$429,295	$320,661
Portfolio turnover rate	0.59%	4.90%	7.18%	5.09%	12.61%	8.37%

[a]The 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 shares in relation to income earned and/or fluctuating market value of the investments of the Fund.

[b]Based on average daily shares outstanding.

[c]Effective September 1, 2008, the redemption fee was eliminated.

[d]Amount rounds to less than $0.01 per share.

[e]Total return does not reflect sales commissions or contingent deferred sales charges, if applicable, and is not annualized for periods less than one year.

[f]Ratios are not annualized for periods less than one year.

Franklin New York Tax-Free Trust

Financial Highlights *(continued)*

Franklin New York Intermediate-Term Tax-Free Income Fund

Class C	Six Months Ended March 31, 2013 (unaudited)	Year Ended September 30, 2012	2011	2010	2009	2008
Per share operating performance (for a share outstanding throughout the period)						
Net asset value, beginning of period	$11.99	$11.50	$11.49	$11.23	$10.38	$10.82
Income from investment operations[a]:						
Net investment income[b]	0.13	0.28	0.30	0.31	0.32	0.33
Net realized and unrealized gains (losses)	(0.09)	0.49	0.01	0.26	0.85	(0.43)
Total from investment operations	0.04	0.77	0.31	0.57	1.17	(0.10)
Less distributions from net investment income	(0.13)	(0.28)	(0.30)	(0.31)	(0.32)	(0.34)
Redemption fees[c]	—	—	—	—	—	—[d]
Net asset value, end of period	$11.90	$11.99	$11.50	$11.49	$11.23	$10.38
Total return[e]	0.31%	6.78%	2.81%	5.20%	11.47%	(1.04)%
Ratios to average net assets[f]						
Expenses	1.20%	1.21%	1.21%	1.23%	1.26%	1.28%
Net investment income	2.17%	2.38%	2.68%	2.76%	3.05%	3.03%
Supplemental data						
Net assets, end of period (000's)	$173,477	$160,622	$120,975	$113,953	$60,095	$18,007
Portfolio turnover rate	0.59%	4.90%	7.18%	5.09%	12.61%	8.37%

[a]The 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 shares in relation to income earned and/or fluctuating market value of the investments of the Fund.

[b]Based on average daily shares outstanding.

[c]Effective September 1, 2008, the redemption fee was eliminated.

[d]Amount rounds to less than $0.01 per share.

[e]Total return does not reflect sales commissions or contingent deferred sales charges, if applicable, and is not annualized for periods less than one year.

[f]Ratios are not annualized for periods less than one year.

Franklin New York Tax-Free Trust

Financial Highlights *(continued)*

Franklin New York Intermediate-Term Tax-Free Income Fund

Advisor Class	Six Months Ended March 31, 2013 (unaudited)	Year Ended September 30, 2012	2011	2010	2009[a]
Per share operating performance (for a share outstanding throughout the period)					
Net asset value, beginning of period	$11.99	$11.50	$11.48	$11.23	$10.29
Income from investment operations[b]:					
Net investment income[c]	0.17	0.36	0.37	0.38	0.33
Net realized and unrealized gains (losses)	(0.10)	0.49	0.02	0.25	0.93
Total from investment operations	0.07	0.85	0.39	0.63	1.26
Less distributions from net investment income	(0.17)	(0.36)	(0.37)	(0.38)	(0.32)
Net asset value, end of period	$11.89	$11.99	$11.50	$11.48	$11.23
Total return[d]	0.65%	7.48%	3.56%	5.80%	12.45%
Ratios to average net assets[e]					
Expenses	0.55%	0.56%	0.56%	0.58%	0.61%
Net investment income	2.82%	3.03%	3.33%	3.41%	3.70%
Supplemental data					
Net assets, end of period (000's)	$188,776	$170,270	$121,719	$78,799	$34,423
Portfolio turnover rate	0.59%	4.90%	7.18%	5.09%	12.61%

[a]For the period December 1, 2008 (effective date) to September 30, 2009.

[b]The 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 shares in relation to income earned and/or fluctuating market value of the investments of the Fund.

[c]Based on average daily shares outstanding.

[d]Total return is not annualized for periods less than one year.

[e]Ratios are annualized for periods less than one year.

Franklin New York Tax-Free Trust

Statement of Investments, March 31, 2013 (unaudited)

Franklin New York Intermediate-Term Tax-Free Income Fund	Principal Amount	Value
Municipal Bonds 96.3%		
New York 91.5%		
Albany IDA Civic Facility Revenue, St. Peter's Hospital Project, Series A, 5.75%, 11/15/22	$ 4,090,000	$ 4,702,641
Brookhaven GO, Suffolk County, Public Improvement, Series B, 3.00%,		
1/15/27	3,290,000	3,326,453
1/15/28	4,420,000	4,441,260
1/15/29	4,535,000	4,537,993
[a]Commack Union Free School District GO, Suffolk County, Refunding, 4.00%,		
11/15/21	3,000,000	3,498,510
11/15/22	2,500,000	2,909,250
11/15/23	2,000,000	2,330,920
11/15/24	2,750,000	3,171,300
Erie County IDA School Facility Revenue, City School District of the City of Buffalo Project, Series A,		
5.00%, 5/01/20	8,345,000	9,907,434
5.25%, 5/01/24	16,520,000	19,443,544
Erie County Water Authority Water Revenue, Refunding, 5.00%, 12/01/17	1,935,000	2,283,706
Harrison GO, Westchester County, Public Improvement, Refunding,		
3.00%, 12/15/18	1,020,000	1,112,606
4.00%, 12/15/20	1,110,000	1,285,691
Islip Union Free School District GO, Suffolk County, Refunding, NATL RE, FGIC Insured, 5.00%, 7/01/18	2,215,000	2,419,932
Long Island Power Authority Electric System Revenue, General, Refunding,		
Series A, NATL RE, FGIC Insured, 5.00%, 12/01/19	5,000,000	5,526,800
Series B, 5.00%, 9/01/26	5,000,000	5,801,150
Madison County IDA Civic Facility Revenue, Morrisville State College Foundation, Series A, CIFG Insured, 5.00%, 6/01/15	535,000	551,312
Monroe County GO, Public Improvement, Series A, Assured Guaranty,		
4.50%, 6/01/20	2,855,000	3,143,098
4.75%, 6/01/23	2,860,000	3,139,536
MTA Revenue, Transportation,		
Series A, AGMC Insured, 5.50%, 11/15/22	8,765,000	11,184,929
Series A, AGMC Insured, 5.50%, 11/15/23	10,000,000	12,855,200
Series B, NATL Insured, 5.25%, 11/15/20	11,250,000	13,874,625
MTA Service Contract Revenue, Refunding, Series A,		
5.50%, 7/01/15	5,000,000	5,562,000
5.75%, 7/01/18	1,310,000	1,613,553
Nassau County GO,		
General Improvement, Series A, AGMC Insured, 4.25%, 4/01/26	10,540,000	11,369,182
General Improvement, Series C, 4.00%, 10/01/24	6,200,000	6,660,722
Series A, 4.25%, 12/01/23	5,615,000	6,209,404
Series B, 4.25%, 12/01/23	5,925,000	6,552,220
Series C, AGMC Insured, 5.00%, 7/01/17	4,000,000	4,643,320
Nassau County Interim Finance Authority Revenue, Sales Tax Secured, Series H, AMBAC Insured, Pre-Refunded, 5.25%, 11/15/17	1,500,000	1,622,205
New York City GO,		
Refunding, Series A, Sub Series A-1, 5.00%, 8/01/17	500,000	588,215
Refunding, Series G, 5.00%, 8/01/14	200,000	212,640
Series C, NATL Insured, 5.00%, 8/01/16	500,000	552,370

Franklin New York Tax-Free Trust

Statement of Investments, March 31, 2013 (unaudited) *(continued)*

Franklin New York Intermediate-Term Tax-Free Income Fund	Principal Amount	Value
Municipal Bonds (continued)		
New York (continued)		
New York City GO, (continued)		
Series D, Sub Series D-1, 5.00%, 10/01/24	$ 5,000,000	$ 5,997,850
Series E, 5.00%, 8/01/19	3,000,000	3,511,140
Series G, 5.00%, 8/01/15	325,000	359,203
Series L, Sub Series L-1, 5.00%, 4/01/23	10,000,000	11,620,600
New York City HDC, MFHR, Series C-1, 5.00%, 11/01/24	2,810,000	3,051,716
New York City Health and Hospitals Corp. Revenue, Health System, Series A, 5.00%, 2/15/18	8,000,000	9,482,800
New York City IDA Civic Facility Revenue,		
AGMC Insured, 5.00%, 11/15/19	1,000,000	1,003,600
Institute of International Education Inc. Project, 5.125%, 9/01/16	1,900,000	1,905,852
New York City IDAR, Capital Appreciation, Yankee Stadium Project, Pilot, Assured Guaranty, zero cpn., 3/01/21	10,150,000	8,038,495
New York City Municipal Water Finance Authority Water and Sewer System Revenue, Second General Resolution, Refunding,		
Series EE, 5.00%, 6/15/28	8,000,000	9,432,640
Series EE, 5.00%, 6/15/29	10,000,000	11,781,900
Series FF, 5.00%, 6/15/22	6,800,000	8,467,496
New York City Transitional Finance Authority Building Aid Revenue,		
Fiscal 2007, Series S-1, NATL RE, FGIC Insured, 5.00%, 7/15/18	550,000	635,019
Fiscal 2009, Series S-3, 5.00%, 1/15/22	11,865,000	13,848,947
Fiscal 2009, Series S-4, 5.00%, 1/15/20	1,000,000	1,184,640
Fiscal 2012, Series S-1, Sub Series S-1A, 5.00%, 7/15/26	9,020,000	10,528,415
New York City Transitional Finance Authority Revenue, Future Tax Secured,		
Series A, 5.00%, 5/01/22	10,000,000	12,058,000
sub. bond, Refunding, Series B, 5.00%, 11/01/23	9,435,000	10,808,925
sub. bond, Refunding, Series E, 4.50%, 11/01/19	10,000,000	11,955,300
sub. bond, Series B, 5.00%, 11/01/22	160,000	183,642
sub. bond, Series E, Sub Series E-1, 5.00%, 2/01/23	5,000,000	6,140,100
New York City Trust for Cultural Resources Revenue,		
Museum of Modern Art, Refunding, Series One-A, 5.00%, 10/01/17	5,000,000	5,893,750
Whitney Museum of American Art, 5.00%, 7/01/21	8,000,000	9,605,680
New York Convention Center Development Corp. Revenue, Hotel Unit Fee Secured, AMBAC Insured, 5.00%, 11/15/20	5,775,000	6,321,315
New York State Dormitory Authority Lease Revenue,		
Delaware Chenango Madison Otsego Board of Cooperative Education Services, XLCA Insured, 5.00%, 8/15/21	5,340,000	6,004,189
Master Boces Program, AGMC Insured, 5.25%, 8/15/19	1,000,000	1,002,540
Third General Resolution, State University Educational Facilities, Refunding, Series A, 5.00%, 5/15/26	8,000,000	9,456,640
New York State Dormitory Authority Revenues,		
Department of Health, Refunding, 5.25%, 7/01/16	500,000	529,230
Department of Health, Refunding, 5.25%, 7/01/17	5,000,000	5,287,150
Department of Health, Refunding, 5.00%, 7/01/19	3,740,000	3,942,708
Department of Health, Refunding, Sub Series 2, NATL RE, FGIC Insured, 5.00%, 7/01/18	5,000,000	5,282,600
Hospital Insured Mortgage, Series A, AGMC Insured, 5.25%, 8/15/15	4,480,000	4,775,187

Franklin New York Tax-Free Trust

Statement of Investments, March 31, 2013 (unaudited) *(continued)*

Franklin New York Intermediate-Term Tax-Free Income Fund	Principal Amount	Value
Municipal Bonds (continued)		
New York (continued)		
New York State Dormitory Authority Revenues, (continued)		
Insured Mortgage Hospital, Maimonides Medical Center, NATL Insured, Pre-Refunded, 5.00%, 8/01/17	$ 1,720,000	$ 1,827,036
Insured Mortgage Hospital, Maimonides Medical Center, NATL Insured, Pre-Refunded, 5.00%, 8/01/19	1,895,000	2,012,926
Memorial Sloan-Kettering Cancer Center, Series C, NATL Insured, 5.50%, 7/01/23	8,125,000	10,103,031
Montefiore Hospital, NATL RE, FGIC Insured, 5.00%, 2/01/18	2,975,000	3,156,981
Municipal Health Facilities Improvement Program, Lease, New York City Issue, Series 1, 4.00%, 1/15/21	13,510,000	14,882,076
New York University, Series 1, AMBAC Insured, 5.50%, 7/01/18	500,000	606,400
Non-State Supported Debt, Bishop Henry B. Hucles Nursing Home Inc., 5.00%, 7/01/24	4,765,000	5,166,404
Non-State Supported Debt, Lease, Municipal Health Facilities, New York City, Refunding, Series A, 3.375%, 5/15/21	1,980,000	2,052,963
Non-State Supported Debt, Lease, Municipal Health Facilities, New York City, Refunding, Series A, 3.50%, 5/15/22	2,000,000	2,068,800
Non-State Supported Debt, Lease, Municipal Health Facilities, New York City, Refunding, Series A, 3.625%, 5/15/23	2,000,000	2,067,840
Non-State Supported Debt, Lease, Municipal Health Facilities, New York City, Refunding, Series A, 3.75%, 5/15/24	2,000,000	2,073,340
Non-State Supported Debt, Memorial Sloan-Kettering Cancer Center, Refunding, Series 1, 5.00%, 7/01/23	1,250,000	1,522,550
Non-State Supported Debt, Mount Sinai School of Medicine of New York University, Refunding, NATL Insured, 5.00%, 7/01/19	2,500,000	2,770,325
Non-State Supported Debt, Mount Sinai School of Medicine of New York University, Refunding, NATL Insured, 5.00%, 7/01/20	3,670,000	4,013,916
Non-State Supported Debt, Mount Sinai School of Medicine of New York University, Series A, 5.00%, 7/01/19	1,500,000	1,733,325
Non-State Supported Debt, Mount Sinai School of Medicine of New York University, Series A, 5.00%, 7/01/21	3,000,000	3,419,370
Non-State Supported Debt, Municipal Health Facilities Improvement Program, Lease, New York City Issue, Series 2, Sub Series 2-2, 5.00%, 1/15/21	6,675,000	7,725,912
Non-State Supported Debt, New York University, Series A, 5.00%, 7/01/23	7,400,000	8,933,280
Non-State Supported Debt, New York University, Series A, AMBAC Insured, 5.00%, 7/01/23	2,000,000	2,308,160
Non-State Supported Debt, North Shore Long Island Jewish Obligated Group, Refunding, Series A, 5.00%, 5/01/23	2,000,000	2,191,840
Non-State Supported Debt, North Shore Long Island Jewish Obligated Group, Refunding, Series E, 5.00%, 5/01/19	5,000,000	5,929,800
Non-State Supported Debt, North Shore Long Island Jewish Obligated Group, Refunding, Series E, 5.00%, 5/01/20	11,695,000	13,737,181
Non-State Supported Debt, NYSARC Inc., Series A, 5.00%, 7/01/16	2,910,000	3,208,886
Non-State Supported Debt, NYSARC Inc., Series A, 5.00%, 7/01/17	2,825,000	3,168,153
Non-State Supported Debt, NYSARC Inc., Series A, 5.00%, 7/01/19	1,250,000	1,427,263
Non-State Supported Debt, Rochester Institute of Technology, Refunding, 5.00%, 7/01/24	2,750,000	3,329,370
Non-State Supported Debt, School District Bond Financing Program, Series C, Assured Guaranty, 7.25%, 10/01/28	7,615,000	9,230,294

Franklin New York Tax-Free Trust

Statement of Investments, March 31, 2013 (unaudited) *(continued)*

Franklin New York Intermediate-Term Tax-Free Income Fund	Principal Amount	Value
Municipal Bonds (continued)		
New York (continued)		
New York State Dormitory Authority Revenues, (continued)		
Non-State Supported Debt, School Districts Bond Financing Program, Series A, 5.00%, 10/01/24	$ 7,055,000	$ 8,174,911
Non-State Supported Debt, School Districts Bond Financing Program, Series A, AGMC Insured, 5.00%, 10/01/23	6,425,000	7,590,431
Non-State Supported Debt, School Districts Revenue, Bond Financing Program, Series A, AGMC Insured, 5.00%, 10/01/18	7,495,000	8,882,250
Non-State Supported Debt, School Districts Revenue, Bond Financing Program, Series A, AGMC Insured, 5.00%, 10/01/19	4,000,000	4,789,360
Non-State Supported Debt, School Districts Revenue, Bond Financing Program, Series A, AGMC Insured, 5.00%, 10/01/23	14,280,000	16,600,072
Non-State Supported Debt, School Districts Revenue, Bond Financing Program, Series A, Assured Guaranty, 5.00%, 10/01/24	5,000,000	5,655,400
Non-State Supported Debt, St. John's University, Series A, NATL Insured, 5.00%, 7/01/24	1,000,000	1,105,990
Non-State Supported Debt, Student Housing Corp., NATL RE, FGIC Insured, 5.25%, 7/01/22	1,250,000	1,478,862
Non-State Supported Debt, University of Rochester, Series A-1, 5.00%, 7/01/22	500,000	561,925
Non-State Supported Debt, Upstate Community Colleges, Refunding, Series B, NATL RE, FGIC Insured, 5.50%, 7/01/22	10,000,000	12,295,100
Secondarily Insured, City University, Consolidated Fifth General Resources, Refunding, Series B, BHAC Insured, 5.00%, 7/01/21	10,160,000	11,851,843
Secured Hospital, Catskill Regional Medical Center, NATL RE, FGIC Insured, Pre-Refunded, 5.25%, 2/15/18	2,300,000	2,510,864
State Supported Debt, City University System, Consolidated Fifth General Resolution, Series A, NATL RE, FGIC Insured, 5.50%, 7/01/22	9,240,000	11,795,507
State Supported Debt, Lease, State University Dormitory Facilities Issue, Series A, NATL Insured, 5.00%, 7/01/21	1,980,000	2,190,652
State Supported Debt, Lease, State University Dormitory Facilities Issue, Series A, NATL Insured, 5.00%, 7/01/22	1,730,000	1,906,546
State Supported Debt, Mental Health Services Facilities Improvement, Series A, AGMC Insured, 5.00%, 2/15/19	5,455,000	6,460,575
State Supported Debt, Mental Health Services Facilities Improvement, Series A, AGMC Insured, 5.00%, 2/15/20	3,490,000	4,099,808
State Supported Debt, Mental Health Services Facilities Improvement, Series A, AGMC Insured, 5.00%, 2/15/21	5,460,000	6,358,989
State Supported Debt, Mental Health Services Facilities Improvement, Series A, AGMC Insured, Pre-Refunded, 5.00%, 2/15/19	15,000	18,232
State Supported Debt, Mental Health Services Facilities Improvement, Series A, AGMC Insured, Pre-Refunded, 5.00%, 2/15/20	10,000	12,155
State Supported Debt, Mental Health Services Facilities Improvement, Series A, AGMC Insured, Pre-Refunded, 5.00%, 2/15/21	15,000	18,232
State Supported Debt, Mental Health Services Facilities Improvement, Series E, NATL RE, FGIC Insured, 5.00%, 2/15/15	1,245,000	1,349,929
State Supported Debt, State University Educational Facilities Issue, Third General Resolution, Refunding, Series A, NATL RE, FGIC Insured, 5.50%, 5/15/21	7,000,000	8,667,260
State Supported Debt, State University Educational Facilities Issue, Third General Resolution, Refunding, Series A, NATL RE, FGIC Insured, 5.50%, 5/15/24	7,790,000	10,142,658
University of Rochester, Series A, Pre-Refunded, 5.25%, 7/01/21	500,000	531,040

Franklin New York Tax-Free Trust

Statement of Investments, March 31, 2013 (unaudited) *(continued)*

Franklin New York Intermediate-Term Tax-Free Income Fund	Principal Amount	Value
Municipal Bonds (continued)		
New York (continued)		
New York State Dormitory Authority State Personal Income Tax Revenue,		
Education, Series D, 5.00%, 3/15/14	$ 1,000,000	$ 1,045,530
Education, Series F, 5.00%, 3/15/23	50,000	54,106
Education, Series F, Pre-Refunded, 5.00%, 3/15/23	950,000	1,037,334
General Purpose, Refunding, Series D, 5.00%, 8/15/21	10,000,000	12,448,600
Refunding, Series A, 5.00%, 2/15/21	7,120,000	8,626,307
Series A, Pre-Refunded, 5.00%, 2/15/21	15,000	18,579
New York State Environmental Facilities Corp. State Clean Water and Drinking Water Revenue,		
Refunding, Series A, 4.00%, 6/15/25	15,000,000	16,943,850
New York State Environmental Facilities Corp. State Personal Income Tax Revenue, Series A,		
5.00%, 12/15/21	1,115,000	1,336,171
New York State GO,		
Series A, 5.00%, 3/01/22	9,730,000	12,255,324
Series E, 3.25%, 12/15/26	10,520,000	10,899,456
New York State Local Government Assistance Corp. Revenue,		
Refunding, Series E, FGIC Insured, 5.00%, 4/01/21	7,840,000	9,586,987
senior lien, Refunding, Series B-C/D, 5.00%, 4/01/20	5,000,000	6,076,400
New York State Municipal Bond Bank Agency Revenue, Series C, Sub Series C1,		
Assured Guaranty, 5.00%,		
2/15/20	5,705,000	6,883,197
2/15/21	5,790,000	6,890,968
2/15/22	4,615,000	5,408,595
New York State Thruway Authority General Revenue, Series F, AMBAC Insured, 5.00%,		
1/01/22	6,535,000	6,958,795
New York State Thruway Authority Highway and Bridge Trust Fund Revenue, Second General,		
Refunding, Series B, AMBAC Insured, 5.00%, 4/01/21	5,000,000	5,558,400
Series B, 5.00%, 4/01/18	5,000,000	5,860,000
New York State Thruway Authority Revenue,		
Local Highway and Bridge Service Contract, Refunding, 5.00%, 4/01/20	5,000,000	6,065,300
Series I, 5.00%, 1/01/25	5,000,000	5,907,250
New York State Thruway Authority Second General Highway and Bridge Trust Fund Revenue,		
Series A, 5.00%, 4/01/23	5,000,000	5,903,000
Series A, NATL Insured, 5.00%, 4/01/22	1,000,000	1,045,610
Series B, 5.00%, 4/01/21	5,000,000	5,877,350
New York State Thruway Authority State Personal Income Tax Revenue, Transportation,		
Series A, 5.00%,		
3/15/21	10,000,000	11,966,200
3/15/26	5,000,000	5,845,050
New York State Urban Development Corp. Revenue,		
Corporate Purpose, sub. lien, Series A, 5.125%, 1/01/22	885,000	930,816
Refunding, Series D, Assured Guaranty, 5.50%, 1/01/19	10,000,000	12,150,400
Service Contract, Refunding, Series A-2, 5.00%, 1/01/22	7,650,000	9,101,664
Service Contract, Refunding, Series C, 5.00%, 1/01/22	7,410,000	8,563,292
State Personal Income Tax, Empire State, Series C-1, Pre-Refunded, 4.125%,		
12/15/16	1,490,000	1,531,318
State Personal Income Tax, Empire State, Series C-1, Pre-Refunded, 4.25%,		
12/15/17	1,955,000	2,010,913
State Personal Income Tax, Series A-1, 5.00%, 12/15/22	1,500,000	1,792,095

Franklin New York Tax-Free Trust

Statement of Investments, March 31, 2013 (unaudited) *(continued)*

Franklin New York Intermediate-Term Tax-Free Income Fund	Principal Amount	Value
Municipal Bonds (continued)		
New York (continued)		
New York State Urban Development Corp. Revenue, (continued)		
State Personal Income Tax, Series A-1, 5.00%, 12/15/23	$ 2,500,000	$ 2,982,300
State Personal Income Tax, Series B, AGMC Insured, Pre-Refunded, 5.00%, 3/15/21	1,000,000	1,091,930
Niagara Falls Bridge Commission Toll Revenue, Bridge System, Series A, Assured Guaranty, 4.00%, 10/01/19	12,300,000	13,815,114
Schenectady Metroplex Development Authority Revenue, NATL RE, FGIC Insured, Pre-Refunded, 4.50%, 9/15/21	1,720,000	1,753,334
St. Lawrence County IDA Civic Facility Revenue, St. Lawrence University Project, Series A, 5.00%, 10/01/16	12,000,000	13,481,400
Suffolk County Economic Development Corp., Revenue, Catholic Health Services, Refunding, 5.00%, 7/01/28	12,000,000	13,305,960
Suffolk County GO, Refunding,		
Series A, 5.00%, 4/01/19	3,435,000	3,978,657
Series A, 5.00%, 4/01/20	2,240,000	2,568,742
Series B, AGMC Insured, 5.25%, 5/01/15	100,000	108,955
Suffolk County Water Authority Waterworks Revenue, sub. lien, Refunding, NATL Insured, 5.10%, 6/01/13	2,000,000	2,014,940
Syracuse GO, Public Improvement, Refunding, Series B, Assured Guaranty, 4.00%,		
4/15/16	1,440,000	1,579,190
4/15/18	1,050,000	1,166,561
Tobacco Settlement FICO Revenue, Asset-Backed,		
Series A-1C, 5.50%, 6/01/19	5,000,000	5,041,650
Series A-1C, AMBAC Insured, 5.25%, 6/01/21	4,200,000	4,232,970
Series B-1C, 5.50%, 6/01/21	1,000,000	1,008,250
Triborough Bridge and Tunnel Authority Revenues,		
General, Refunding, Series A, 5.00%, 1/01/27	10,000,000	11,746,300
General, Refunding, Series B, 5.00%, 11/15/24	10,000,000	12,230,300
Refunding, Sub Series A, Build America Mutual Assurance, 5.00%, 11/15/24	10,710,000	13,036,533
Ulster County GO, Public Improvement, Refunding, 5.00%,		
11/15/24	2,600,000	3,107,676
11/15/28	2,995,000	3,488,786
Webster Central School District GO, Refunding, AGMC Insured, 5.00%, 6/15/14	500,000	527,380
Western Nassau County Water Authority Water System Revenue, AMBAC Insured, 5.00%, 5/01/19	1,525,000	1,635,074
Yonkers GO,		
Series A, AGMC Insured, 5.00%, 10/01/24	1,000,000	1,126,620
Series E, NATL Insured, 5.00%, 12/01/14	750,000	798,390
		935,252,872
U.S. Territories 4.8%		
Puerto Rico 3.4%		
Puerto Rico Commonwealth Aqueduct and Sewer Authority Revenue, senior lien, Series A, Assured Guaranty, 5.00%, 7/01/16	5,190,000	5,588,384
Puerto Rico Commonwealth GO, Public Improvement, Assured Guaranty, 5.25%, 7/01/18	1,820,000	2,018,198
Puerto Rico Commonwealth Highway and Transportation Authority Grant Anticipation Revenue, Refunding, NATL Insured, 5.00%, 9/15/17	1,000,000	1,019,430
Puerto Rico Commonwealth Highway and Transportation Authority Transportation Revenue, Refunding, Series N, Assured Guaranty, 5.50%, 7/01/21	4,000,000	4,546,920

Franklin New York Tax-Free Trust

Statement of Investments, March 31, 2013 (unaudited) *(continued)*

Franklin New York Intermediate-Term Tax-Free Income Fund	Principal Amount	Value
Municipal Bonds (continued)		
U.S. Territories (continued)		
Puerto Rico (continued)		
Puerto Rico Commonwealth Infrastructure Financing Authority Special Tax Revenue, Refunding, Series C, BHAC Insured, 5.50%, 7/01/20	$11,550,000	$ 13,968,686
Puerto Rico Electric Power Authority Power Revenue, Refunding, Series NN, NATL Insured, 5.25%, 7/01/22	1,000,000	1,065,480
Puerto Rico Industrial Tourist Educational Medical and Environmental Control Facilities Financing Authority Revenue, Ana G. Mendez University System Project, 5.00%,		
3/01/16	2,000,000	2,118,120
3/01/21	2,555,000	2,623,040
Puerto Rico PBA Guaranteed Revenue, Government Facilities, Series I, Pre-Refunded, 5.25%, 7/01/33	10,000	10,614
Puerto Rico Sales Tax FICO Sales Tax Revenue, Series C, 5.00%, 8/01/22	1,500,000	1,758,150
		34,717,022
U.S. Virgin Islands 1.4%		
Virgin Islands PFAR, Matching Fund Loan Notes, senior lien,		
AGMC Insured, 5.00%, 10/01/29	5,000,000	5,616,750
Refunding, Series B, 5.00%, 10/01/19	7,850,000	8,883,923
		14,500,673
Total U.S. Territories		49,217,695
Total Municipal Bonds before Short Term Investments (Cost $911,049,926)		984,470,567
Short Term Investments 3.7%		
Municipal Bonds 3.7%		
New York 3.7%		
[b] New York City GO,		
Series A, Sub Series A-10, Daily VRDN and Put, 0.15%, 8/01/16	5,500,000	5,500,000
Series H, Sub Series H-2, Daily VRDN and Put, 0.19%, 1/01/36	12,390,000	12,390,000
Series L, Sub Series L-6, Daily VRDN and Put, 0.12%, 4/01/32	19,335,000	19,335,000
Total Short Term Investments (Cost $37,225,000)		37,225,000
Total Investments (Cost $948,274,926) 100.0%		1,021,695,567
Other Assets, less Liabilities 0.0%[†]		290,904
Net Assets 100.0%		$1,021,986,471

See Abbreviations on page 36.

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

[a]Security purchased on a when-issued basis. See Note 1(b).

[b]Variable rate demand notes (VRDNs) are tax-exempt 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. The coupon rate shown represents the rate at period end.

Franklin New York Tax-Free Trust

Financial Statements

Statement of Assets and Liabilities

March 31, 2013 (unaudited)

	Franklin New York Intermediate-Term Tax-Free Income Fund
Assets:	
Investments in securities:	
Cost	$ 948,274,926
Value	$1,021,695,567
Cash	36,923
Receivables:	
Capital shares sold	2,635,878
Interest	12,997,460
Other assets	402
Total assets	1,037,366,230
Liabilities:	
Payables:	
Investment securities purchased	11,862,838
Capital shares redeemed	2,321,332
Affiliates	700,976
Distributions to shareholders	321,666
Accrued expenses and other liabilities	172,947
Total liabilities	15,379,759
Net assets, at value	$1,021,986,471
Net assets consist of:	
Paid-in capital	$ 953,494,246
Distributions in excess of net investment income	(164,028)
Net unrealized appreciation (depreciation)	73,420,641
Accumulated net realized gain (loss)	(4,764,388)
Net assets, at value	$1,021,986,471
Class A:	
Net assets, at value	$ 659,733,299
Shares outstanding	55,585,816
Net asset value per share[a]	$11.87
Maximum offering price per share (net asset value per share ÷ 97.75%)	$12.14
Class C:	
Net assets, at value	$ 173,477,346
Shares outstanding	14,575,923
Net asset value and maximum offering price per share[a]	$11.90
Advisor Class:	
Net assets, at value	$ 188,775,826
Shares outstanding	15,870,191
Net asset value and maximum offering price per share	$11.89

[a]Redemption price is equal to net asset value less contingent deferred sales charges, if applicable.

Franklin New York Tax-Free Trust

Financial Statements *(continued)*

Statement of Operations

for the six months ended March 31, 2013 (unaudited)

	Franklin New York Intermediate-Term Tax-Free Income Fund
Investment income:	
Interest	$16,658,035
Expenses:	
Management fees (Note 3a)	2,366,372
Distribution fees: (Note 3c)	
Class A	318,771
Class C	547,321
Transfer agent fees (Note 3e)	237,346
Custodian fees	7,226
Reports to shareholders	22,323
Registration and filing fees	19,883
Professional fees	21,339
Trustees' fees and expenses	21,742
Other	30,719
Total expenses	3,593,042
Net investment income	13,064,993
Realized and unrealized gains (losses):	
Net realized gain (loss) from investments	(7,292)
Net change in unrealized appreciation (depreciation) on investments	(8,340,493)
Net realized and unrealized gain (loss)	(8,347,785)
Net increase (decrease) in net assets resulting from operations	$ 4,717,208

Franklin New York Tax-Free Trust

Financial Statements *(continued)*

Statements of Changes in Net Assets

	Franklin New York Intermediate-Term Tax-Free Income Fund	
	Six Months Ended March 31, 2013 (unaudited)	Year Ended September 30, 2012
Increase (decrease) in net assets:		
Operations:		
Net investment income	$ 13,064,993	$ 24,874,748
Net realized gain (loss) from investments	(7,292)	124,610
Net change in unrealized appreciation (depreciation) on investments	(8,340,493)	35,928,534
Net increase (decrease) in net assets resulting from operations	4,717,208	60,927,892
Distributions to shareholders from:		
Net investment income:		
Class A	(8,633,175)	(17,087,245)
Class C	(1,802,213)	(3,338,200)
Advisor Class	(2,524,511)	(4,586,271)
Total distributions to shareholders	(12,959,899)	(25,011,716)
Capital share transactions: (Note 2)		
Class A	45,539,681	58,823,110
Class C	14,258,704	33,891,973
Advisor Class	20,009,309	42,398,729
Total capital share transactions	79,807,694	135,113,812
Net increase (decrease) in net assets	71,565,003	171,029,988
Net assets:		
Beginning of period	950,421,468	779,391,480
End of period	$1,021,986,471	$950,421,468
Distributions in excess of net investment income, end of period	$ (164,028)	$ (269,122)

Franklin New York Tax-Free Trust

Notes to Financial Statements (unaudited)

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, as amended, (1940 Act) as an open-end investment company, consisting of one fund, the Franklin New York Intermediate-Term Tax-Free Income Fund (Fund). The Fund offers three classes of shares: Class A, Class C, and Advisor Class. Each class of shares differs by its initial sales load, contingent deferred sales charges, voting rights on matters affecting a single class, its exchange privilege and fees primarily due to differing arrangements for distribution and transfer agent fees.

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. Under procedures approved by the Trust's Board of Trustees (the Board), the Fund's administrator, investment manager and other affiliates have formed the Valuation and Liquidity Oversight Committee (VLOC). The VLOC 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 VLOC 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 VLOC primarily employs a market-based approach which may use related or comparable assets or liabilities, recent

Franklin New York Intermediate-Term Tax-Free Income Fund

1. Organization and Significant Accounting Policies *(continued)*

a. Financial Instrument Valuation *(continued)*

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 VLOC 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.

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 recognizes the tax benefits of uncertain tax positions only when the position is "more likely than not" to be sustained upon examination by the tax authorities based on the technical merits of the tax position. As of September 30, 2013, and for all open tax years, the Fund has determined that no liability for unrecognized tax benefits is required in the Fund's financial statements related to uncertain tax positions taken on a tax return (or expected to be taken on future tax returns). Open tax years are those that remain subject to examination and are based on each tax jurisdiction statute of limitation.

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

Franklin New York Intermediate-Term Tax-Free Income Fund

1. Organization and Significant Accounting Policies *(continued)*

d. Security Transactions, Investment Income, Expenses and Distributions *(continued)*

included in interest income. Dividends from net investment income are normally declared daily; these dividends may be reinvested or paid monthly to shareholders. Distributions to shareholders are determined according to income tax regulations (tax basis). Distributable earnings determined on a tax basis may differ from earnings recorded in accordance with accounting principles generally accepted in the United States of America. 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, not including 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 Fund 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 is no guarantee 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 accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities 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

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.

2. Shares of Beneficial Interest

At March 31, 2013, there were an unlimited number of shares authorized (without par value). Transactions in the Fund's shares were as follows:

	Six Months Ended March 31, 2013		Year Ended September 30, 2012	
	Shares	Amount	Shares	Amount
Class A Shares:				
Shares sold	7,973,508	$ 95,484,946	13,137,493	$ 153,912,655
Shares issued in reinvestment of distributions	651,102	7,789,027	1,332,507	15,635,573
Shares redeemed	(4,830,370)	(57,734,292)	(9,450,054)	(110,725,118)
Net increase (decrease)	3,794,240	$ 45,539,681	5,019,946	$ 58,823,110
Class C Shares:				
Shares sold	2,218,333	$ 26,650,035	4,463,879	$ 52,536,921
Shares issued in reinvestment of distributions	120,246	1,442,263	231,574	2,725,616
Shares redeemed	(1,154,369)	(13,833,594)	(1,819,575)	(21,370,564)
Net increase (decrease)	1,184,210	$ 14,258,704	2,875,878	$ 33,891,973
Advisor Class Shares:				
Shares sold	3,603,714	$ 43,208,852	5,805,968	$ 68,172,518
Shares issued in reinvestment of distributions	149,689	1,794,661	267,556	3,149,655
Shares redeemed	(2,085,977)	(24,994,204)	(2,455,330)	(28,923,444)
Net increase (decrease)	1,667,426	$ 20,009,309	3,618,194	$ 42,398,729

Franklin New York Intermediate-Term Tax-Free Income Fund

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 Fund 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 average daily 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

b. Administrative Fees

FT Services, under terms of an agreement, provides administrative services to the Fund and is not paid by the Fund for the services.

c. Distribution Fees

The Board has adopted distribution plans for each share class, with the exception of Advisor Class shares, pursuant to Rule 12b-1 under the 1940 Act. Distribution fees are not charged on shares held by affiliates. Under the Fund's Class A 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 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.

Franklin New York Intermediate-Term Tax-Free Income Fund

3. Transactions with Affiliates *(continued)*

c. Distribution Fees *(continued)*

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

Reimbursement Plans:	
Class A	0.10%
Compensation Plans:	
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 period:

Sales charges retained net of commissions paid to unaffiliated broker/dealers	$79,955
CDSC retained	$11,891

e. Transfer Agent Fees

Each class of shares, pays transfer agent fees to Investor Services for its performance of shareholder servicing obligations and reimburses Investor Services for out of pocket expenses incurred, including shareholding servicing fees paid to third parties. These fees are allocated daily to such classes based upon the relative proportion of net assets.

For the period ended March 31, 2013, the Fund paid transfer agent fees of $237,346 of which $68,146 was retained by Investor Services.

Franklin New York Intermediate-Term Tax-Free Income Fund

4. Income Taxes

For tax purposes, capital losses may be carried over to offset future capital gains, if any. Capital loss carryforwards with no expiration, if any, must be fully utilized before those losses with expiration dates.

At September 30, 2012, the capital loss carryforwards were as follows:

Capital loss carryforwards subject to expiration:	
2014	$ 10,330
2015	1,070,408
2016	1,391,438
2017	1,199,413
2019	1,069,047
Capital loss carryforwards not subject to expiration:	
Short term	16,459
Long term	—
Total capital loss carryforwards	$4,757,095

At March 31, 2013, the cost of investments and net unrealized appreciation (depreciation) for income tax purposes were as follows:

Cost of investments	$948,267,259
Unrealized appreciation	$ 73,934,317
Unrealized depreciation	(506,009)
Net unrealized appreciation (depreciation)	$ 73,428,308

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.

5. Investment Transactions

Purchases and sales of investments (excluding short term securities) for the period ended March 31, 2013, aggregated $77,789,720 and $5,642,450, respectively.

6. Concentration of Risk

The Fund invests a large percentage of its total assets in obligations of issuers within New York and U.S. territories. Such concentration may subject the Fund to risks associated with industrial or regional matters, and economic, political or legal developments occurring within New York and U.S. territories. In addition, investments in these securities are sensitive to interest rate changes and credit risk of the issuer and may subject the funds 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

7. 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 $1.5 billion (Global Credit Facility) which matures on January 17, 2014. 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 0.07% based upon the unused portion of the Global Credit Facility. These fees are reflected in other expenses on the Statement of Operations. During the period ended March 31, 2013, the Fund did not use the Global Credit Facility.

8. 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 inputs or methodology used for valuing financial instruments are not an indication of the risk associated with investing in those financial instruments.

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 March 31, 2013, all of the Fund's investments in financial instruments carried at fair value were valued using Level 2 inputs.

Franklin New York Intermediate-Term Tax-Free Income Fund

9. 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 other than those already disclosed in the financial statements.

Abbreviations

Selected Portfolio

AGMC - Assured Guaranty Municipal Corp.
AMBAC - American Municipal Bond Assurance Corp.
BHAC - Berkshire Hathaway Assurance Corp.
CIFG - CDC IXIS Financial Guaranty
FGIC - Financial Guaranty Insurance Co.
FICO - Financing Corp.
GO - General Obligation
HDC - Housing Development Corp.
IDA - Industrial Development Authority/Agency
IDAR - Industrial Development Authority Revenue
MFHR - Multi-Family Housing Revenue
MTA - Metropolitan Transit Authority
NATL - National Public Financial Guarantee Corp.
NATL RE - National Public Financial Guarantee Corp. Reinsured
PBA - Public Building Authority
PFAR - Public Financing Authority Revenue
XLCA - XL Capital Assurance

Franklin New York Tax-Free Trust

Shareholder Information

Franklin New York Intermediate-Term Tax-Free Income Fund

Board Review of Investment Management Agreement

At a meeting held February 26, 2013, the Board of Trustees (Board), including a majority of non-interested or independent Trustees, approved renewal of the investment management agreement for Franklin New York Intermediate-Term Tax-Free Income Fund (Fund). In reaching this decision, the Board took into account information furnished throughout the year at regular Board meetings, as well as information prepared specifically in connection with the annual renewal review process. Information furnished and discussed throughout the year included investment performance reports and related financial information for the Fund, along with periodic reports on expenses, shareholder services, legal and compliance matters, pricing, and other services provided by the Investment Manager (Manager) and its affiliates, as well as a third-party survey of transfer agent fees charged Funds within the Franklin Templeton Investments complex in comparison with those charged other fund complexes deemed comparable. Information furnished specifically in connection with the renewal process included a report for the Fund prepared by Lipper, Inc. (Lipper), an independent organization, as well as additional material, including a Fund profitability analysis prepared by management. The Lipper report compared the Fund's investment performance and expenses with those of other mutual funds deemed comparable to the Fund as selected by Lipper. The Fund profitability analysis discussed the profitability to Franklin Templeton Investments from its overall U.S. fund operations, as well as on an individual fund-by-fund basis. Additional material accompanying such profitability analysis included information on a fund-by-fund basis listing portfolio managers and other accounts they manage, as well as information on management fees charged by the Manager and its affiliates to U.S. mutual funds and other accounts, including management's explanation of differences where relevant. Such material also included a memorandum prepared by management describing project initiatives and capital investments relating to the services provided to the Fund by the Franklin Templeton Investments organization, as well as a memorandum relating to economies of scale and an analysis concerning transfer agent fees charged by an affiliate of the Manager.

In considering such materials, the independent Trustees received assistance and advice from and met separately with independent counsel. In approving continuance of the investment management agreement for the Fund, the Board, including a majority of independent Trustees, determined that the existing management fee structure was fair and reasonable and that continuance of the investment management agreement was in the best interests of the Fund and its shareholders. While attention was given to all information furnished, the following discusses some primary factors relevant to the Board's decision.

NATURE, EXTENT AND QUALITY OF SERVICE. The Board was satisfied with the nature and quality of the overall services provided by the Manager and its affiliates to the Fund and its shareholders. In addition to investment performance and expenses discussed later, the Board's opinion was based, in part, upon periodic reports furnished it showing that the investment policies and restrictions for the Fund were consistently complied with as well as other reports periodically furnished the Board covering matters such as the compliance of portfolio managers and other management personnel with the code of ethics adopted throughout the Franklin Templeton fund complex, the adherence to fair value pricing procedures established by the Board, and the accuracy

Franklin New York Intermediate-Term Tax-Free Income Fund

Board Review of Investment Management Agreement *(continued)*

of net asset value calculations. The Board also noted the extent of benefits provided Fund shareholders from being part of the Franklin Templeton family of funds, including the right to exchange investments between the same class of funds without a sales charge, the ability to reinvest Fund dividends into other funds and the right to combine holdings in other funds to obtain a reduced sales charge. Favorable consideration was given to management's continuous efforts and expenditures in establishing back-up systems and recovery procedures to function in the event of a natural disaster, it being noted that such systems and procedures had functioned well during the Florida hurricanes and blackouts experienced in previous years, and that those operations in the New York/New Jersey area ran smoothly during the more recent Hurricane Sandy. Consideration was also given to the experience of the Fund's portfolio management team, the number of accounts managed and general method of compensation. In this latter respect, the Board noted that a primary factor in management's determination of a portfolio manager's bonus compensation was the relative investment performance of the funds he or she managed and that a portion of such bonus was required to be invested in a predesignated list of funds within such person's fund management area so as to be aligned with the interests of shareholders. The Board also took into account the quality of transfer agent and shareholder services provided Fund shareholders by an affiliate of the Manager and the continuous enhancements to the Franklin Templeton website. Particular attention was given to management's conservative approach and diligent risk management procedures, including continuous monitoring of counterparty credit risk and attention given to derivatives and other complex instruments. The Board also took into account, among other things, management's efforts in establishing a global credit facility for the benefit of the Fund and other accounts managed by Franklin Templeton Investments to provide a source of cash for temporary and emergency purposes or to meet unusual redemption requests as well as the strong financial position of the Manager's parent company and its commitment to the mutual fund business as evidenced by its subsidization of money market funds.

INVESTMENT PERFORMANCE. The Board placed significant emphasis on the investment performance of the Fund in view of its importance to shareholders. While consideration was given to performance reports and discussions with portfolio managers at Board meetings during the year, particular attention in assessing performance was given to the Lipper report furnished for the agreement renewal. The Lipper report for the Fund showed the investment performance of its Class A shares during 2012 and the previous 10-year period ended December 31, 2012, in comparison with a performance universe consisting of all retail and institutional New York intermediate municipal debt funds as selected by Lipper. The Lipper report showed the Fund's income return for 2012 to be in the second-highest performing quintile of its performance universe, and during each of the previous three-, five- and 10-year periods on an annualized basis to also be in the second-highest performing quintile of such universe. The Lipper report showed the Fund's total return in 2012 to be in the second-highest performing quintile of its performance universe and on an annualized basis to be in the highest performing quintile of such universe for each of the previous three-, five- and 10-year periods. The Board was satisfied with the Fund's performance as shown in the Lipper report.

Franklin New York Intermediate-Term Tax-Free Income Fund

Board Review of Investment Management Agreement *(continued)*

COMPARATIVE EXPENSES. Consideration was given to the management fees and total expense ratio of the Fund compared with those of a group of other funds selected by Lipper as its appropriate Lipper expense group. Lipper expense data is based upon information taken from each fund's most recent annual report, which reflects historical asset levels that may be quite different from those currently existing, particularly in a period of market volatility. While recognizing such inherent limitation and the fact that expense ratios generally increase as assets decline and decrease as assets grow, the Board believed the independent analysis conducted by Lipper to be an appropriate measure of comparative expenses. In reviewing comparative costs, Lipper provides information on the Fund's contractual investment management fee in comparison with the contractual investment management fee that would have been charged by other funds within its Lipper expense group assuming they were similar in size to the Fund, as well as the actual total expense ratio of the Fund in comparison with those of its Lipper expense group. The Lipper contractual investment management fee analysis includes administrative charges as being part of the contractual investment management fee, and total expenses, for comparative consistency, are shown by Lipper for Fund Class A shares for funds having multiple share classes. The results of such Lipper expense comparisons showed that both the contractual investment management fee rate of the Fund and its total expense ratio were below the median of its Lipper expense group. The Board was satisfied with the expenses of the Fund in comparison to its Lipper expense group.

MANAGEMENT PROFITABILITY. The Board also considered the level of profits realized by the Manager and its affiliates in connection with the operation of the Fund. In this respect, the Board reviewed the Fund profitability analysis that addresses the overall profitability of Franklin Templeton's U.S. fund business, as well as its profits in providing management and other services to each of the individual funds during the 12-month period ended September 30, 2012, being the most recent fiscal year-end for Franklin Resources, Inc., the Manager's parent. In reviewing the analysis, attention was given to the methodology followed in allocating costs to the Fund, it being recognized that allocation methodologies are inherently subjective and various allocation methodologies may each be reasonable while producing different results. In this respect, the Board noted that, while being continuously refined and reflecting changes in the Manager's own cost accounting, the allocation methodology was consistent with that followed in profitability report presentations for the Fund made in prior years and that the Fund's independent registered public accounting firm had been engaged by the Manager to periodically review the reasonableness of the allocation methodologies solely for use by the Fund's Board in reference to the profitability analysis. In reviewing and discussing such analysis, management discussed with the Board its belief that costs incurred in establishing the infrastructure necessary for the type of mutual fund operations conducted by the Manager and its affiliates may not be fully reflected in the expenses allocated to the Fund in determining its profitability, as well as the fact that the level of profits, to a certain extent, reflected operational cost savings and efficiencies initiated by management. The Board also took into account management's expenditures in improving shareholder services provided the Fund, as well as the need to implement systems and meet additional regulatory and compliance requirements

Franklin New York Intermediate-Term Tax-Free Income Fund

Board Review of Investment Management Agreement *(continued)*

resulting from statutes such as the Sarbanes-Oxley and Dodd Frank Acts and recent SEC and other regulatory requirements. In addition, the Board considered a third-party study comparing the profitability of the Manager's parent on an overall basis to other publicly held managers broken down to show profitability from management operations exclusive of distribution expenses, as well as profitability including distribution expenses. The Board also considered the extent to which the Manager and its affiliates might derive ancillary benefits from fund operations, including revenues generated from transfer agent services. Based upon its consideration of all these factors, the Board determined that the level of profits realized by the Manager and its affiliates from providing services to the Fund was not excessive in view of the nature, quality and extent of services provided.

ECONOMIES OF SCALE. The Board also considered whether economies of scale are realized by the Manager as the Fund grows larger and the extent to which this is reflected in the level of management fees charged. While recognizing any precise determination is inherently subjective, the Board noted that based upon the Fund profitability analysis, it appeared as some funds get larger, at some point economies of scale do result in the manager realizing a larger profit margin on management services provided such fund. The Board noted that the investment management agreement for the Fund provides for fee breakpoints continuing beyond its existing asset size so that as the Fund grows in size, its effective management fee rate declines. The Board believed that to the extent economies of scale may be realized by the Manager and its affiliates, the schedule of fees under the investment management agreement for the Fund provided a sharing of benefits with the Fund and its shareholders.

Proxy Voting Policies and Procedures

The Trust's investment manager has established Proxy Voting Policies and Procedures (Policies) that the Trust uses to determine how to vote proxies relating to portfolio securities. Shareholders may view the Trust'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 Trust'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 Statement of Investments

The Trust files a complete 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.

Franklin Templeton Funds

Literature Request. *To receive a summary prospectus and/or prospectus, please call us at (800) DIAL BEN/342-5236 or visit* ***franklintempleton.com****. Investors should carefully consider a fund's investment goals, risks, charges and expenses before investing. The prospectus contains this and other information. Please carefully read a prospectus before investing. To ensure the highest quality of service, we may monitor, record and access telephone calls to or from our service departments. These calls can be identified by the presence of a regular beeping tone.*

VALUE

Franklin All Cap Value Fund
Franklin Balance Sheet Investment Fund
Franklin Large Cap Value Fund
Franklin MicroCap Value Fund[1]
Franklin MidCap Value Fund
Franklin Small Cap Value Fund
Mutual Beacon Fund
Mutual Quest Fund
Mutual Recovery Fund[2]
Mutual Shares Fund

BLEND

Franklin Focused Core Equity Fund
Franklin Large Cap Equity Fund
Franklin Rising Dividends Fund

GROWTH

Franklin DynaTech Fund
Franklin Flex Cap Growth Fund
Franklin Growth Fund
Franklin Growth Opportunities Fund
Franklin Small Cap Growth Fund
Franklin Small-Mid Cap Growth Fund

SECTOR

Franklin Biotechnology Discovery Fund
Franklin Global Real Estate Fund
Franklin Gold & Precious Metals Fund
Franklin Natural Resources Fund
Franklin Real Estate Securities Fund
Franklin Utilities Fund
Mutual Financial Services Fund

GLOBAL

Franklin World Perspectives Fund
Mutual Global Discovery Fund
Templeton Global Opportunities Trust
Templeton Global Smaller Companies Fund
Templeton Growth Fund
Templeton World Fund

INTERNATIONAL

Franklin India Growth Fund
Franklin International Growth Fund
Franklin International Small Cap Growth Fund[3]
Mutual European Fund
Mutual International Fund
Templeton Asian Growth Fund
Templeton BRIC Fund
Templeton China World Fund
Templeton Developing Markets Trust
Templeton Emerging Markets Small Cap Fund
Templeton Foreign Fund
Templeton Foreign Smaller Companies Fund
Templeton Frontier Markets Fund

HYBRID

Franklin Balanced Fund
Franklin Convertible Securities Fund
Franklin Equity Income Fund
Franklin Income Fund
Templeton Emerging Markets Balanced Fund
Templeton Global Balanced Fund

ASSET ALLOCATION

Franklin Templeton Corefolio® Allocation Fund
Franklin Templeton Founding Funds Allocation Fund
Franklin Templeton Conservative Allocation Fund
Franklin Templeton Growth Allocation Fund
Franklin Templeton Moderate Allocation Fund
Franklin LifeSmart™ 2015 Retirement Target Fund[4]
Franklin LifeSmart™ 2025 Retirement Target Fund[4]
Franklin LifeSmart™ 2035 Retirement Target Fund[4]
Franklin LifeSmart™ 2045 Retirement Target Fund[4]
Franklin Templeton Global Allocation Fund
Franklin Templeton Multi-Asset Real Return Fund

FIXED INCOME

Franklin Adjustable U.S. Government Securities Fund[5]
Franklin Floating Rate Daily Access Fund
Franklin High Income Fund
Franklin Limited Maturity U.S. Government Securities Fund[5]
Franklin Low Duration Total Return Fund
Franklin Real Return Fund
Franklin Strategic Income Fund
Franklin Strategic Mortgage Portfolio
Franklin Templeton Hard Currency Fund
Franklin Total Return Fund
Franklin U.S. Government Securities Fund[5]
Templeton Emerging Markets Bond Fund
Templeton Global Bond Fund
Templeton Global Total Return Fund
Templeton International Bond Fund

TAX-FREE INCOME[6]

National

Double Tax-Free Income Fund[7]
Federal Tax-Free Income Fund
High Yield Tax-Free Income Fund
Insured Tax-Free Income Fund[8, 9]

Limited-/Intermediate-Term

California Intermediate-Term Tax-Free Income Fund
Federal Intermediate-Term Tax-Free Income Fund
Federal Limited-Term Tax-Free Income Fund
New York Intermediate-Term Tax-Free Income Fund

State-Specific

Alabama
Arizona
California (4 funds)[9]
Colorado
Connecticut
Florida
Georgia
Kentucky
Louisiana
Maryland
Massachusetts
Michigan
Minnesota
Missouri
New Jersey
New York (2 funds)
North Carolina
Ohio
Oregon
Pennsylvania
Tennessee
Virginia

INSURANCE FUNDS

Franklin Templeton Variable Insurance Products Trust[10]

1. The fund is closed to new investors. Existing shareholders and select retirement plans can continue adding to their accounts.
2. The fund is a continuously offered, closed-end fund. Shares may be purchased daily; there is no daily redemption. However, each quarter, pending board approval, the fund will authorize the repurchase of 5%–25% of the outstanding number of shares. Investors may tender all or a portion of their shares during the tender period.
3. Effective 6/3/13, the fund closed to new investors, with limited exceptions.
4. Effective 5/1/13, the Franklin Templeton Retirement Target Funds changed their names to Franklin LifeSmart Retirement Target Funds. The funds' investment goals and principal investment strategies remained unchanged.
5. An investment in the fund is neither insured nor guaranteed by the U.S. government or by any other entity or institution.
6. For investors subject to the alternative minimum tax, a small portion of fund dividends may be taxable. Distributions of capital gains are generally taxable.
7. The fund is closed to all new investments (other than reinvestment of dividends and capital gains distributions).
8. The fund invests primarily in insured municipal securities.
9. Effective at the close of market 3/1/13, Franklin Insured Tax-Free Income Fund and Franklin California Insured Tax-Free Income Fund closed to all new investments (other than reinvestment of dividends and capital gains distributions).
10. The funds of the Franklin Templeton Variable Insurance Products Trust are generally available only through insurance company variable contracts.

VALUE | BLEND | GROWTH | SECTOR | GLOBAL | INTERNATIONAL | HYBRID | ASSET ALLOCATION | FIXED INCOME | **TAX-FREE INCOME**

< GAIN FROM OUR PERSPECTIVE® >

Semiannual 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 ensure the highest quality of service, telephone calls to or from our service departments may be monitored, recorded and accessed. These calls can be identified by the presence of a regular beeping tone.

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