

ANNUAL REPORT AND SHAREHOLDER LETTER

# FRANKLIN TAX-FREE TRUST

February 28, 2023



FRANKLIN  
TEMPLETON

Franklin Alabama Tax-Free Income Fund

Franklin Georgia Tax-Free Income Fund

Franklin Louisiana Tax-Free Income Fund

Franklin Maryland Tax-Free Income Fund

Franklin Missouri Tax-Free Income Fund

Franklin North Carolina Tax-Free Income Fund

Franklin Virginia Tax-Free Income Fund



# SHAREHOLDER LETTER

Dear Shareholder:

During the 12 months ended February 28, 2023, the U.S. economy showed mixed results as it continued to recover from the COVID-19 pandemic amid declining unemployment, rising wages and higher personal consumption. Although U.S. gross domestic product contracted in 2022's first and second quarters given declines in inventory and business investment, it grew in the remainder of the year as the trade deficit narrowed and consumer spending continued to expand. Inflation rose through June 2022, largely due to pandemic-related supply-chain issues and higher energy prices exacerbated by Russia's invasion of Ukraine. However, inflation eased later in the period due to intervention by the U.S. Federal Reserve (Fed) and falling commodity prices.

To combat high inflation, the Fed ended monthly asset purchases in March 2022 and raised the federal funds rate at every meeting during the 12-month reporting period, increasing it by a total of 4.50% (from a range of 0.00%–0.25% to 4.50%–4.75% by period-end). The Fed also stated its intention to continue reducing its U.S. Treasury, government agency debt and agency mortgage-backed securities holdings, and it anticipated ongoing federal funds rate increases would be appropriate to return inflation to its 2% goal.

During the 12-month period, municipal bonds, as measured by the Bloomberg Municipal Bond Index, posted a -5.10% total return, influenced by fixed income market volatility and tighter monetary policy, resulting in net outflows from municipals, though demand has been strong so far in 2023.<sup>1</sup> Despite mixed signs from the U.S. economy, municipal bond fundamentals remained strong due to prudent fiscal management and many issuers reporting budget surpluses for 2022 in addition to federal government transfers.

Franklin Tax-Free Trust's annual report includes more detail about municipal bond market conditions and a discussion from the portfolio managers. In addition, on our website, [franklintempleton.com](https://franklintempleton.com), you can find updated commentary by our municipal bond team. Municipal bonds provide tax-free income and diversification from equities. Despite periods of volatility, municipal bonds historically have had a solid long-term record of performance, driven mostly by their compounding tax-free income component. As you know, all securities markets fluctuate in value, as do mutual fund share prices.

<sup>1</sup> Source: Morningstar.  
See [www.franklintempletondatasources.com](https://www.franklintempletondatasources.com) for additional data provider information.

As always, we recommend investors consult their financial professionals for up-to-date advice on their holdings. In a constantly changing market environment, we remain committed to our disciplined strategy as we manage the Funds, keeping in mind the trust you have placed in us.

We appreciate your confidence in us and encourage you to contact us or your financial professional when you have questions about your Franklin tax-free investment.

Sincerely,



Gregory E. Johnson  
Chairman  
Franklin Tax-Free Trust



Ben Barber  
Senior Vice President  
Director of Municipal Bonds

*This letter reflects our analysis and opinions as of February 28, 2023, unless otherwise indicated. The information is not a complete analysis of every aspect of any market, state, industry, security or fund. Statements of fact are from sources considered reliable.*

Not FDIC Insured	May Lose Value	No Bank Guarantee
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Visit **franklintempleton.com** for fund updates, to access your account, or to find helpful financial planning tools.

# ANNUAL REPORT

## Municipal Bond Market Overview

During the 12 months ending February 28, 2023, the U.S. Federal Reserve (Fed) continued to battle surging inflation, which started to come down from its peak of 9.1% year-over-year in June 2022. After hiking the federal funds rate by 75 basis points (bps) at each of its meetings from May through November 2022, the Fed decreased the size of its increases to 50 bps in December and 25 bps in February 2023. Despite investor optimism late in 2022 that peak hawkishness had been reached, a surprisingly resilient labor market in early 2023 dampened confidence that inflation would quickly return to the Fed's 2% target.

The municipal bond (muni) market witnessed a very challenging year in 2022 as the Fed's monetary policy tightening put downward pressure on this long-duration sector. High levels of volatility resulted in significant outflows from muni retail vehicles until the end of 2022. The first two months of 2023 saw a reversal of this trend, with strong investor demand meeting reduced supply and leading to positive absolute returns year-to-date. Credit fundamentals remained strong, as many issuers benefited from federal aid received during the COVID-19 crisis and from the subsequent economic recovery.

For the 12-month period, U.S. fixed income sectors saw mixed performance relative to equities, as measured by the Standard & Poor's® 500 Index, which posted a -7.72% total return for the period.<sup>1</sup> Investment-grade munis, as measured by the Bloomberg Municipal Bond Index, posted a -5.10% total return, while U.S. Treasuries, as measured by the Bloomberg U.S. Treasury Index, posted a -10.08% total return, and investment-grade corporate bonds, as measured by the Bloomberg U.S. Corporate Investment Grade Index, posted a -10.43% total return.<sup>1</sup>

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1. Source: Morningstar. Treasuries, if held to maturity, offer a fixed rate of return and a fixed principal value; their interest payments and principal are guaranteed. See [www.franklintempletondatasources.com](http://www.franklintempletondatasources.com) for additional data provider information.

# Investment Strategy and Manager's Discussion

## Investment Strategy

We select securities that we believe will provide the best balance between risk and return within each Fund's range of allowable investments and typically use a buy-and-hold strategy. This means we generally hold securities in each Fund's portfolio for income purposes, rather than trading securities for capital gains, although we may sell a security at any time if we believe it could help a Fund meet its goal.

## Manager's Discussion

Due to the positive sloping municipal yield curve, we found value in higher quality securities in the 15- to 30-year maturity range, which allowed us to achieve our objective of maximizing income for our investors. Typically, when interest rates fall, our turnover declines as we maintain exposure to securities that are producing income that exceeds their replacement value in the market. This excess income supports higher distribution rates and reinvestment rates for those investors taking advantage of tax-free compounding. Our turnover increases when rates rise, as opportunities to purchase securities that have the potential to increase income in the portfolios become available. We believe our consistent, disciplined strategy can help our investors achieve high, tax-free income over the long term.

We invite you to read your Fund report for more detailed performance and portfolio information. Thank you for your participation in Franklin Tax-Free Trust. We look forward to serving your future investment needs.

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# Franklin Alabama Tax-Free Income Fund

This annual report for Franklin Alabama Tax-Free Income Fund covers the fiscal year ended February 28, 2023.

## Your Fund's Goal and Main Investments

The Fund seeks to provide investors with as high a level of income exempt from federal and Alabama personal income taxes as is consistent with prudent investment management and the preservation of shareholders' capital by normally investing at least 80% of its total assets in securities that pay interest free from such taxes.<sup>1</sup>

## Performance Overview

The Fund's Class A share price, as measured by net asset value, decreased from \$10.97 on February 28, 2022, to \$9.92 on February 28, 2023. The Fund's Class A shares paid dividends totaling 23.3031 cents per share for the same period.<sup>2</sup> The Performance Summary beginning on page 7 shows that at the end of this reporting period the Fund's Class A shares' distribution rate was 2.17%, based on an annualization of February's 1.8656 cents per share monthly dividend and the maximum offering price of \$10.31 on February 28, 2023. An investor in the 2023 maximum combined effective federal and Alabama personal income tax bracket of 45.80% (including 3.80% Medicare tax) would need to earn a distribution rate of 4.00% from a taxable investment to match the Fund's Class A tax-free distribution rate. For other performance data, 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. For most recent month-end performance, go to [franklintempleton.com](http://franklintempleton.com) or call (800) 342-5236.*

## State Update

During the 12-month period, Alabama's economy slowed, contracting in the first half of 2022 before returning to growth in the third quarter, consistent with a national recovery. However, Alabama's strong and diversified manufacturing

base, including companies in the automotive, shipbuilding, steelmaking and aerospace industries, helped its economy's resilience. Alabama's unemployment rate began the period at 2.6% and ended at 2.5%, compared with the 3.6% national rate. Following significant growth in tax revenues for fiscal year (FY) 2022, Alabama enacted a general fund budget for FY 2023 that included raises for state employees and increased funds for Medicaid and corrections. Alabama's net tax-supported debt was \$1,172 per capita and 2.4% of personal income, near the \$1,179 and 2.1% national medians, respectively.<sup>3</sup> Independent credit rating agency Moody's Investors Service maintained Alabama's general obligation bonds' Aa1 rating with a stable outlook.<sup>4</sup> The rating reflected Moody's view that the state benefits from strong management of financial operations, growing reserves and low leverage and fixed costs. According to Moody's, Alabama's challenges include economic performance that lags its peers and demographic challenges. Moody's stable outlook reflected its assessment that Alabama has the ability to withstand a moderate shock to revenue in a period of economic weakness.

## Portfolio Composition

2/28/23

	% of Total Investments*
Education	26.25%
Health Care	19.60%
Utilities	15.43%
Local	9.55%
Refunded	9.22%
Industrial Dev. Revenue and Pollution Control	7.42%
Transportation	4.66%
Housing	4.62%
Lease	1.98%
Special Tax	1.27%

\*Does not include cash and cash equivalents.

## Manager's Discussion

We used various investment strategies during the 12 months under review as we sought to maximize tax-free income for shareholders. Please read the Investment Strategy and Manager's Discussion on page 4 for more information.

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

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

3. Source: Moody's Investors Service, *States – US: Debt, pension and OPEB liabilities all up in fiscal 2021*, 9/7/22.

4. This does not indicate Moody's rating of the Fund.

See [www.franklintempletondatasources.com](http://www.franklintempletondatasources.com) for additional data provider information.

The dollar value, number of shares or principal amount, and names of all portfolio holdings are listed in the Fund's Schedule of Investments (SOI). The SOI begins on page 52.

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

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## Performance Summary as of February 28, 2023

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

### Performance as of 2/28/23<sup>1</sup>

*Cumulative total return excludes sales charges. Average annual total return includes maximum sales charges. Sales charges will vary depending on the size of the investment and the class of share purchased. The maximum is 3.75% and the minimum is 0%. **Class A:** 3.75% maximum initial sales charge; **Advisor Class:** no sales charges. For other share classes, visit [franklintempleton.com](http://franklintempleton.com).*

Share Class	Cumulative Total Return <sup>2</sup>	Average Annual Total Return <sup>3</sup>
<b>A<sup>4,5</sup></b>		
1-Year	-7.45%	-10.92%
5-Year	+3.34%	-0.11%
10-Year	+12.95%	+0.84%

<b>Advisor<sup>6</sup></b>		
1-Year	-7.14%	-7.14%
5-Year	+4.46%	+0.88%
10-Year	+14.39%	+1.35%

Share Class	Distribution Rate <sup>7</sup>	Taxable Equivalent Distribution Rate <sup>8</sup>	30-Day Standardized Yield <sup>9</sup>		Taxable Equivalent 30-Day Standardized Yield <sup>9</sup>	
			(with fee waiver)	(without fee waiver)	(with fee waiver)	(without fee waiver)
A	2.17%	4.00%	2.84%	2.73%	5.24%	5.04%
Advisor	2.49%	4.59%	3.21%	3.09%	5.92%	5.70%

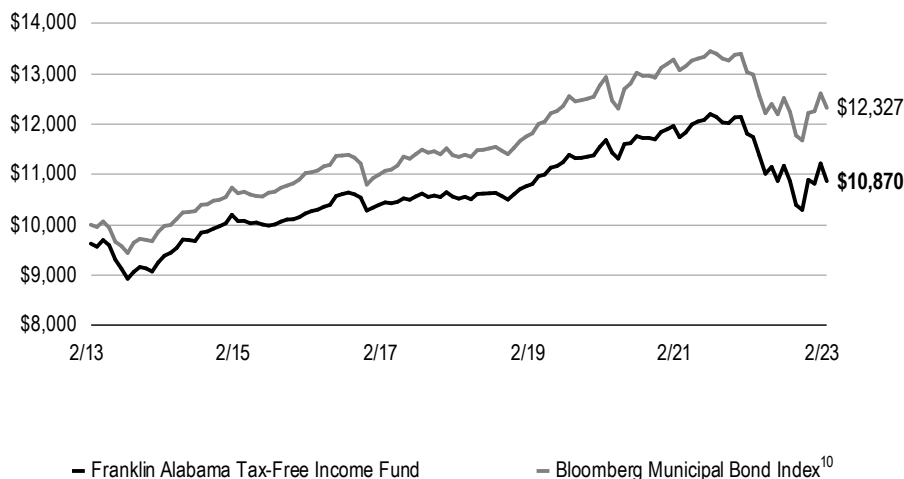
*Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. For most recent month-end performance, go to [franklintempleton.com](http://franklintempleton.com)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

See page 9 for Performance Summary footnotes.

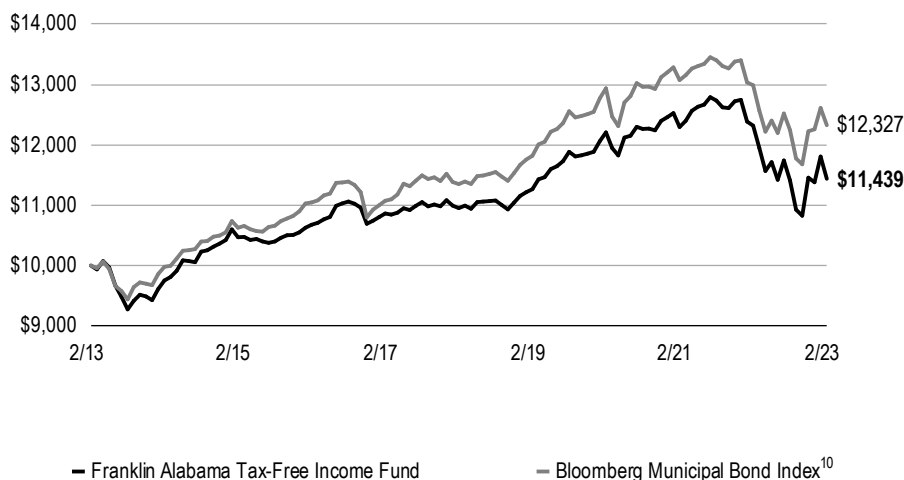
## Total Return Index Comparison for a Hypothetical \$10,000 Investment<sup>1</sup>

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

### Class A (2/28/13–2/28/23)



### Advisor Class (2/28/13–2/28/23)



See page 9 for Performance Summary footnotes.

## Distributions (3/1/22–2/28/23)

Share Class	Net Investment Income
A	\$0.233031
A1	\$0.248232
C	\$0.191648
R6	\$0.261354
Advisor	\$0.258351

Total Annual Operating Expenses<sup>11</sup>

Share Class	With Fee Waiver	Without Fee Waiver
A	0.90%	0.91%
Advisor	0.65%	0.66%

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

All investments involve risks, including possible loss of principal. Because municipal bonds are sensitive to interest rate movements, the Fund's yield and share price will fluctuate with market conditions. Bond prices generally move in the opposite direction of interest rates. Thus, as prices of bonds in the Fund adjust to a rise in interest rates, the Fund's share price may decline. Because the Fund invests principally in a single state, it is subject to greater risk of adverse economic and regulatory changes in that state than a geographically diversified fund. Changes in the credit rating of a bond, or in the credit rating or financial strength of a bond's issuer, insurer or guarantor, may affect the bond's value. The Fund may invest a significant part of its assets in municipal securities that finance similar types of projects, such as utilities, hospitals, higher education and transportation. A change that affects one project would likely affect all similar projects, thereby increasing market risk. Events such as the spread of deadly diseases, disasters, and financial, political or social disruptions, may heighten risks and adversely affect performance. The Fund's prospectus also includes a description of the main investment risks.

Russia's military invasion of Ukraine in February 2022, the resulting responses by the United States and other countries, and the potential for wider conflict could increase volatility and uncertainty in the financial markets and adversely affect regional and global economies. The United States and other countries have imposed broad-ranging economic sanctions on Russia and certain Russian individuals, banking entities and corporations as a response to its invasion of Ukraine. The United States and other countries have also imposed economic sanctions on Belarus and may impose sanctions on other countries that support Russia's military invasion. These sanctions, as well as any other economic consequences related to the invasion, such as additional sanctions, boycotts or changes in consumer or purchaser preferences or cyberattacks on governments, companies or individuals, may further decrease the value and liquidity of certain Russian securities and securities of issuers in other countries that are subject to economic sanctions related to the invasion.

1. Gross expenses are the Fund's total annual operating expenses as of the Fund's prospectus available at the time of publication. Actual expenses may be higher and may impact portfolio returns. Net expenses reflect contractual fee waivers, expense caps and/or reimbursements, which cannot be terminated prior to 6/30/23 without Board consent. Additional amounts may be voluntarily waived and/or reimbursed and may be modified or discontinued at any time without notice.
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. Return for less than one year, if any, has not been annualized.
4. Effective 9/10/18, Class A shares closed to new investors, were renamed Class A1 shares, and a new Class A share with a different expense structure became available. Class A performance shown has been calculated as follows: (a) for periods prior to 9/10/18, a restated figure is used based on the Fund's Class A1 performance that includes any Rule 12b-1 rate differential that exists between Class A1 and Class A; and (b) for periods after 9/10/18, actual Class A performance is used, reflecting all charges and fees applicable to that class.
5. Prior to 3/1/19, these shares were offered at a higher initial sales charge of 4.25%, thus actual returns (with sales charges) would have differed. Average annual total returns (with sales charges) have been restated to reflect the current maximum initial sales charge of 3.75%.
6. Effective 9/15/16, 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 9/15/16, 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 9/15/16, actual Advisor Class performance is used reflecting all charges and fees applicable to that class.
7. Distribution rate is based on an annualization of the respective class's February dividend and the maximum offering price (NAV for Advisor Class) per share on 2/28/23.
8. Taxable equivalent distribution rate and yield assume the published rates as of 12/20/22 for the maximum combined effective federal and Alabama personal income tax rate of 45.80%, based on the federal income tax rate of 37.00% plus 3.80% Medicare tax.
9. The Fund's 30-day standardized yield is calculated over a trailing 30-day period using the yield to maturity on bonds and/or the dividends accrued on stocks. It may not equal the Fund's actual income distribution rate, which reflects the Fund's past dividends paid to shareholders.
10. Source: FactSet. The Bloomberg Municipal Bond Index is a market value-weighted index of tax-exempt, investment-grade municipal bonds with maturities of one year or more.
11. Figures are as stated in the Fund's current prospectus and may differ from the expense ratios disclosed in the Your Fund's Expenses and Financial Highlights sections in this report. In periods of market volatility, assets may decline significantly, causing total annual Fund operating expenses to become higher than the figures shown. See [www.franklintempletondatasources.com](http://www.franklintempletondatasources.com) for additional data provider information.

## Your Fund's Expenses

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

### Actual Fund Expenses

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

### Hypothetical Example for Comparison with Other Funds

Under the heading "Hypothetical" in the table, information is provided about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. This information may not be used to estimate the actual ending account balance or expenses you paid for the period, but it can help you compare ongoing costs of investing in the Fund with those of other funds. To do so, compare this 5% hypothetical example for the class of shares you hold with the 5% hypothetical examples that appear in the shareholder reports of other funds.

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

Share Class	Beginning Account Value 9/1/22	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio <sup>2</sup>
		Ending Account Value 2/28/23	Expenses Paid During Period 9/1/22–2/28/23 <sup>1,2</sup>	Ending Account Value 2/28/23	Expenses Paid During Period 9/1/22–2/28/23 <sup>1,2</sup>	
A	\$1,000	\$999.90	\$4.46	\$1,020.33	\$4.51	0.90%
A1	\$1,000	\$1,001.70	\$3.73	\$1,021.07	\$3.77	0.75%
C	\$1,000	\$998.90	\$6.41	\$1,018.38	\$6.47	1.29%
R6	\$1,000	\$1,001.30	\$3.08	\$1,021.71	\$3.12	0.62%
Advisor	\$1,000	\$1,002.20	\$3.23	\$1,021.56	\$3.27	0.65%

1. Expenses are equal to the annualized expense ratio for the six-month period as indicated above—in the far right column—multiplied by the simple average account value over the period indicated, and then multiplied by 181/365 to reflect the one-half year period.

2. Reflects expenses after fee waivers and expense reimbursements, for Class R6.

# Franklin Georgia Tax-Free Income Fund

This annual report for Franklin Georgia Tax-Free Income Fund covers the fiscal year ended February 28, 2023.

## Your Fund's Goal and Main Investments

The Fund seeks to provide investors with as high a level of income exempt from federal and Georgia personal income taxes as is consistent with prudent investment management and the preservation of shareholders' capital by normally investing at least 80% of its total assets in securities that pay interest free from such taxes.<sup>1</sup>

## Performance Overview

The Fund's Class A share price, as measured by net asset value, decreased from \$11.57 on February 28, 2022, to \$10.40 on February 28, 2023. The Fund's Class A shares paid dividends totaling 27.8437 cents per share for the same period.<sup>2</sup> The Performance Summary beginning on page 13 shows that at the end of this reporting period the Fund's Class A shares' distribution rate was 2.37%, based on an annualization of the February's 2.1338 cents per share monthly dividend and the maximum offering price of \$10.81 on February 28, 2023. An investor in the 2023 maximum combined effective federal and Georgia personal income tax bracket of 46.55% (including 3.80% Medicare tax) would need to earn a distribution rate of 4.43% from a taxable investment to match the Fund's Class A tax-free distribution rate. For other performance data, please see the Performance Summary.

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## State Update

During the 12-month period, Georgia's economy slowed, although growth rebounded in the third quarter of 2022, consistent with a national recovery. The state's economy benefited from above average population and employment

growth, although it is relatively dependent on international travel, which has been slow to recover. Georgia's unemployment rate began the period at 3.2% and ended at 3.1%, compared with the 3.6% national rate. In May 2022, the governor signed a fiscal year (FY) 2023 budget that restored pandemic-related reductions in education and increased salaries for teachers and state employees. A proposed FY 2024 budget would add further raises for teachers and state employees, while providing property tax relief. The state's net tax-supported debt was \$1,087 per capita and 2.0% of personal income, marginally lower than the \$1,179 and 2.1% national medians, respectively.<sup>3</sup> Independent credit rating agency Moody's Investors Service maintained Georgia's general obligation bonds' Aaa rating with a stable outlook, reflecting Moody's view of Georgia's low leverage, strong fiscal governance and solid fiscal reserves.<sup>4</sup> According to Moody's, challenges included below average per-capita income and indirect exposure to high education pension burdens. The stable outlook recognizes Moody's view that Georgia is likely to maintain solid reserves, while outpacing the nation in economic growth.

## Portfolio Composition

2/28/23

	% of Total Investments*
Health Care	21.63%
Housing	14.50%
Utilities	14.30%
Local	10.27%
Education	8.90%
Transportation	8.02%
Industrial Dev. Revenue and Pollution Control	7.49%
Special Tax	6.64%
Refunded	5.24%
Lease	2.11%
State General Obligation	0.90%

\*Does not include cash and cash equivalents.

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

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3. Source: Moody's Investors Service, *States – US: Debt, pension and OPEB liabilities all up in fiscal 2021*, 9/7/22.

4. This does not indicate Moody's rating of the Fund.

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## Manager's Discussion

We used various investment strategies during the 12 months under review as we sought to maximize tax-free income for shareholders. Please read the Investment Strategy and Manager's Discussion on page 4 for more information.

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

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*The foregoing information reflects our analysis, opinions and portfolio holdings as of February 28, 2023, 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 February 28, 2023

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

### Performance as of 2/28/23<sup>1</sup>

Cumulative total return excludes sales charges. Average annual total return includes maximum sales charges. Sales charges will vary depending on the size of the investment and the class of share purchased. The maximum is 3.75% and the minimum is 0%. **Class A:** 3.75% maximum initial sales charge; **Advisor Class:** no sales charges. For other share classes, visit [franklintempleton.com](http://franklintempleton.com).

Share Class	Cumulative Total Return <sup>2</sup>	Average Annual Total Return <sup>3</sup>
<b>A<sup>4,5</sup></b>		
1-Year	-7.71%	-11.17%
5-Year	+2.10%	-0.35%
10-Year	+11.08%	+0.67%

<b>Advisor<sup>6</sup></b>		
1-Year	-7.48%	-7.48%
5-Year	+3.21%	+0.63%
10-Year	+12.59%	+1.19%

Share Class	Distribution Rate <sup>7</sup>	Taxable Equivalent Distribution Rate <sup>8</sup>	30-Day Standardized Yield <sup>9</sup>		Taxable Equivalent 30-Day Standardized Yield <sup>9</sup>	
			(with fee waiver)	(without fee waiver)	(with fee waiver)	(without fee waiver)
A	2.37%	4.43%	2.93%	2.93%	5.48%	5.48%
Advisor	2.70%	5.03%	3.30%	3.29%	6.15%	6.13%

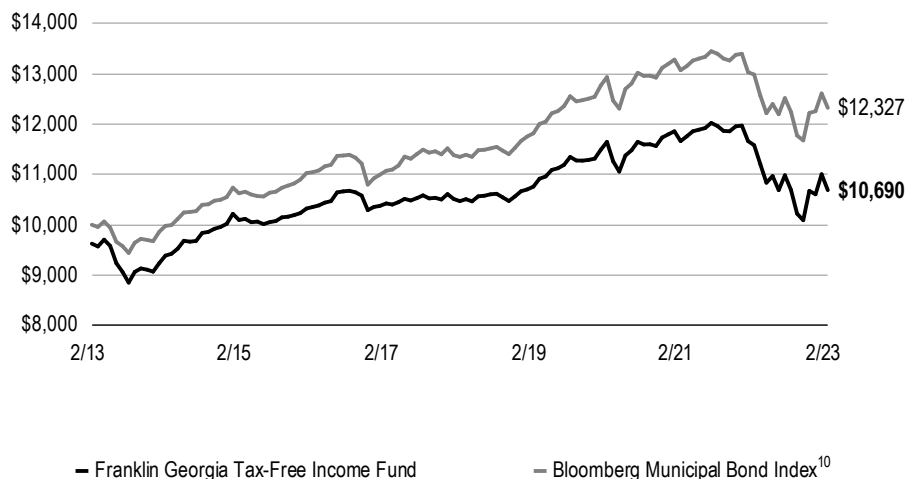
Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. For most recent month-end performance, go to [franklintempleton.com](http://franklintempleton.com)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

See page 15 for Performance Summary footnotes.

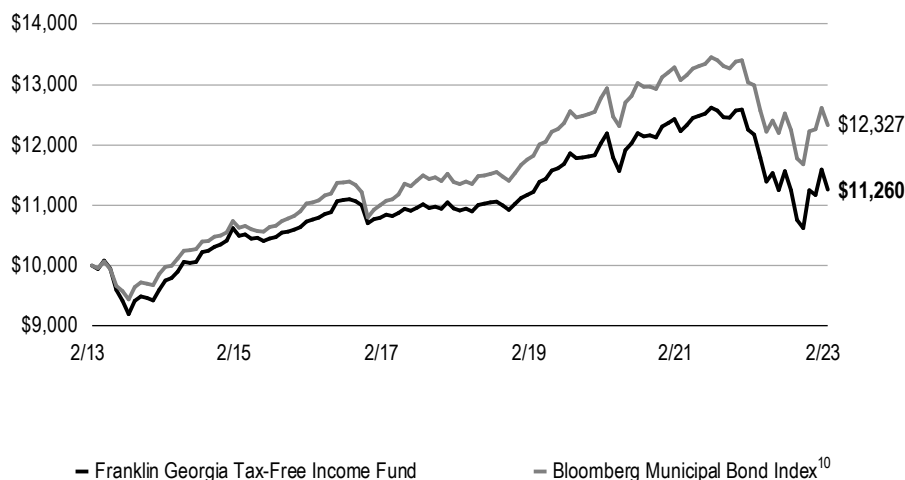
## Total Return Index Comparison for a Hypothetical \$10,000 Investment<sup>1</sup>

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

### Class A (2/28/13–2/28/23)



### Advisor Class (2/28/13–2/28/23)



See page 15 for Performance Summary footnotes.

## Distributions (3/1/22–2/28/23)

Share Class	Net Investment Income
A	\$0.278437
A1	\$0.294299
C	\$0.234853
R6	\$0.309305
Advisor	\$0.304895

Total Annual Operating Expenses<sup>11</sup>

Share Class	
A	0.86%
Advisor	0.61%

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

All investments involve risks, including possible loss of principal. Because municipal bonds are sensitive to interest rate movements, the Fund's yield and share price will fluctuate with market conditions. Bond prices generally move in the opposite direction of interest rates. Thus, as prices of bonds in the Fund adjust to a rise in interest rates, the Fund's share price may decline. Because the Fund invests principally in a single state, it is subject to greater risk of adverse economic and regulatory changes in that state than a geographically diversified fund. Changes in the credit rating of a bond, or in the credit rating or financial strength of a bond's issuer, insurer or guarantor, may affect the bond's value. The Fund may invest a significant part of its assets in municipal securities that finance similar types of projects, such as utilities, hospitals, higher education and transportation. A change that affects one project would likely affect all similar projects, thereby increasing market risk. Events such as the spread of deadly diseases, disasters, and financial, political or social disruptions, may heighten risks and adversely affect performance. The Fund's prospectus also includes a description of the main investment risks.

Russia's military invasion of Ukraine in February 2022, the resulting responses by the United States and other countries, and the potential for wider conflict could increase volatility and uncertainty in the financial markets and adversely affect regional and global economies. The United States and other countries have imposed broad-ranging economic sanctions on Russia and certain Russian individuals, banking entities and corporations as a response to its invasion of Ukraine. The United States and other countries have also imposed economic sanctions on Belarus and may impose sanctions on other countries that support Russia's military invasion. These sanctions, as well as any other economic consequences related to the invasion, such as additional sanctions, boycotts or changes in consumer or purchaser preferences or cyberattacks on governments, companies or individuals, may further decrease the value and liquidity of certain Russian securities and securities of issuers in other countries that are subject to economic sanctions related to the invasion.

1. Gross expenses are the Fund's total annual operating expenses as of the Fund's prospectus available at the time of publication. Net expenses are capped under a contractual agreement, which cannot be terminated prior to 6/30/23 without Board consent. Actual expenses may be higher and may impact portfolio returns.
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. Return for less than one year, if any, has not been annualized.
4. Effective 9/10/18, Class A shares closed to new investors, were renamed Class A1 shares, and a new Class A share with a different expense structure became available. Class A performance shown has been calculated as follows: (a) for periods prior to 9/10/18, a restated figure is used based on the Fund's Class A1 performance that includes any Rule 12b-1 rate differential that exists between Class A1 and Class A; and (b) for periods after 9/10/18, actual Class A performance is used, reflecting all charges and fees applicable to that class.
5. Prior to 3/1/19, these shares were offered at a higher initial sales charge of 4.25%, thus actual returns (with sales charges) would have differed. Average annual total returns (with sales charges) have been restated to reflect the current maximum initial sales charge of 3.75%.
6. Effective 9/15/16, 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 9/15/16, 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 9/15/16, actual Advisor Class performance is used reflecting all charges and fees applicable to that class.
7. Distribution rate is based on an annualization of the respective class's February dividend and the maximum offering price (NAV for Advisor Class) per share on 2/28/23.
8. Taxable equivalent distribution rate and yield assume the published rates as of 12/20/22 for the maximum combined effective federal and Georgia personal income tax rate of 46.55%, based on the federal income tax rate of 37.00% plus 3.80% Medicare tax.
9. The Fund's 30-day standardized yield is calculated over a trailing 30-day period using the yield to maturity on bonds and/or the dividends accrued on stocks. It may not equal the Fund's actual income distribution rate, which reflects the Fund's past dividends paid to shareholders.
10. Source: FactSet. The Bloomberg Municipal Bond Index is a market value-weighted index of tax-exempt, investment-grade municipal bonds with maturities of one year or more.
11. Figures are as stated in the Fund's current prospectus and may differ from the expense ratios disclosed in the Your Fund's Expenses and Financial Highlights sections in this report. In periods of market volatility, assets may decline significantly, causing total annual Fund operating expenses to become higher than the figures shown. See [www.franklintempletondatasources.com](http://www.franklintempletondatasources.com) for additional data provider information.

## Your Fund's Expenses

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

### Actual Fund Expenses

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

### Hypothetical Example for Comparison with Other Funds

Under the heading "Hypothetical" in the table, information is provided about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. This information may not be used to estimate the actual ending account balance or expenses you paid for the period, but it can help you compare ongoing costs of investing in the Fund with those of other funds. To do so, compare this 5% hypothetical example for the class of shares you hold with the 5% hypothetical examples that appear in the shareholder reports of other funds.

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

Share Class	Beginning Account Value 9/1/22	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio <sup>2</sup>
		Ending Account Value 2/28/23	Expenses Paid During Period 9/1/22–2/28/23 <sup>1,2</sup>	Ending Account Value 2/28/23	Expenses Paid During Period 9/1/22–2/28/23 <sup>1,2</sup>	
A	\$1,000	\$999.60	\$4.47	\$1,020.32	\$4.52	0.90%
A1	\$1,000	\$1,001.30	\$3.73	\$1,021.07	\$3.77	0.75%
C	\$1,000	\$998.50	\$6.40	\$1,018.39	\$6.47	1.29%
R6	\$1,000	\$1,001.00	\$3.05	\$1,021.75	\$3.08	0.61%
Advisor	\$1,000	\$1,000.80	\$3.23	\$1,021.56	\$3.27	0.65%

1. Expenses are equal to the annualized expense ratio for the six-month period as indicated above—in the far right column—multiplied by the simple average account value over the period indicated, and then multiplied by 181/365 to reflect the one-half year period.

2. Reflects expenses after fee waivers and expense reimbursements, for Class R6

# Franklin Louisiana Tax-Free Income Fund

This annual report for Franklin Louisiana Tax-Free Income Fund covers the fiscal year ended February 28, 2023.

## Your Fund's Goal and Main Investments

The Fund seeks to provide investors with as high a level of income exempt from federal and Louisiana personal income taxes as is consistent with prudent investment management and the preservation of shareholders' capital by normally investing at least 80% of its total assets in securities that pay interest free from such taxes.<sup>1</sup>

## Performance Overview

The Fund's Class A share price, as measured by net asset value, decreased from \$11.03 on February 28, 2022, to \$9.96 on February 28, 2023. The Fund's Class A shares paid dividends totaling 24.3680 cents per share for the same period.<sup>2</sup> The Performance Summary beginning on page 19 shows that at the end of this reporting period the Fund's Class A shares' distribution rate was 2.26%, based on an annualization of February's 1.9500 cents per share monthly dividend and the maximum offering price of \$10.35 on February 28, 2023. An investor in the 2023 maximum combined effective federal and Louisiana personal income tax bracket of 45.05% (including 3.80% Medicare tax) would need to earn a distribution rate of 4.11% from a taxable investment to match the Fund's Class A tax-free distribution rate. For other performance data, 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. For most recent month-end performance, go to [franklintempleton.com](http://franklintempleton.com) or call (800) 342-5236.*

## State Update

During the 12-month period, Louisiana's economy slowed, contracting in the first half of 2022 before returning to growth in the third quarter, consistent with a national recovery. Louisiana's economy benefited from its large petroleum-

related industry base and the presence of liquid natural gas exporting infrastructure. Louisiana's unemployment rate began the period at 3.9% and ended at 3.6%, compared with the 3.6% national rate. In June 2022, the governor signed a budget for fiscal year 2023 that included pay increases for government employees and teachers, as well as significant infrastructure investments, particularly in projects to replace and expand highway bridges. The state's net tax-supported debt was \$1,735 per capita and 3.2% of personal income, above the \$1,179 and 2.1% national medians, respectively.<sup>3</sup> Independent credit rating agency Moody's Investors Service upgraded Louisiana's general obligation bonds' rating to Aa2 with a stable outlook.<sup>4</sup> The upgrade reflected Moody's view that Louisiana had seen a sustained strengthening of its state finances. Moody's stated that Louisiana's debt and pension liabilities were moderate compared to other states and it had sound financial management practices. According to Moody's, challenges included Louisiana's slow population growth, revenue volatility due to dependency on oil and gas extraction and constraints on raising revenue and reducing expenditures.

## Portfolio Composition

2/28/23

	% of Total Investments*
Health Care	18.11%
Transportation	14.81%
Education	13.54%
Special Tax	11.47%
Housing	10.52%
Utilities	9.40%
Refunded	7.53%
Local	6.97%
Lease	3.53%
State General Obligation	3.01%
Other Revenue Bonds	1.11%

\*Does not include cash and cash equivalents.

## Manager's Discussion

We used various investment strategies during the 12 months under review as we sought to maximize tax-free income for shareholders. Please read the Investment Strategy and Manager's Discussion on page 4 for more information.

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

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

3. Source: Moody's Investors Service, *States – US: Debt, pension and OPEB liabilities all up in fiscal 2021*, 9/7/22.

4. This does not indicate Moody's rating of the Fund.

See [www.franklintempletondatasources.com](http://www.franklintempletondatasources.com) for additional data provider information.

The dollar value, number of shares or principal amount, and names of all portfolio holdings are listed in the Fund's Schedule of Investments (SOI). The SOI begins on page 71.

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

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*The foregoing information reflects our analysis, opinions and portfolio holdings as of February 28, 2023, 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 February 28, 2023

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

### Performance as of 2/28/23<sup>1</sup>

*Cumulative total return excludes sales charges. Average annual total return includes maximum sales charges. Sales charges will vary depending on the size of the investment and the class of share purchased. The maximum is 3.75% and the minimum is 0%. **Class A:** 3.75% maximum initial sales charge; **Advisor Class:** no sales charges. For other share classes, visit [franklintempleton.com](http://franklintempleton.com).*

Share Class	Cumulative Total Return <sup>2</sup>	Average Annual Total Return <sup>3</sup>
<b>A<sup>4,5</sup></b>		
1-Year	-7.49%	-10.96%
5-Year	+3.95%	+0.01%
10-Year	+12.99%	+0.84%

<b>Advisor<sup>6</sup></b>		
1-Year	-7.26%	-7.26%
5-Year	+5.18%	+1.01%
10-Year	+14.53%	+1.37%

Share Class	Distribution Rate <sup>7</sup>	Taxable Equivalent Distribution Rate <sup>8</sup>	30-Day Standardized Yield <sup>9</sup>	Taxable Equivalent 30-Day Standardized Yield <sup>8</sup>
A	2.26%	4.11%	3.03%	5.51%
Advisor	2.58%	4.70%	3.40%	6.19%

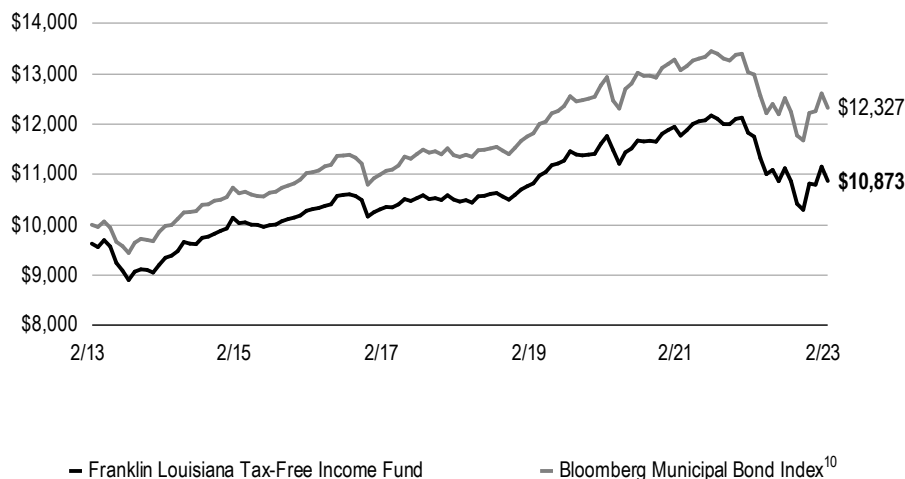
*Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. For most recent month-end performance, go to [franklintempleton.com](http://franklintempleton.com)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

See page 21 for Performance Summary footnotes.

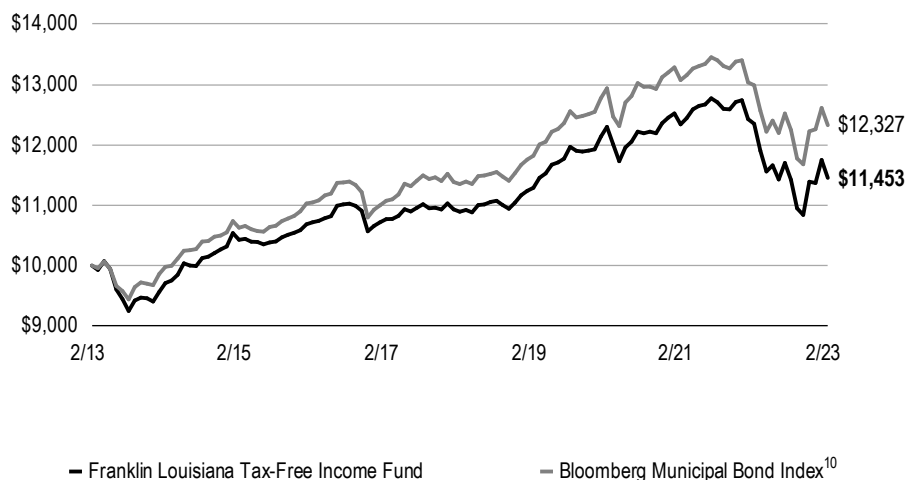
## Total Return Index Comparison for a Hypothetical \$10,000 Investment<sup>1</sup>

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

### Class A (2/28/13–2/28/23)



### Advisor Class (2/28/13–2/28/23)



See page 21 for Performance Summary footnotes.

## Distributions (3/1/22–2/28/23)

Share Class	Net Investment Income
A	\$0.243680
A1	\$0.258691
C	\$0.202591
R6	\$0.273054
Advisor	\$0.268669

Total Annual Operating Expenses<sup>11</sup>

Share Class	
A	0.87%
Advisor	0.62%

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

All investments involve risks, including possible loss of principal. Because municipal bonds are sensitive to interest rate movements, the Fund's yield and share price will fluctuate with market conditions. Bond prices generally move in the opposite direction of interest rates. Thus, as prices of bonds in the Fund adjust to a rise in interest rates, the Fund's share price may decline. Because the Fund invests principally in a single state, it is subject to greater risk of adverse economic and regulatory changes in that state than a geographically diversified fund. Changes in the credit rating of a bond, or in the credit rating or financial strength of a bond's issuer, insurer or guarantor, may affect the bond's value. The Fund may invest a significant part of its assets in municipal securities that finance similar types of projects, such as utilities, hospitals, higher education and transportation. A change that affects one project would likely affect all similar projects, thereby increasing market risk. Events such as the spread of deadly diseases, disasters, and financial, political or social disruptions, may heighten risks and adversely affect performance. The Fund's prospectus also includes a description of the main investment risks.

Russia's military invasion of Ukraine in February 2022, the resulting responses by the United States and other countries, and the potential for wider conflict could increase volatility and uncertainty in the financial markets and adversely affect regional and global economies. The United States and other countries have imposed broad-ranging economic sanctions on Russia and certain Russian individuals, banking entities and corporations as a response to its invasion of Ukraine. The United States and other countries have also imposed economic sanctions on Belarus and may impose sanctions on other countries that support Russia's military invasion. These sanctions, as well as any other economic consequences related to the invasion, such as additional sanctions, boycotts or changes in consumer or purchaser preferences or cyberattacks on governments, companies or individuals, may further decrease the value and liquidity of certain Russian securities and securities of issuers in other countries that are subject to economic sanctions related to the invasion.

1. Gross expenses are the Fund's total annual operating expenses as of the Fund's prospectus available at the time of publication. Net expenses are capped under a contractual agreement, which cannot be terminated prior to 6/30/23 without Board consent. Actual expenses may be higher and may impact portfolio returns.
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. Return for less than one year, if any, has not been annualized.
4. Effective 9/10/18, Class A shares closed to new investors, were renamed Class A1 shares, and a new Class A share with a different expense structure became available. Class A performance shown has been calculated as follows: (a) for periods prior to 9/10/18, a restated figure is used based on the Fund's Class A1 performance that includes any Rule 12b-1 rate differential that exists between Class A1 and Class A; and (b) for periods after 9/10/18, actual Class A performance is used, reflecting all charges and fees applicable to that class.
5. Prior to 3/1/19, these shares were offered at a higher initial sales charge of 4.25%, thus actual returns (with sales charges) would have differed. Average annual total returns (with sales charges) have been restated to reflect the current maximum initial sales charge of 3.75%.
6. Effective 9/15/16, 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 9/15/16, 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 9/15/16, actual Advisor Class performance is used reflecting all charges and fees applicable to that class.
7. Distribution rate is based on an annualization of the respective class's February dividend and the maximum offering price (NAV for Advisor Class) per share on 2/28/23.
8. Taxable equivalent distribution rate and yield assume the published rates as of 12/20/22 for the maximum combined effective federal and Louisiana personal income tax rate of 45.05%, based on the federal income tax rate of 37.00% plus 3.80% Medicare tax.
9. The Fund's 30-day standardized yield is calculated over a trailing 30-day period using the yield to maturity on bonds and/or the dividends accrued on stocks. It may not equal the Fund's actual income distribution rate, which reflects the Fund's past dividends paid to shareholders.
10. Source: FactSet. The Bloomberg Municipal Bond Index is a market value-weighted index of tax-exempt, investment-grade municipal bonds with maturities of one year or more.
11. Figures are as stated in the Fund's current prospectus and may differ from the expense ratios disclosed in the Your Fund's Expenses and Financial Highlights sections in this report. In periods of market volatility, assets may decline significantly, causing total annual Fund operating expenses to become higher than the figures shown. See [www.franklintempletondatasources.com](http://www.franklintempletondatasources.com) for additional data provider information.

## Your Fund's Expenses

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

### Actual Fund Expenses

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

### Hypothetical Example for Comparison with Other Funds

Under the heading "Hypothetical" in the table, information is provided about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. This information may not be used to estimate the actual ending account balance or expenses you paid for the period, but it can help you compare ongoing costs of investing in the Fund with those of other funds. To do so, compare this 5% hypothetical example for the class of shares you hold with the 5% hypothetical examples that appear in the shareholder reports of other funds.

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

Share Class	Beginning Account Value 9/1/22	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio <sup>2</sup>
		Ending Account Value 2/28/23	Expenses Paid During Period 9/1/22–2/28/23 <sup>1,2</sup>	Ending Account Value 2/28/23	Expenses Paid During Period 9/1/22–2/28/23 <sup>1,2</sup>	
A	\$1,000	\$1,000.50	\$4.51	\$1,020.28	\$4.56	0.91%
A1	\$1,000	\$1,001.30	\$3.77	\$1,021.03	\$3.81	0.76%
C	\$1,000	\$998.60	\$6.44	\$1,018.35	\$6.50	1.30%
R6	\$1,000	\$1,002.90	\$3.07	\$1,021.73	\$3.10	0.62%
Advisor	\$1,000	\$1,002.70	\$3.29	\$1,021.51	\$3.32	0.66%

1. Expenses are equal to the annualized expense ratio for the six-month period as indicated above—in the far right column—multiplied by the simple average account value over the period indicated, and then multiplied by 181/365 to reflect the one-half year period.

2. Reflects expenses after fee waivers and expense reimbursements, for Class R6.

# Franklin Maryland Tax-Free Income Fund

This annual report for Franklin Maryland Tax-Free Income Fund covers the fiscal year ended February 28, 2023.

## Your Fund's Goal and Main Investments

The Fund seeks to provide investors with as high a level of income exempt from federal and Maryland personal income taxes as is consistent with prudent investment management and the preservation of shareholders' capital by normally investing at least 80% of its total assets in securities that pay interest free from such taxes.<sup>1</sup>

## Performance Overview

The Fund's Class A share price, as measured by net asset value, decreased from \$10.71 on February 28, 2022, to \$9.75 on February 28, 2023. The Fund's Class A shares paid dividends totaling 25.6523 cents per share for the same period.<sup>2</sup> The Performance Summary beginning on page 25 shows that at the end of this reporting period the Fund's Class A shares' distribution rate was 2.51%, based on an annualization of February's 2.1179 cents per share monthly dividend and the maximum offering price of \$10.13 on February 28, 2023. An investor in the 2023 maximum combined effective federal and Maryland personal income tax bracket of 49.75% (including 3.80% Medicare tax) would need to earn a distribution rate of 5.00% from a taxable investment to match the Fund's Class A tax-free distribution rate. For other performance data, 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. For most recent month-end performance, go to [franklintempleton.com](http://franklintempleton.com) or call (800) 342-5236.*

## State Update

During the 12-month period, Maryland's economy slowed, although growth rebounded in the third quarter of 2022, consistent with a national recovery. Maryland's economy benefits from a significant federal presence and proximity

to the nation's capital, which provides well-paid civilian and national defense jobs. The state's unemployment rate began the period at 3.4% and ended at 2.9%, compared with the 3.6% national rate. The general assembly approved a fiscal year (FY) 2023 budget that expanded health care services and increased education spending. The governor's proposed FY 2024 budget would provide additional funds for education and Medicaid. The state's net tax-supported debt was \$2,818 per capita and 4.1% of personal income, well above the \$1,179 and 2.1% national medians, respectively.<sup>3</sup> Independent credit rating agency Moody's Investor Service maintained the state's general obligation bonds' Aaa rating with a stable outlook.<sup>4</sup> The rating reflected Moody's view that Maryland benefits from strong budgetary and financial management and a history of proactive responses to economic cycles. According to Moody's, challenges included a relatively high debt and pension burden and vulnerability to swings in federal spending priorities. Moody's stable outlook reflected its view that the state is able to make midcourse corrections, and it has often taken difficult actions to strengthen its balance sheet.

## Portfolio Composition

2/28/23

	% of Total Investments*
Health Care	19.95%
Housing	18.21%
Transportation	15.35%
Education	11.97%
Lease	8.69%
Utilities	6.83%
Local	6.39%
Special Tax	5.19%
Refunded	3.78%
State General Obligation	3.64%

\*Does not include cash and cash equivalents.

## Manager's Discussion

We used various investment strategies during the 12 months under review as we sought to maximize tax-free income for shareholders. Please read the Investment Strategy and Manager's Discussion on page 4 for more information.

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

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

3. Source: Moody's Investors Service, *States – US: Debt, pension and OPEB liabilities all up in fiscal 2021*, 9/7/22.

4. This does not indicate Moody's rating of the Fund.

See [www.franklintempletondatasources.com](http://www.franklintempletondatasources.com) for additional data provider information.

The dollar value, number of shares or principal amount, and names of all portfolio holdings are listed in the Fund's Schedule of Investments (SOI). The SOI begins on page 80.

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

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*The foregoing information reflects our analysis, opinions and portfolio holdings as of February 28, 2023, 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 February 28, 2023

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

### Performance as of 2/28/23<sup>1</sup>

*Cumulative total return excludes sales charges. Average annual total return includes maximum sales charges. Sales charges will vary depending on the size of the investment and the class of share purchased. The maximum is 3.75% and the minimum is 0%. **Class A:** 3.75% maximum initial sales charge; **Advisor Class:** no sales charges. For other share classes, visit [franklintempleton.com](http://franklintempleton.com).*

Share Class	Cumulative Total Return <sup>2</sup>	Average Annual Total Return <sup>3</sup>
<b>A<sup>4,5</sup></b>		
1-Year	-6.56%	-10.07%
5-Year	+3.38%	-0.10%
10-Year	+10.59%	+0.63%
<b>Advisor</b>		
1-Year	-6.41%	-6.41%
5-Year	+4.59%	+0.90%
10-Year	+12.48%	+1.18%

Share Class	Distribution Rate <sup>6</sup>	Taxable Equivalent Distribution Rate <sup>7</sup>	30-Day Standardized Yield <sup>8</sup>		Taxable Equivalent 30-Day Standardized Yield <sup>7</sup>	
			(with fee waiver)	(without fee waiver)	(with fee waiver)	(without fee waiver)
A	2.51%	5.00%	2.76%	2.75%	5.49%	5.47%
Advisor	2.84%	5.65%	3.12%	3.11%	6.21%	6.19%

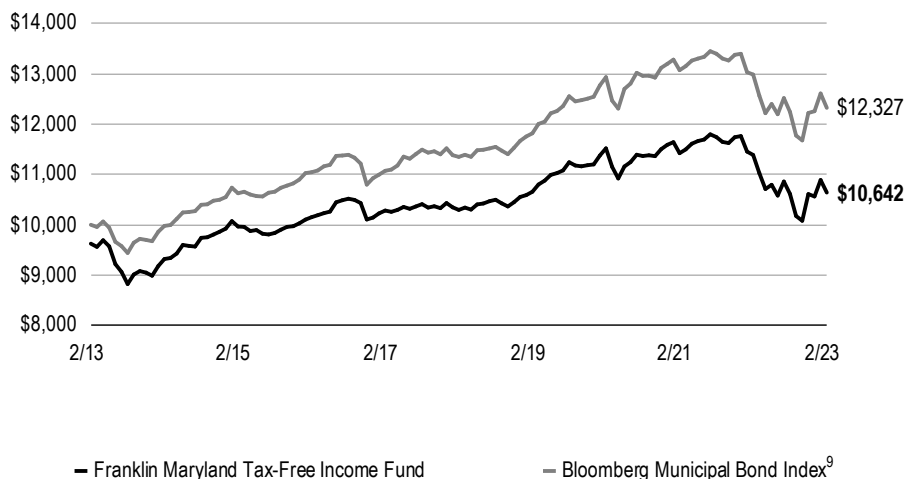
*Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. For most recent month-end performance, go to [franklintempleton.com](http://franklintempleton.com)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

See page 27 for Performance Summary footnotes.

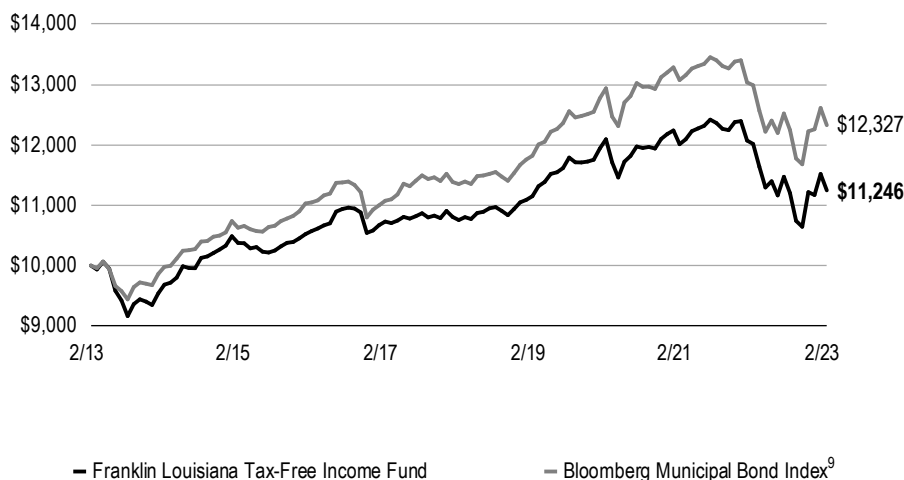
## Total Return Index Comparison for a Hypothetical \$10,000 Investment<sup>1</sup>

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

### Class A (2/28/13–2/28/23)



### Advisor Class (2/28/13–2/28/23)



See page 27 for Performance Summary footnotes.

## Distributions (3/1/22–2/28/23)

Share Class	Net Investment Income
A	\$0.256523
A1	\$0.271357
C	\$0.215486
R6	\$0.286056
Advisor	\$0.281246

Total Annual Operating Expenses<sup>10</sup>

Share Class	
A	0.87%
Advisor	0.62%

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

All investments involve risks, including possible loss of principal. Because municipal bonds are sensitive to interest rate movements, the Fund's yield and share price will fluctuate with market conditions. Bond prices generally move in the opposite direction of interest rates. Thus, as prices of bonds in the Fund adjust to a rise in interest rates, the Fund's share price may decline. Because the Fund invests principally in a single state, it is subject to greater risk of adverse economic and regulatory changes in that state than a geographically diversified fund. Changes in the credit rating of a bond, or in the credit rating or financial strength of a bond's issuer, insurer or guarantor, may affect the bond's value. The Fund may invest a significant part of its assets in municipal securities that finance similar types of projects, such as utilities, hospitals, higher education and transportation. A change that affects one project would likely affect all similar projects, thereby increasing market risk. Events such as the spread of deadly diseases, disasters, and financial, political or social disruptions, may heighten risks and adversely affect performance. The Fund's prospectus also includes a description of the main investment risks.

Russia's military invasion of Ukraine in February 2022, the resulting responses by the United States and other countries, and the potential for wider conflict could increase volatility and uncertainty in the financial markets and adversely affect regional and global economies. The United States and other countries have imposed broad-ranging economic sanctions on Russia and certain Russian individuals, banking entities and corporations as a response to its invasion of Ukraine. The United States and other countries have also imposed economic sanctions on Belarus and may impose sanctions on other countries that support Russia's military invasion. These sanctions, as well as any other economic consequences related to the invasion, such as additional sanctions, boycotts or changes in consumer or purchaser preferences or cyberattacks on governments, companies or individuals, may further decrease the value and liquidity of certain Russian securities and securities of issuers in other countries that are subject to economic sanctions related to the invasion.

1. Gross expenses are the Fund's total annual operating expenses as of the Fund's prospectus available at the time of publication. Net expenses are capped under a contractual agreement, which cannot be terminated prior to 6/30/23 without Board consent. Actual expenses may be higher and may impact portfolio returns.
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. Return for less than one year, if any, has not been annualized.
4. Effective 9/10/18, Class A shares closed to new investors, were renamed Class A1 shares, and a new Class A share with a different expense structure became available. Class A performance shown has been calculated as follows: (a) for periods prior to 9/10/18, a restated figure is used based on the Fund's Class A1 performance that includes any Rule 12b-1 rate differential that exists between Class A1 and Class A; and (b) for periods after 9/10/18, actual Class A performance is used, reflecting all charges and fees applicable to that class.
5. Prior to 3/1/19, these shares were offered at a higher initial sales charge of 4.25%, thus actual returns (with sales charges) would have differed. Average annual total returns (with sales charges) have been restated to reflect the current maximum initial sales charge of 3.75%.
6. Distribution rate is based on an annualization of the respective class's February dividend and the maximum offering price (NAV for Advisor Class) per share on 2/28/23.
7. Taxable equivalent distribution rate and yield assume the published rates as of 12/20/22 for the maximum combined effective federal and Maryland state and local personal income tax rate of 49.75%, based on the federal income tax rate of 37.00% plus 3.80% Medicare tax.
8. The Fund's 30-day standardized yield is calculated over a trailing 30-day period using the yield to maturity on bonds and/or the dividends accrued on stocks. It may not equal the Fund's actual income distribution rate, which reflects the Fund's past dividends paid to shareholders.
9. Source: FactSet. The Bloomberg Municipal Bond Index is a market value-weighted index of tax-exempt, investment-grade municipal bonds with maturities of one year or more.
10. Figures are as stated in the Fund's current prospectus and may differ from the expense ratios disclosed in the Your Fund's Expenses and Financial Highlights sections in this report. In periods of market volatility, assets may decline significantly, causing total annual Fund operating expenses to become higher than the figures shown. See [www.franklintempletondatasources.com](http://www.franklintempletondatasources.com) for additional data provider information.

## Your Fund's Expenses

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

### Actual Fund Expenses

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

### Hypothetical Example for Comparison with Other Funds

Under the heading "Hypothetical" in the table, information is provided about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. This information may not be used to estimate the actual ending account balance or expenses you paid for the period, but it can help you compare ongoing costs of investing in the Fund with those of other funds. To do so, compare this 5% hypothetical example for the class of shares you hold with the 5% hypothetical examples that appear in the shareholder reports of other funds.

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

Share Class	Beginning Account Value 9/1/22	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio <sup>2</sup>
		Ending Account Value 2/28/23	Expenses Paid During Period 9/1/22–2/28/23 <sup>1,2</sup>	Ending Account Value 2/28/23	Expenses Paid During Period 9/1/22–2/28/23 <sup>1,2</sup>	
A	\$1,000	\$1,002.60	\$4.50	\$1,020.30	\$4.54	0.91%
A1	\$1,000	\$1,003.30	\$3.75	\$1,021.05	\$3.78	0.76%
C	\$1,000	\$1,000.50	\$6.41	\$1,018.38	\$6.47	1.29%
R6	\$1,000	\$1,005.00	\$3.05	\$1,021.75	\$3.08	0.61%
Advisor	\$1,000	\$1,003.80	\$3.26	\$1,021.54	\$3.29	0.66%

1. Expenses are equal to the annualized expense ratio for the six-month period as indicated above—in the far right column—multiplied by the simple average account value over the period indicated, and then multiplied by 181/365 to reflect the one-half year period.

2. Reflects expenses after fee waivers and expense reimbursements, for Class R6.

# Franklin Missouri Tax-Free Income Fund

This annual report for Franklin Missouri Tax-Free Income Fund covers the fiscal year ended February 28, 2023.

## Your Fund's Goal and Main Investments

The Fund seeks to provide investors with as high a level of income exempt from federal and Missouri personal income taxes as is consistent with prudent investment management and the preservation of shareholders' capital by normally investing at least 80% of its total assets in securities that pay interest free from such taxes.<sup>1</sup>

## Performance Overview

The Fund's Class A share price, as measured by net asset value, decreased from \$11.48 on February 28, 2022, to \$10.27 on February 28, 2023. The Fund's Class A shares paid dividends totaling 30.2169 cents per share for the same period.<sup>2</sup> The Performance Summary beginning on page 31 shows that at the end of this reporting period the Fund's Class A shares' distribution rate was 2.69%, based on an annualization of February's 2.3915 cents per share monthly dividend and the maximum offering price of \$10.67 on February 28, 2023. An investor in the 2023 maximum combined effective federal and Missouri personal income tax bracket of 46.10% (including 3.80% Medicare tax) would need to earn a distribution rate of 4.99% from a taxable investment to match the Fund's Class A tax-free distribution rate. For other performance data, 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. For most recent month-end performance, go to [franklintempleton.com](http://franklintempleton.com) or call (800) 342-5236.*

## State Update

During the 12-month period, Missouri's economy slowed, although the state returned to growth in the third quarter of 2022, consistent with a national recovery. Missouri's high industrial and employment diversity and low business costs

helped its economy's resilience. The state's unemployment rate began the period at 2.7% and ended at 2.6%, compared with the 3.6% national rate. The governor signed a fiscal year (FY) 2023 budget that funded a significant rise in minimum teacher salaries and Medicaid expansion, and a proposed FY 2024 budget would provide significant funds for infrastructure upgrades. The state's net tax-supported debt was \$398 per capita and 0.7% of personal income, substantially below the \$1,179 and 2.1% national medians, respectively.<sup>3</sup> Independent credit rating agency Moody's Investors Service maintained the state's general obligation bonds' Aaa rating with a stable outlook.<sup>4</sup> The rating reflected Moody's view of Missouri's conservative approach to finances, strong liquidity and reserves compared to revenue and strong executive powers to cut expenditures midyear. According to Moody's, challenges include relatively low economic growth and resident incomes along with a requirement to issue taxpayer rebates when revenue growth exceeds personal income growth. Moody's stable outlook reflected its assessment of the state's strong liquidity and limited future borrowing plans.

## Portfolio Composition

2/28/23

	% of Total Investments*
Health Care	27.95%
Lease	19.83%
Utilities	16.06%
Education	10.17%
Housing	7.72%
Local	7.05%
Transportation	6.16%
Special Tax	2.98%
Industrial Dev. Revenue and Pollution Control	2.08%

\*Does not include cash and cash equivalents.

## Manager's Discussion

We used various investment strategies during the 12 months under review as we sought to maximize tax-free income for shareholders. Please read the Investment Strategy and Manager's Discussion on page 4 for more information.

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

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

3. Source: Moody's Investors Service, *States – US: Debt, pension and OPEB liabilities all up in fiscal 2021*, 9/7/22.

4. This does not indicate Moody's rating of the Fund.

See [www.franklintempletondatasources.com](http://www.franklintempletondatasources.com) for additional data provider information.

The dollar value, number of shares or principal amount, and names of all portfolio holdings are listed in the Fund's Schedule of Investments (SOI). The SOI begins on page 89.

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

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*The foregoing information reflects our analysis, opinions and portfolio holdings as of February 28, 2023, 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 February 28, 2023

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

### Performance as of 2/28/23<sup>1</sup>

*Cumulative total return excludes sales charges. Average annual total return includes maximum sales charges. Sales charges will vary depending on the size of the investment and the class of share purchased. The maximum is 3.75% and the minimum is 0%. **Class A:** 3.75% maximum initial sales charge; **Advisor Class:** no sales charges. For other share classes, visit [franklintempleton.com](http://franklintempleton.com).*

Share Class	Cumulative Total Return <sup>2</sup>	Average Annual Total Return <sup>3</sup>
<b>A<sup>4,5</sup></b>		
1-Year	-7.92%	-11.37%
5-Year	+3.21%	-0.13%
10-Year	+9.96%	+0.57%
<b>Advisor</b>		
1-Year	-7.77%	-7.77%
5-Year	+4.42%	+0.87%
10-Year	+11.75%	+1.12%

Share Class	Distribution Rate <sup>6</sup>	Taxable Equivalent Distribution Rate <sup>7</sup>	30-Day Standardized Yield <sup>8</sup>	Taxable Equivalent 30-Day Standardized Yield <sup>7</sup>
A	2.69%	4.99%	2.90%	5.38%
Advisor	3.03%	5.62%	3.27%	6.07%

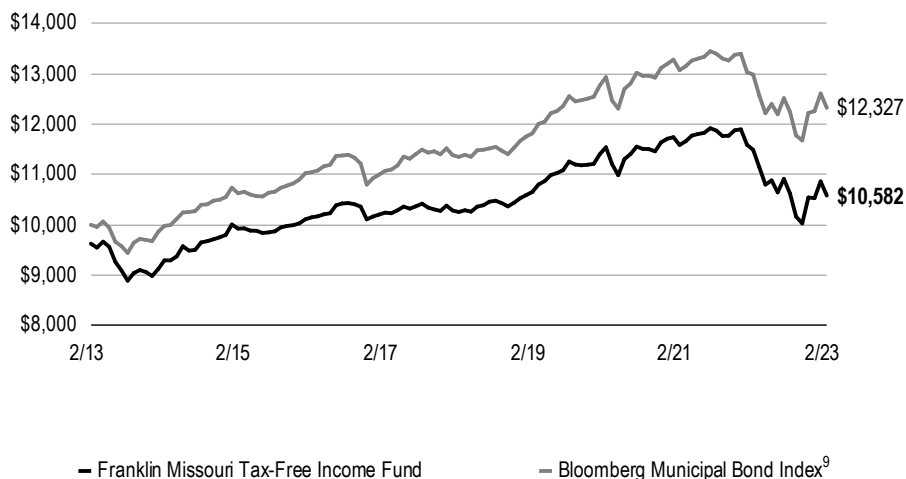
*Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. For most recent month-end performance, go to [franklintempleton.com](http://franklintempleton.com)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

See page 33 for Performance Summary footnotes.

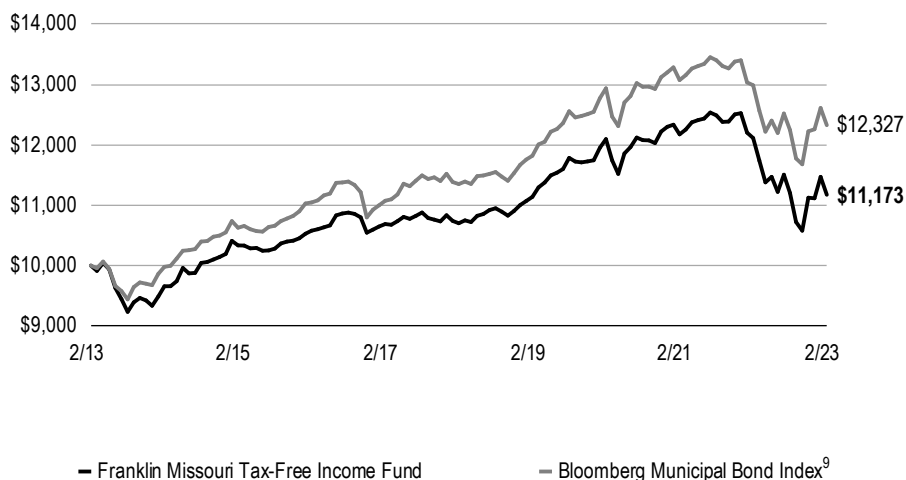
## Total Return Index Comparison for a Hypothetical \$10,000 Investment<sup>1</sup>

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

### Class A (2/28/13–2/28/23)



### Advisor Class (2/28/13–2/28/23)



See page 33 for Performance Summary footnotes.

## Distributions (3/1/22–2/28/23)

Share Class	Net Investment Income
A	\$0.302169
A1	\$0.317985
C	\$0.259246
R6	\$0.332190
Advisor	\$0.328521

Total Annual Operating Expenses<sup>10</sup>

Share Class	
A	0.81%
Advisor	0.56%

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

All investments involve risks, including possible loss of principal. Because municipal bonds are sensitive to interest rate movements, the Fund's yield and share price will fluctuate with market conditions. Bond prices generally move in the opposite direction of interest rates. Thus, as prices of bonds in the Fund adjust to a rise in interest rates, the Fund's share price may decline. Because the Fund invests principally in a single state, it is subject to greater risk of adverse economic and regulatory changes in that state than a geographically diversified fund. Changes in the credit rating of a bond, or in the credit rating or financial strength of a bond's issuer, insurer or guarantor, may affect the bond's value. The Fund may invest a significant part of its assets in municipal securities that finance similar types of projects, such as utilities, hospitals, higher education and transportation. A change that affects one project would likely affect all similar projects, thereby increasing market risk. Events such as the spread of deadly diseases, disasters, and financial, political or social disruptions, may heighten risks and adversely affect performance. The Fund's prospectus also includes a description of the main investment risks.

Russia's military invasion of Ukraine in February 2022, the resulting responses by the United States and other countries, and the potential for wider conflict could increase volatility and uncertainty in the financial markets and adversely affect regional and global economies. The United States and other countries have imposed broad-ranging economic sanctions on Russia and certain Russian individuals, banking entities and corporations as a response to its invasion of Ukraine. The United States and other countries have also imposed economic sanctions on Belarus and may impose sanctions on other countries that support Russia's military invasion. These sanctions, as well as any other economic consequences related to the invasion, such as additional sanctions, boycotts or changes in consumer or purchaser preferences or cyberattacks on governments, companies or individuals, may further decrease the value and liquidity of certain Russian securities and securities of issuers in other countries that are subject to economic sanctions related to the invasion.

1. Gross expenses are the Fund's total annual operating expenses as of the Fund's prospectus available at the time of publication. Net expenses are capped under a contractual agreement, which cannot be terminated prior to 6/30/23 without Board consent. Actual expenses may be higher and may impact portfolio returns.
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. Return for less than one year, if any, has not been annualized.
4. Effective 9/10/18, Class A shares closed to new investors, were renamed Class A1 shares, and a new Class A share with a different expense structure became available. Class A performance shown has been calculated as follows: (a) for periods prior to 9/10/18, a restated figure is used based on the Fund's Class A1 performance that includes any Rule 12b-1 rate differential that exists between Class A1 and Class A; and (b) for periods after 9/10/18, actual Class A performance is used, reflecting all charges and fees applicable to that class.
5. Prior to 3/1/19, these shares were offered at a higher initial sales charge of 4.25%, thus actual returns (with sales charges) would have differed. Average annual total returns (with sales charges) have been restated to reflect the current maximum initial sales charge of 3.75%.
6. Distribution rate is based on an annualization of the respective class's February dividend and the maximum offering price (NAV for Advisor Class) per share on 2/28/23.
7. Taxable equivalent distribution rate and yield assume the published rates as of 12/20/22 for the maximum combined effective federal and Missouri personal income tax rate of 46.10%, based on the federal income tax rate of 37.00% plus 3.80% Medicare tax.
8. The Fund's 30-day standardized yield is calculated over a trailing 30-day period using the yield to maturity on bonds and/or the dividends accrued on stocks. It may not equal the Fund's actual income distribution rate, which reflects the Fund's past dividends paid to shareholders.
9. Source: FactSet. The Bloomberg Municipal Bond Index is a market value-weighted index of tax-exempt, investment-grade municipal bonds with maturities of one year or more.
10. Figures are as stated in the Fund's current prospectus and may differ from the expense ratios disclosed in the Your Fund's Expenses and Financial Highlights sections in this report. In periods of market volatility, assets may decline significantly, causing total annual Fund operating expenses to become higher than the figures shown. See [www.franklintempletondatasources.com](http://www.franklintempletondatasources.com) for additional data provider information.

## Your Fund's Expenses

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

### Actual Fund Expenses

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

### Hypothetical Example for Comparison with Other Funds

Under the heading "Hypothetical" in the table, information is provided about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. This information may not be used to estimate the actual ending account balance or expenses you paid for the period, but it can help you compare ongoing costs of investing in the Fund with those of other funds. To do so, compare this 5% hypothetical example for the class of shares you hold with the 5% hypothetical examples that appear in the shareholder reports of other funds.

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

Share Class	Beginning Account Value 9/1/22	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio <sup>2</sup>
		Ending Account Value 2/28/23	Expenses Paid During Period 9/1/22–2/28/23 <sup>1,2</sup>	Ending Account Value 2/28/23	Expenses Paid During Period 9/1/22–2/28/23 <sup>1,2</sup>	
A	\$1,000	\$995.90	\$4.13	\$1,020.65	\$4.18	0.84%
A1	\$1,000	\$997.70	\$3.39	\$1,021.40	\$3.43	0.68%
C	\$1,000	\$994.00	\$6.07	\$1,018.71	\$6.14	1.23%
R6	\$1,000	\$998.30	\$2.72	\$1,022.08	\$2.75	0.55%
Advisor	\$1,000	\$997.20	\$2.89	\$1,021.90	\$2.93	0.58%

1. Expenses are equal to the annualized expense ratio for the six-month period as indicated above—in the far right column—multiplied by the simple average account value over the period indicated, and then multiplied by 181/365 to reflect the one-half year period.

2. Reflects expenses after fee waivers and expense reimbursements, for Class R6.

# Franklin North Carolina Tax-Free Income Fund

This annual report for Franklin North Carolina Tax-Free Income Fund covers the fiscal year ended February 28, 2023.

## Your Fund's Goal and Main Investments

The Fund seeks to provide investors with as high a level of income exempt from federal and North Carolina personal income taxes as is consistent with prudent investment management and the preservation of shareholders' capital by normally investing at least 80% of its total assets in securities that pay interest free from such taxes.<sup>1</sup>

## Performance Overview

The Fund's Class A share price, as measured by net asset value, decreased from \$11.31 on February 28, 2022, to \$10.25 on February 28, 2023. The Fund's Class A shares paid dividends totaling 23.3291 cents per share for the same period.<sup>2</sup> The Performance Summary beginning on page 37 shows that at the end of this reporting period the Fund's Class A shares' distribution rate was 2.19%, based on an annualization of February's 1.9440 cents per share monthly dividend and the maximum offering price of \$10.65 on February 28, 2023. An investor in the 2023 maximum combined effective federal and North Carolina personal income tax bracket of 45.55% (including 3.80% Medicare tax) would need to earn a distribution rate of 4.02% from a taxable investment to match the Fund's Class A tax-free distribution rate. For other performance data, 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. For most recent month-end performance, go to [franklintempleton.com](http://franklintempleton.com) or call (800) 342-5236.*

## State Update

During the 12-month period, North Carolina's economy slowed, although growth rebounded in the third quarter of 2022, consistent with a national recovery. North Carolina

benefited from strong employment and population growth, as well as a favorable business climate. The state's unemployment rate began the period at 3.4% and ended at 3.6%, compared with the 3.6% national rate. In July 2022 the governor signed an addendum to the previously-enacted budget for the 2022–2023 biennium that increased pay for teachers and state employees. The state's net tax-supported debt was \$686 per capita and 1.2% of personal income, substantially lower than the \$1,179 and 2.1% national medians, respectively.<sup>3</sup> Independent credit rating agency Moody's Investors Service maintained the state's general obligation bonds' Aaa rating with a stable outlook.<sup>4</sup> The rating reflected Moody's view that the state benefits from a history of conservative fiscal management, strong executive powers to reduce spending and commitment to maintaining strong reserves and affordable liabilities. According to Moody's, credit challenges include continuing to manage expenditure pressures amid continued growth, as well as the differences between the governor and state legislature on budget priorities. Moody's stable outlook reflected its assessment of North Carolina's conservative fiscal management and budgeting practices.

## Portfolio Composition

2/28/23

	% of Total Investments*
Education	21.00%
Health Care	19.45%
Utilities	14.43%
Transportation	10.39%
Housing	10.33%
Lease	9.38%
Refunded	7.19%
Local	4.10%
Special Tax	2.25%
State General Obligation	1.48%

\*Does not include cash and cash equivalents.

## Manager's Discussion

We used various investment strategies during the 12 months under review as we sought to maximize tax-free income for shareholders. Please read the Investment Strategy and Manager's Discussion on page 4 for more information.

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

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

3. Source: Moody's Investors Service, *States – US: Debt, pension and OPEB liabilities all up in fiscal 2021*, 9/7/22.

4. This does not indicate Moody's rating of the Fund.

See [www.franklintempletondatasources.com](http://www.franklintempletondatasources.com) for additional data provider information.

**The dollar value, number of shares or principal amount, and names of all portfolio holdings are listed in the Fund's Schedule of Investments (SOI). The SOI begins on page 100.**

Thank you for your continued participation in Franklin North Carolina Tax-Free Income Fund. We look forward to serving your future investment needs.

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*The foregoing information reflects our analysis, opinions and portfolio holdings as of February 28, 2023, 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 February 28, 2023

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

### Performance as of 2/28/23<sup>1</sup>

*Cumulative total return excludes sales charges. Average annual total return includes maximum sales charges. Sales charges will vary depending on the size of the investment and the class of share purchased. The maximum is 3.75% and the minimum is 0%. **Class A:** 3.75% maximum initial sales charge; **Advisor Class:** no sales charges. For other share classes, visit [franklintempleton.com](http://franklintempleton.com).*

Share Class	Cumulative Total Return <sup>2</sup>	Average Annual Total Return <sup>3</sup>
<b>A<sup>4,5</sup></b>		
1-Year	-7.31%	-10.79%
5-Year	+2.35%	-0.30%
10-Year	+6.30%	+0.23%
<b>Advisor</b>		
1-Year	-7.08%	-7.08%
5-Year	+3.56%	+0.70%
10-Year	+8.13%	+0.78%

Share Class	Distribution Rate <sup>6</sup>	Taxable Equivalent Distribution Rate <sup>7</sup>	30-Day Standardized Yield <sup>8</sup>	Taxable Equivalent 30-Day Standardized Yield <sup>7</sup>
A	2.19%	4.02%	2.90%	5.33%
Advisor	2.51%	4.61%	3.27%	6.01%

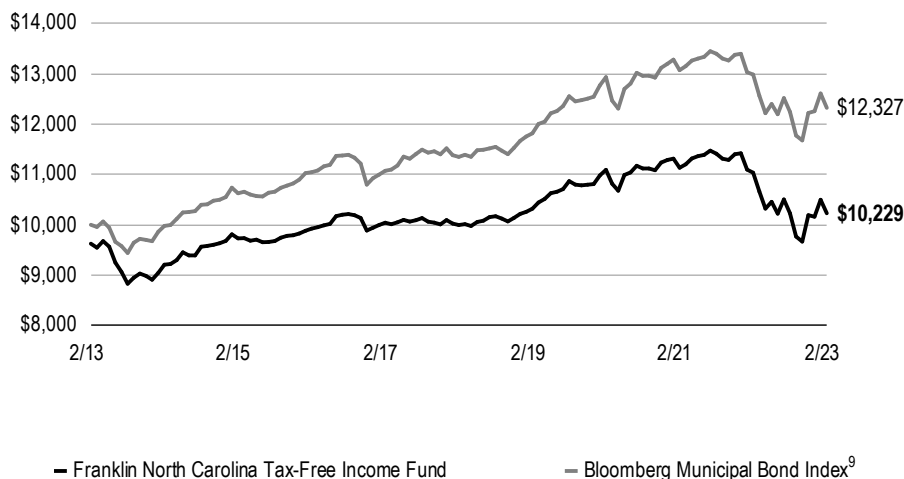
*Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. For most recent month-end performance, go to [franklintempleton.com](http://franklintempleton.com)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

See page 39 for Performance Summary footnotes.

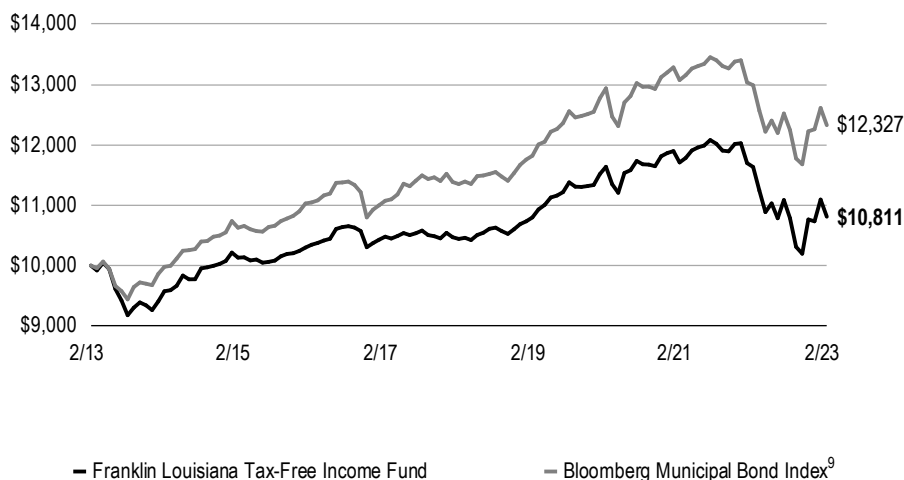
## Total Return Index Comparison for a Hypothetical \$10,000 Investment<sup>1</sup>

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

### Class A (2/28/13–2/28/23)



### Advisor Class (2/28/13–2/28/23)



See page 39 for Performance Summary footnotes.

## Distributions (3/1/22–2/28/23)

Share Class	Net Investment Income
A	\$0.233291
A1	\$0.248820
C	\$0.190681
R6	\$0.263457
Advisor	\$0.259154

## Total Annual Operating Expenses<sup>10</sup>

Share Class	
A	0.82%
Advisor	0.57%

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

All investments involve risks, including possible loss of principal. Because municipal bonds are sensitive to interest rate movements, the Fund's yield and share price will fluctuate with market conditions. Bond prices generally move in the opposite direction of interest rates. Thus, as prices of bonds in the Fund adjust to a rise in interest rates, the Fund's share price may decline. Because the Fund invests principally in a single state, it is subject to greater risk of adverse economic and regulatory changes in that state than a geographically diversified fund. Changes in the credit rating of a bond, or in the credit rating or financial strength of a bond's issuer, insurer or guarantor, may affect the bond's value. The Fund may invest a significant part of its assets in municipal securities that finance similar types of projects, such as utilities, hospitals, higher education and transportation. A change that affects one project would likely affect all similar projects, thereby increasing market risk. Events such as the spread of deadly diseases, disasters, and financial, political or social disruptions, may heighten risks and adversely affect performance. The Fund's prospectus also includes a description of the main investment risks.

Russia's military invasion of Ukraine in February 2022, the resulting responses by the United States and other countries, and the potential for wider conflict could increase volatility and uncertainty in the financial markets and adversely affect regional and global economies. The United States and other countries have imposed broad-ranging economic sanctions on Russia and certain Russian individuals, banking entities and corporations as a response to its invasion of Ukraine. The United States and other countries have also imposed economic sanctions on Belarus and may impose sanctions on other countries that support Russia's military invasion. These sanctions, as well as any other economic consequences related to the invasion, such as additional sanctions, boycotts or changes in consumer or purchaser preferences or cyberattacks on governments, companies or individuals, may further decrease the value and liquidity of certain Russian securities and securities of issuers in other countries that are subject to economic sanctions related to the invasion.

1. Gross expenses are the Fund's total annual operating expenses as of the Fund's prospectus available at the time of publication. Net expenses are capped under a contractual agreement, which cannot be terminated prior to 6/30/23 without Board consent. Actual expenses may be higher and may impact portfolio returns.
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. Return for less than one year, if any, has not been annualized.
4. Effective 9/10/18, Class A shares closed to new investors, were renamed Class A1 shares, and a new Class A share with a different expense structure became available. Class A performance shown has been calculated as follows: (a) for periods prior to 9/10/18, a restated figure is used based on the Fund's Class A1 performance that includes any Rule 12b-1 rate differential that exists between Class A1 and Class A; and (b) for periods after 9/10/18, actual Class A performance is used, reflecting all charges and fees applicable to that class.
5. Prior to 3/1/19, these shares were offered at a higher initial sales charge of 4.25%, thus actual returns (with sales charges) would have differed. Average annual total returns (with sales charges) have been restated to reflect the current maximum initial sales charge of 3.75%.
6. Distribution rate is based on an annualization of the respective class's February dividend and the maximum offering price (NAV for Advisor Class) per share on 2/28/23.
7. Taxable equivalent distribution rate and yield assume the published rates as of 12/20/22 for the maximum combined effective federal and North Carolina personal income tax rate of 45.55%, based on the federal income tax rate of 37.00% plus 3.80% Medicare tax.
8. The Fund's 30-day standardized yield is calculated over a trailing 30-day period using the yield to maturity on bonds and/or the dividends accrued on stocks. It may not equal the Fund's actual income distribution rate, which reflects the Fund's past dividends paid to shareholders.
9. Source: FactSet. The Bloomberg Municipal Bond Index is a market value-weighted index of tax-exempt, investment-grade municipal bonds with maturities of one year or more.
10. Figures are as stated in the Fund's current prospectus and may differ from the expense ratios disclosed in the Your Fund's Expenses and Financial Highlights sections in this report. In periods of market volatility, assets may decline significantly, causing total annual Fund operating expenses to become higher than the figures shown. See [www.franklintempletondatasources.com](http://www.franklintempletondatasources.com) for additional data provider information.

## Your Fund's Expenses

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

### Actual Fund Expenses

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

### Hypothetical Example for Comparison with Other Funds

Under the heading "Hypothetical" in the table, information is provided about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. This information may not be used to estimate the actual ending account balance or expenses you paid for the period, but it can help you compare ongoing costs of investing in the Fund with those of other funds. To do so, compare this 5% hypothetical example for the class of shares you hold with the 5% hypothetical examples that appear in the shareholder reports of other funds.

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

Share Class	Beginning Account Value 9/1/22	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio <sup>2</sup>
		Ending Account Value 2/28/23	Expenses Paid During Period 9/1/22–2/28/23 <sup>1,2</sup>	Ending Account Value 2/28/23	Expenses Paid During Period 9/1/22–2/28/23 <sup>1,2</sup>	
A	\$1,000	\$1,000.10	\$4.23	\$1,020.56	\$4.28	0.85%
A1	\$1,000	\$1,001.80	\$3.49	\$1,021.31	\$3.52	0.70%
C	\$1,000	\$998.10	\$6.16	\$1,018.63	\$6.22	1.24%
R6	\$1,000	\$1,001.50	\$2.80	\$1,022.00	\$2.83	0.56%
Advisor	\$1,000	\$1,002.30	\$3.00	\$1,021.80	\$3.03	0.60%

1. Expenses are equal to the annualized expense ratio for the six-month period as indicated above—in the far right column—multiplied by the simple average account value over the period indicated, and then multiplied by 181/365 to reflect the one-half year period.

2. Reflects expenses after fee waivers and expense reimbursements, for Class R6.

# Franklin Virginia Tax-Free Income Fund

This annual report for Franklin Virginia Tax-Free Income Fund covers the fiscal year ended February 28, 2023.

## Your Fund's Goal and Main Investments

The Fund seeks to provide investors with as high a level of income exempt from federal and Virginia personal income taxes as is consistent with prudent investment management and the preservation of shareholders' capital by normally investing at least 80% of its total assets in securities that pay interest free from such taxes.<sup>1</sup>

## Performance Overview

The Fund's Class A share price, as measured by net asset value, decreased from \$10.79 on February 28, 2022, to \$9.72 on February 28, 2023. The Fund's Class A shares paid dividends totaling 22.3596 cents per share for the same period.<sup>2</sup> The Performance Summary beginning on page 43 shows that at the end of this reporting period the Fund's Class A shares' distribution rate was 2.21%, based on an annualization of February's 1.8628 cents per share monthly dividend and the maximum offering price of \$10.10 on February 28, 2023. An investor in the 2023 maximum combined effective federal and Virginia personal income tax bracket of 46.55% (including 3.80% Medicare tax) would need to earn a distribution rate of 4.13% from a taxable investment to match the Fund's Class A tax-free distribution rate. For other performance data, 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. For most recent month-end performance, go to [franklintempleton.com](http://franklintempleton.com) or call (800) 342-5236.*

## Commonwealth Update

During the 12-month period, Virginia's economy slowed, although growth rebounded in the third quarter of 2022, consistent with a national recovery. The commonwealth's economy benefited from a sizable federal presence and a

growing technology-oriented services industry. Virginia's unemployment rate began the period at 2.9% and ended at 3.2%, compared with the 3.6% national rate. In June 2022, the governor signed a biennial budget for 2023–2024 that raised the standard income tax deduction, eliminated a grocery sales tax and increased education spending. An amendment to the budget proposed in December 2022 would provide additional tax relief and bonuses for teachers and state employees. Virginia's net tax-supported debt was \$1,823 per capita and 2.8% of personal income, higher than the \$1,179 and 2.1% national medians, respectively.<sup>3</sup> Independent credit rating agency Moody's Investors Service maintained Virginia's general obligation bonds' Aaa rating with a stable outlook. The rating reflected Moody's view of Virginia's long-standing history of conservative fiscal management and strong debt and pension management practices.<sup>4</sup> According to Moody's, Virginia's challenges include education and transportation spending pressures amid more limited resources and vulnerability to federal downsizing. Moody's stable outlook reflected its assessment of Virginia's healthy revenue performance and structurally balanced operations.

## Portfolio Composition

2/28/23

	% of Total Investments*
Health Care	22.04%
Transportation	16.42%
Utilities	12.37%
Lease	10.15%
Refunded	8.92%
Education	8.73%
Special Tax	8.73%
Housing	6.10%
Other Revenue Bonds	2.23%
State General Obligation	1.98%
Industrial Dev. Revenue and Pollution Control	1.18%
Local	1.15%

\*Does not include cash and cash equivalents.

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

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

3. Source: Moody's Investors Service, *States – US: Debt, pension and OPEB liabilities all up in fiscal 2021*, 9/7/22.

4. This does not indicate Moody's rating of the Fund.

See [www.franklintempletondatasources.com](http://www.franklintempletondatasources.com) for additional data provider information.

The dollar value, number of shares or principal amount, and names of all portfolio holdings are listed in the Fund's Schedule of Investments (SOI). The SOI begins on page 112.

## Manager's Discussion

We used various investment strategies during the 12 months under review as we sought to maximize tax-free income for shareholders. Please read the Investment Strategy and Manager's Discussion on page 4 for more information.

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

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*The foregoing information reflects our analysis, opinions and portfolio holdings as of February 28, 2023, 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 February 28, 2023

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

### Performance as of 2/28/23<sup>1</sup>

Cumulative total return excludes sales charges. Average annual total return includes maximum sales charges. Sales charges will vary depending on the size of the investment and the class of share purchased. The maximum is 3.75% and the minimum is 0%. **Class A:** 3.75% maximum initial sales charge; **Advisor Class:** no sales charges. For other share classes, visit [franklintempleton.com](http://franklintempleton.com).

Share Class	Cumulative Total Return <sup>2</sup>		Average Annual Total Return <sup>3</sup>	
<b>A<sup>4,5</sup></b>				
1-Year	-7.85%		-11.31%	
5-Year	+0.17%		-0.73%	
10-Year	+6.59%		+0.26%	
<b>Advisor</b>				
1-Year	-7.61%		-7.61%	
5-Year	+1.36%		+0.27%	
10-Year	+8.51%		+0.82%	

Share Class	Distribution Rate <sup>6</sup>	Taxable Equivalent Distribution Rate <sup>7</sup>	30-Day Standardized Yield <sup>8</sup>		Taxable Equivalent 30-Day Standardized Yield <sup>7</sup>	
			(with fee waiver)	(without fee waiver)	(with fee waiver)	(without fee waiver)
A	2.21%	4.13%	2.98%	2.97%	5.58%	5.56%
Advisor	2.53%	4.73%	3.35%	3.34%	6.27%	6.25%

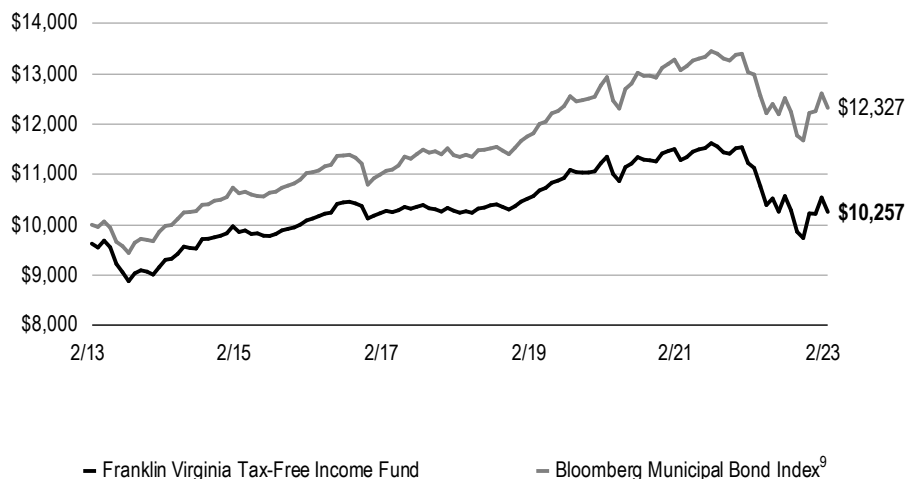
Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. For most recent month-end performance, go to [franklintempleton.com](http://franklintempleton.com)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

See page 45 for Performance Summary footnotes.

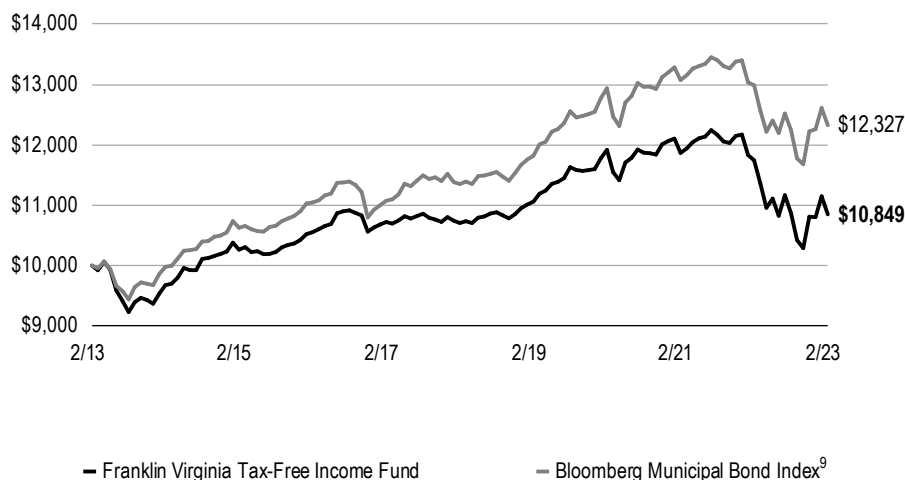
## Total Return Index Comparison for a Hypothetical \$10,000 Investment<sup>1</sup>

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

### Class A (2/28/13–2/28/23)



### Advisor Class (2/28/13–2/28/23)



See page 45 for Performance Summary footnotes.

## Distributions (3/1/22–2/28/23)

Share Class	Net Investment Income
A	\$0.223596
A1	\$0.238495
C	\$0.182606
R6	\$0.253216
Advisor	\$0.248411

Total Annual Operating Expenses<sup>10</sup>

Share Class	
A	0.84%
Advisor	0.59%

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

All investments involve risks, including possible loss of principal. Because municipal bonds are sensitive to interest rate movements, the Fund's yield and share price will fluctuate with market conditions. Bond prices generally move in the opposite direction of interest rates. Thus, as prices of bonds in the Fund adjust to a rise in interest rates, the Fund's share price may decline. Because the Fund invests principally in a single state, it is subject to greater risk of adverse economic and regulatory changes in that state than a geographically diversified fund. Changes in the credit rating of a bond, or in the credit rating or financial strength of a bond's issuer, insurer or guarantor, may affect the bond's value. The Fund may invest a significant part of its assets in municipal securities that finance similar types of projects, such as utilities, hospitals, higher education and transportation. A change that affects one project would likely affect all similar projects, thereby increasing market risk. Events such as the spread of deadly diseases, disasters, and financial, political or social disruptions, may heighten risks and adversely affect performance. The Fund's prospectus also includes a description of the main investment risks.

Russia's military invasion of Ukraine in February 2022, the resulting responses by the United States and other countries, and the potential for wider conflict could increase volatility and uncertainty in the financial markets and adversely affect regional and global economies. The United States and other countries have imposed broad-ranging economic sanctions on Russia and certain Russian individuals, banking entities and corporations as a response to its invasion of Ukraine. The United States and other countries have also imposed economic sanctions on Belarus and may impose sanctions on other countries that support Russia's military invasion. These sanctions, as well as any other economic consequences related to the invasion, such as additional sanctions, boycotts or changes in consumer or purchaser preferences or cyberattacks on governments, companies or individuals, may further decrease the value and liquidity of certain Russian securities and securities of issuers in other countries that are subject to economic sanctions related to the invasion.

1. Gross expenses are the Fund's total annual operating expenses as of the Fund's prospectus available at the time of publication. Net expenses are capped under a contractual agreement, which cannot be terminated prior to 6/30/23 without Board consent. Actual expenses may be higher and may impact portfolio returns.
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. Return for less than one year, if any, has not been annualized.
4. Effective 9/10/18, Class A shares closed to new investors, were renamed Class A1 shares, and a new Class A share with a different expense structure became available. Class A performance shown has been calculated as follows: (a) for periods prior to 9/10/18, a restated figure is used based on the Fund's Class A1 performance that includes any Rule 12b-1 rate differential that exists between Class A1 and Class A; and (b) for periods after 9/10/18, actual Class A performance is used, reflecting all charges and fees applicable to that class.
5. Prior to 3/1/19, these shares were offered at a higher initial sales charge of 4.25%, thus actual returns (with sales charges) would have differed. Average annual total returns (with sales charges) have been restated to reflect the current maximum initial sales charge of 3.75%.
6. Distribution rate is based on an annualization of the respective class's February dividend and the maximum offering price (NAV for Advisor Class) per share on 2/28/23.
7. Taxable equivalent distribution rate and yield assume the published rates as of 12/20/22 for the maximum combined effective federal and Virginia personal income tax rate of 46.55%, based on the federal income tax rate of 37.00% plus 3.80% Medicare tax.
8. The Fund's 30-day standardized yield is calculated over a trailing 30-day period using the yield to maturity on bonds and/or the dividends accrued on stocks. It may not equal the Fund's actual income distribution rate, which reflects the Fund's past dividends paid to shareholders.
9. Source: FactSet. The Bloomberg Municipal Bond Index is a market value-weighted index of tax-exempt, investment-grade municipal bonds with maturities of one year or more.
10. Figures are as stated in the Fund's current prospectus and may differ from the expense ratios disclosed in the Your Fund's Expenses and Financial Highlights sections in this report. In periods of market volatility, assets may decline significantly, causing total annual Fund operating expenses to become higher than the figures shown. See [www.franklintempletondatasources.com](http://www.franklintempletondatasources.com) for additional data provider information.

## Your Fund's Expenses

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

### Actual Fund Expenses

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

### Hypothetical Example for Comparison with Other Funds

Under the heading "Hypothetical" in the table, information is provided about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. This information may not be used to estimate the actual ending account balance or expenses you paid for the period, but it can help you compare ongoing costs of investing in the Fund with those of other funds. To do so, compare this 5% hypothetical example for the class of shares you hold with the 5% hypothetical examples that appear in the shareholder reports of other funds.

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

Share Class	Beginning Account Value 9/1/22	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio <sup>2</sup>
		Ending Account Value 2/28/23	Expenses Paid During Period 9/1/22–2/28/23 <sup>1,2</sup>	Ending Account Value 2/28/23	Expenses Paid During Period 9/1/22–2/28/23 <sup>1,2</sup>	
A	\$1,000	\$996.80	\$4.29	\$1,020.50	\$4.34	0.87%
A1	\$1,000	\$997.50	\$3.55	\$1,021.24	\$3.59	0.72%
C	\$1,000	\$994.80	\$6.22	\$1,018.56	\$6.29	1.26%
R6	\$1,000	\$998.20	\$2.85	\$1,021.94	\$2.88	0.57%
Advisor	\$1,000	\$998.00	\$3.05	\$1,021.74	\$3.09	0.62%

1. Expenses are equal to the annualized expense ratio for the six-month period as indicated above—in the far right column—multiplied by the simple average account value over the period indicated, and then multiplied by 181/365 to reflect the one-half year period.

2. Reflects expenses after fee waivers and expense reimbursements, for Class R6.

## Financial Highlights

### Franklin Alabama Tax-Free Income Fund

	Year Ended February 28,				Year Ended February 28,
	2023	2022	2021	2020 <sup>a</sup>	2019 <sup>b</sup>
<b>Class A</b>					
<b>Per share operating performance</b>					
(for a share outstanding throughout the year)					
Net asset value, beginning of year . . . . .	\$10.97	\$11.18	\$11.40	\$10.85	\$10.79
Income from investment operations <sup>c</sup> :					
Net investment income <sup>d</sup> . . . . .	0.24	0.22	0.28	0.30	0.15
Net realized and unrealized gains (losses) . . . . .	(1.06)	(0.21)	(0.23)	0.57	0.06
Total from investment operations . . . . .	(0.82)	0.01	0.05	0.87	0.21
Less distributions from:					
Net investment income . . . . .	(0.23)	(0.22)	(0.27)	(0.32)	(0.15)
Net asset value, end of year . . . . .	\$9.92	\$10.97	\$11.18	\$11.40	\$10.85
Total return <sup>e</sup> . . . . .	(7.45)%	0.02%	0.49%	8.08%	1.98%
<b>Ratios to average net assets<sup>f</sup></b>					
Expenses before waiver and payments by affiliates . . . . .	0.93%	0.91%	0.91%	0.91%	0.92%
Expenses net of waiver and payments by affiliates <sup>g</sup> . . . . .	0.90%	0.91%	0.91%	0.91%	0.92%
Net investment income . . . . .	2.34%	1.91%	2.46%	2.70%	2.91%
<b>Supplemental data</b>					
Net assets, end of year (000's) . . . . .	\$42,244	\$46,633	\$30,415	\$16,423	\$7,334
Portfolio turnover rate . . . . .	19.06%	20.50%	24.03%	4.87%	8.57%

<sup>a</sup>For the year ended February 29.

<sup>b</sup>For the period September 10, 2018 (effective date) to February 28, 2019.

<sup>c</sup>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's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

<sup>d</sup>Based on average daily shares outstanding.

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

<sup>f</sup>Ratios are annualized for periods less than one year.

<sup>g</sup>Benefit of expense reduction rounds to less than 0.01%.

**Franklin Alabama Tax-Free Income Fund** (continued)

	Year Ended February 28,				
	2023	2022	2021	2020 <sup>a</sup>	2019
<b>Class A1</b>					
<b>Per share operating performance</b>					
(for a share outstanding throughout the year)					
Net asset value, beginning of year . . . . .	\$10.95	\$11.16	\$11.38	\$10.84	\$10.88
Income from investment operations <sup>b</sup> :					
Net investment income <sup>c</sup> . . . . .	0.25	0.23	0.30	0.32	0.33
Net realized and unrealized gains (losses) . . . . .	(1.04)	(0.20)	(0.23)	0.55	(0.04)
Total from investment operations . . . . .	(0.79)	0.03	0.07	0.87	0.29
Less distributions from:					
Net investment income . . . . .	(0.25)	(0.24)	(0.29)	(0.33)	(0.33)
Net asset value, end of year . . . . .	\$9.91	\$10.95	\$11.16	\$11.38	\$10.84
Total return <sup>d</sup> . . . . .	(7.24)%	0.17%	0.64%	8.16%	2.76%
<b>Ratios to average net assets</b>					
Expenses before waiver and payments by affiliates . . . . .	0.78%	0.76%	0.77%	0.76%	0.77%
Expenses net of waiver and payments by affiliates <sup>e</sup> . . . . .	0.75%	0.76%	0.77%	0.76%	0.77%
Net investment income . . . . .	2.49%	2.07%	2.66%	2.85%	3.06%
<b>Supplemental data</b>					
Net assets, end of year (000's) . . . . .	\$125,644	\$163,571	\$174,802	\$186,486	\$188,290
Portfolio turnover rate . . . . .	19.06%	20.50%	24.03%	4.87%	8.57%

<sup>a</sup>For the year ended February 29.

<sup>b</sup>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's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

<sup>c</sup>Based on average daily shares outstanding.

<sup>d</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable.

<sup>e</sup>Benefit of expense reduction rounds to less than 0.01%.

**Franklin Alabama Tax-Free Income Fund** (continued)

	Year Ended February 28,				
	2023	2022	2021	2020 <sup>a</sup>	2019
<b>Class C</b>					
<b>Per share operating performance</b>					
(for a share outstanding throughout the year)					
Net asset value, beginning of year . . . . .	\$11.10	\$11.32	\$11.54	\$10.98	\$11.02
Income from investment operations <sup>b</sup> :					
Net investment income <sup>c</sup> . . . . .	0.19	0.17	0.24	0.26	0.27
Net realized and unrealized gains (losses) . . . . .	(1.05)	(0.22)	(0.23)	0.57	(0.04)
Total from investment operations . . . . .	(0.86)	(0.05)	0.01	0.83	0.23
Less distributions from:					
Net investment income . . . . .	(0.19)	(0.17)	(0.23)	(0.27)	(0.27)
Net asset value, end of year . . . . .	\$10.05	\$11.10	\$11.32	\$11.54	\$10.98
Total return <sup>d</sup> . . . . .	(7.74)%	(0.38)%	(0.01)%	7.68%	2.15%
<b>Ratios to average net assets</b>					
Expenses before waiver and payments by affiliates . . . . .	1.32%	1.30%	1.31%	1.31%	1.32%
Expenses net of waiver and payments by affiliates <sup>e</sup> . . . . .	1.29%	1.30%	1.31%	1.31%	1.32%
Net investment income . . . . .	1.89%	1.51%	2.10%	2.30%	2.51%
<b>Supplemental data</b>					
Net assets, end of year (000's) . . . . .	\$8,264	\$13,416	\$23,374	\$31,175	\$30,641
Portfolio turnover rate . . . . .	19.06%	20.50%	24.03%	4.87%	8.57%

<sup>a</sup>For the year ended February 29.<sup>b</sup>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's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.<sup>c</sup>Based on average daily shares outstanding.<sup>d</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable.<sup>e</sup>Benefit of expense reduction rounds to less than 0.01%.

**Franklin Alabama Tax-Free Income Fund** (continued)

	Year Ended February 28,				
	2023	2022	2021	2020 <sup>a</sup>	2019
<b>Class R6</b>					
<b>Per share operating performance</b>					
(for a share outstanding throughout the year)					
Net asset value, beginning of year . . . . .	\$10.95	\$11.17	\$11.39	\$10.84	\$10.88
Income from investment operations <sup>b</sup> :					
Net investment income <sup>c</sup> . . . . .	0.26	0.25	0.31	0.33	0.35
Net realized and unrealized gains (losses) . . . . .	(1.04)	(0.22)	(0.22)	0.57	(0.04)
Total from investment operations . . . . .	(0.78)	0.03	0.09	0.90	0.31
Less distributions from:					
Net investment income . . . . .	(0.26)	(0.25)	(0.31)	(0.35)	(0.35)
Net asset value, end of year . . . . .	\$9.91	\$10.95	\$11.17	\$11.39	\$10.84
Total return . . . . .	(7.11)%	0.22%	0.77%	8.39%	2.78%
<b>Ratios to average net assets</b>					
Expenses before waiver and payments by affiliates . . . . .	0.66%	0.65%	0.65%	0.65%	0.65%
Expenses net of waiver and payments by affiliates <sup>d</sup> . . . . .	0.62%	0.63%	0.63%	0.63%	0.63%
Net investment income . . . . .	2.62%	2.19%	2.78%	2.98%	3.20%
<b>Supplemental data</b>					
Net assets, end of year (000's) . . . . .	\$1,786	\$2,308	\$1,756	\$1,664	\$824
Portfolio turnover rate . . . . .	19.06%	20.50%	24.03%	4.87%	8.57%

<sup>a</sup>For the year ended February 29.

<sup>b</sup>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's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

<sup>c</sup>Based on average daily shares outstanding.

<sup>d</sup>Benefit of expense reduction rounds to less than 0.01%.

**Franklin Alabama Tax-Free Income Fund** (continued)

	Year Ended February 28,				
	2023	2022	2021	2020 <sup>a</sup>	2019
<b>Advisor Class</b>					
<b>Per share operating performance</b>					
(for a share outstanding throughout the year)					
Net asset value, beginning of year . . . . .	\$10.95	\$11.17	\$11.39	\$10.84	\$10.88
Income from investment operations <sup>b</sup> :					
Net investment income <sup>c</sup> . . . . .	0.26	0.25	0.31	0.33	0.34
Net realized and unrealized gains (losses) . . . . .	(1.04)	(0.22)	(0.23)	0.56	(0.04)
Total from investment operations . . . . .	(0.78)	0.03	0.08	0.89	0.30
Less distributions from:					
Net investment income . . . . .	(0.26)	(0.25)	(0.30)	(0.34)	(0.34)
Net asset value, end of year . . . . .	\$9.91	\$10.95	\$11.17	\$11.39	\$10.84
Total return . . . . .	(7.14)%	0.18%	0.74%	8.36%	2.86%
<b>Ratios to average net assets</b>					
Expenses before waiver and payments by affiliates . . . . .	0.68%	0.66%	0.67%	0.66%	0.67%
Expenses net of waiver and payments by affiliates <sup>d</sup> . . . . .	0.65%	0.66%	0.67%	0.66%	0.67%
Net investment income . . . . .	2.59%	2.16%	2.74%	2.95%	3.16%
<b>Supplemental data</b>					
Net assets, end of year (000's) . . . . .	\$18,309	\$19,796	\$15,036	\$11,709	\$8,335
Portfolio turnover rate . . . . .	19.06%	20.50%	24.03%	4.87%	8.57%

<sup>a</sup>For the year ended February 29.

<sup>b</sup>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's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

<sup>c</sup>Based on average daily shares outstanding.

<sup>d</sup>Benefit of expense reduction rounds to less than 0.01%.

## Schedule of Investments, February 28, 2023

## Franklin Alabama Tax-Free Income Fund

	Principal Amount	Value
<b>Corporate Bonds 0.3%</b>		
<b>Software 0.3%</b>		
<sup>a</sup> Haven at Elgin LLC, 5.25%, 12/31/53	\$500,000	\$491,162
<b>Total Corporate Bonds (Cost \$500,000)</b>		<b>491,162</b>
<b>Municipal Bonds 96.4%</b>		
<b>Alabama 88.7%</b>		
Alabama Community College System, Bishop State Community College, Revenue, 2019, BAM Insured, 4%, 1/01/49	2,000,000	1,818,550
Alabama Special Care Facilities Financing Authority-Birmingham, Ascension Health Credit Group, Revenue, 2016 B, Refunding, 5%, 11/15/46	3,000,000	3,037,490
Alabama State University, Revenue, 2022, Refunding, BAM Insured, 5%, 9/01/36	1,500,000	1,638,580
Revenue, 2022, Refunding, BAM Insured, 5%, 9/01/40	1,500,000	1,607,098
Alabaster Board of Education, Special Tax, 2022, BAM Insured, 5%, 9/01/47	1,500,000	1,597,126
Special Tax, 2022, BAM Insured, 5%, 9/01/52	1,500,000	1,587,881
Alexander City Board of Education, Special Tax, 2022, BAM Insured, 4%, 2/01/52	3,000,000	2,720,948
Auburn University, Revenue, 2015 A, Refunding, 5%, 6/01/33	2,500,000	2,577,895
Bessemer Governmental Utility Services Corp., Water, Revenue, 2017, Refunding, BAM Insured, 5%, 6/01/39	6,000,000	6,335,403
Birmingham Airport Authority, Revenue, 2020, Refunding, BAM Insured, 5%, 7/01/32	300,000	337,286
Revenue, 2020, Refunding, BAM Insured, 5%, 7/01/33	325,000	364,684
Revenue, 2020, Refunding, BAM Insured, 5%, 7/01/34	400,000	446,635
Revenue, 2020, Refunding, BAM Insured, 4%, 7/01/35	350,000	354,890
Revenue, 2020, Refunding, BAM Insured, 4%, 7/01/36	500,000	501,167
Revenue, 2020, Refunding, BAM Insured, 4%, 7/01/37	545,000	543,215
Revenue, 2020, Refunding, BAM Insured, 4%, 7/01/38	400,000	395,885
Revenue, 2020, Refunding, BAM Insured, 4%, 7/01/39	2,540,000	2,493,913
Revenue, 2020, Refunding, BAM Insured, 4%, 7/01/40	705,000	685,585
Birmingham-Jefferson Civic Center Authority, Special Tax, 2018 A, 5%, 7/01/33	1,605,000	1,727,317
<sup>b</sup> Black Belt Energy Gas District, Revenue, 2021 A, Refunding, Mandatory Put, 4%, 12/01/31	3,000,000	2,975,626
Revenue, 2022 A, Mandatory Put, 4%, 12/01/29	1,000,000	972,600
Revenue, 2022 C-1, Mandatory Put, 5.25%, 6/01/29	1,000,000	1,055,832
Calhoun County Board of Education, Special Tax, 2016, Pre-Refunded, BAM Insured, 5%, 2/01/46	3,000,000	3,169,554
City of Bessemer, Water, Revenue, 2017, Refunding, AGMC Insured, 5%, 1/01/47	2,590,000	2,676,592
City of Birmingham, GO, 2021 A, 4%, 6/01/50	2,500,000	2,298,619
City of Boaz, Water & Sewer, Revenue, 2021, AGMC Insured, 4%, 9/01/46	1,000,000	928,093
Water & Sewer, Revenue, 2021, AGMC Insured, 4%, 9/01/50	1,500,000	1,359,996
City of Decatur, Water & Sewer, Revenue, 2021 A, 4%, 8/15/50	3,000,000	2,729,772
City of Huntsville, GO, 2018 B, 5%, 5/01/38	4,775,000	5,090,989
City of Lincoln, GO, 2020, BAM Insured, 4%, 6/01/50	2,500,000	2,522,371
City of Madison, GO, 2015 A, Pre-Refunded, 5%, 4/01/37	2,590,000	2,691,620
City of Trussville, GO, 2018 A, 4%, 8/01/41	3,000,000	2,932,080
City of Tuscaloosa, GO, 2020 A, 4%, 10/01/50	4,580,000	4,277,390
County of Mobile, GO, 2020 A, Refunding, 4%, 8/01/38	1,000,000	1,004,399
<sup>c</sup> Revenue, 144A, 2020, 4%, 11/01/45	2,400,000	2,082,476
DCH Healthcare Authority, Revenue, 2015, Refunding, 5%, 6/01/36	2,000,000	2,040,130
Revenue, 2021 A, 4%, 6/01/46	2,310,000	2,087,576
East Alabama Health Care Authority (The), Revenue, 2018 A, 4%, 9/01/30	1,000,000	1,005,833

## Franklin Alabama Tax-Free Income Fund (continued)

	Principal Amount	Value
<b>Municipal Bonds</b> (continued)		
<b>Alabama</b> (continued)		
East Alabama Health Care Authority (The), (continued)		
Revenue, 2018 A, 5%, 9/01/41 . . . . .	\$3,000,000	\$3,061,451
Florence City Board of Education, Special Tax, 2022, 4%, 3/01/46 . . . . .	3,000,000	2,772,359
Florence Public Building Authority, City of Florence, Revenue, 2021, 4%, 9/01/35. . . . .	500,000	503,792
<sup>d</sup> Health Care Authority for Baptist Health (The),		
Revenue, 2023 A, Refunding, 5%, 11/15/36 . . . . .	1,000,000	1,072,800
Revenue, 2023 A, Refunding, 5%, 11/15/37 . . . . .	875,000	931,295
Health Care Authority of the City of Huntsville (The), Health Care Authority of City of Huntsville (The) Obligated Group, Revenue, 2020 B, 4%, 6/01/45. . . . .	10,000,000	9,170,054
Homewood Educational Building Authority,		
Samford University, Revenue, 2019 A, Refunding, 4%, 12/01/49. . . . .	2,500,000	2,170,749
Samford University, Revenue, 2021 A, 4%, 12/01/51 . . . . .	1,470,000	1,262,805
Infirmity Health System Special Care Facilities Financing Authority of Mobile,		
Infirmity Health System Obligated Group, Revenue, 2016 A, 5%, 2/01/41 . . . . .	3,000,000	3,031,668
Infirmity Health System Obligated Group, Revenue, 2021 A, Refunding, 4%, 2/01/46	3,000,000	2,618,342
Jacksonville State University,		
Revenue, 2017, Refunding, AGMC Insured, 5%, 12/01/36 . . . . .	5,000,000	5,378,534
Revenue, 2020, Refunding, 4%, 12/01/50. . . . .	5,000,000	4,444,101
Limestone County Water & Sewer Authority, Revenue, 2015 B, Pre-Refunded, BAM Insured, 5%, 12/01/43 . . . . .	5,920,000	6,021,220
<sup>b</sup> Lower Alabama Gas District (The), Revenue, 2020, Mandatory Put, 4%, 12/01/25 . . . . .	2,000,000	1,998,018
Madison City Board of Education, Special Tax, 2019, 4%, 2/01/44 . . . . .	3,000,000	2,805,399
Madison Water & Wastewater Board, Revenue, 2017, Refunding, 5%, 12/01/41. . . . .	4,610,000	4,819,745
Marshall County Board of Education, Special Tax, 2016, AGMC Insured, 4%, 3/01/41	1,000,000	956,960
Mobile County Board of School Commissioners, Special Tax, 2022 B, BAM Insured, 4.25%, 3/01/52 . . . . .	2,000,000	1,911,968
Opelika Utilities Board, Revenue, 2017, Refunding, 4%, 6/01/41 . . . . .	2,000,000	1,927,692
Oxford City Board of Education, Special Tax, 2020 A, Refunding, 4%, 5/01/50 . . . . .	2,500,000	2,275,606
<sup>b</sup> Southeast Energy Authority A Cooperative District,		
Revenue, 2021 A, Mandatory Put, 4%, 10/01/28. . . . .	5,000,000	4,921,062
Revenue, 2022 A-1, Mandatory Put, 5.5%, 12/01/29. . . . .	2,000,000	2,144,660
Special Care Facilities Financing Authority of the City of Pell City Alabama, Noland Obligated Group, Revenue, 2021 A, Refunding, 4%, 12/01/39. . . . .	4,000,000	3,778,104
Talladega County Board of Education, Special Tax, 2017, Refunding, BAM Insured, 5%, 11/01/39 . . . . .	2,000,000	2,099,090
Troy Public Educational Building Authority, Troy City Board of Education, Revenue, 2011, AGMC Insured, 5.25%, 12/01/40. . . . .	295,000	295,330
Tuscaloosa City Board of Education, Revenue, 2016, Pre-Refunded, 5%, 8/01/41 . . . . .	4,000,000	4,256,752
UAB Medicine Finance Authority, UAB Medicine Obligated Group, Revenue, 2016 B, Refunding, 5%, 9/01/29 . . . . .	5,000,000	5,327,689
University of Alabama (The),		
Revenue, 2013 D-2, Pre-Refunded, 5%, 10/01/37 . . . . .	2,000,000	2,019,404
Revenue, 2018 B2, 5%, 9/01/48. . . . .	5,000,000	5,323,930
University of Montevallo, Revenue, 2017, Refunding, BAM Insured, 5%, 5/01/42 . . . . .	2,500,000	2,649,095
University of South Alabama, Revenue, 2019 A, BAM Insured, 5%, 4/01/49 . . . . .	2,000,000	2,065,323
Water Works Board of the City of Birmingham (The), Revenue, 2016 B, Pre-Refunded, 5%, 1/01/43. . . . .	5,000,000	5,401,352
		174,089,445
<b>California 0.3%</b>		
California Municipal Finance Authority, Revenue, 2022 A-1, 4.25%, 12/01/37 . . . . .	700,000	582,972

**Franklin Alabama Tax-Free Income Fund** (continued)

	Principal Amount	Value
<b>Municipal Bonds</b> (continued)		
<b>Florida 0.6%</b>		
°Capital Trust Agency, Inc., SHI - Lake Osborne LLC, Revenue, 144A, 2021 A-1, 3.68%, 1/01/57 . . . . .	\$500,000	\$337,067
°Leon County Housing Finance Authority, Revenue, 144A, 2022 A, Zero Cpn., 5/01/57 . . . . .	1,150,000	934,375
		<u>1,271,442</u>
<b>Illinois 0.4%</b>		
Metropolitan Pier & Exposition Authority, Revenue, 2022 A, Refunding, 4%, 12/15/42. . . . .	1,000,000	861,638
<b>Kentucky 0.5%</b>		
°Louisville/Jefferson County Metropolitan Government, PSG Vesta Derby Oaks LLC, Revenue, 144A, Zero Cpn., 5/01/52 . . . . .	1,500,000	981,013
<b>New York 1.4%</b>		
Metropolitan Transportation Authority, Revenue, 2021 A-1, 4%, 11/15/46 . . . . .	275,000	239,069
Revenue, 2021 A-2, 4%, 11/15/42 . . . . .	2,700,000	2,411,615
		<u>2,650,684</u>
<b>South Carolina 1.2%</b>		
South Carolina Jobs-Economic Development Authority, ° Revenue, 144A, 2021 A-1, 3.65%, 12/01/36 . . . . .	500,000	400,305
AHPC Vista Towers 2021 LLC, Revenue, 2021 A-1, 3.65%, 12/01/36 . . . . .	500,000	399,078
° Columbia Portfolio Obligated Group, Revenue, 144A, 2022 A-1, Zero Cpn., 6/01/37 . . . . .	1,485,000	973,521
°South Carolina State Housing Finance & Development Authority, Garden Oaks LP, Revenue, 144A, 2021 A, 4.2%, 12/01/39 . . . . .	750,000	572,924
		<u>2,345,828</u>
<b>Texas 0.5%</b>		
°EP Cimarron Ventanas PFC, Revenue, Senior Lien, 144A, 2021 A, 4%, 12/01/51. . . . .	600,000	445,043
°Pecan Public Facility Corp., Revenue, 144A, 2022 A-2, 5%, 12/01/52 . . . . .	800,000	585,277
		<u>1,030,320</u>
<b>Washington 0.2%</b>		
°Washington State Housing Finance Commission, Madison at Rivers Edge Apartments LLC, Revenue, 144A, 2021 A, 3.65%, 1/01/37 . . . . .	500,000	400,322
<b>Wisconsin 0.9%</b>		
°Public Finance Authority, Revenue, 144A, 2022, B-1, 4%, 12/28/44 . . . . .	500,000	396,177
Gulf Coast Portfolio Obligated Group, Revenue, 144A, 2021, 5.25%, 12/01/23 . . . . .	1,300,000	1,300,000
		<u>1,696,177</u>
<b>U.S. Territories 1.7%</b>		
<b>Guam 0.5%</b>		
Guam Government Waterworks Authority, Revenue, 2020 A, 5%, 1/01/50 . . . . .	1,000,000	1,003,796
<b>Puerto Rico 1.2%</b>		
Puerto Rico Electric Power Authority, Revenue, VV, Refunding, NATL Insured, 5.25%, 7/01/32 . . . . .	500,000	501,297
Revenue, VV, Refunding, NATL Insured, 5.25%, 7/01/34 . . . . .	1,000,000	1,002,976
Puerto Rico Highway & Transportation Authority, Revenue, 2022 A, 5%, 7/01/62 . . . . .	49,844	46,230
Revenue, 2022 B, Zero Cpn., 7/01/32. . . . .	32,392	20,245
Revenue, 2022 C, Zero Cpn., 7/01/53 . . . . .	55,410	30,762

## Franklin Alabama Tax-Free Income Fund (continued)

	Principal Amount	Value
<b>Municipal Bonds</b> (continued)		
<b>U.S. Territories</b> (continued)		
<b>Puerto Rico</b> (continued)		
Puerto Rico Sales Tax Financing Corp., Sales Tax, Revenue, A-1, 5%, 7/01/58 . . . . .	\$750,000	\$695,850
		2,297,360
<b>Total U.S. Territories</b> . . . . .		3,301,156
<b>Total Municipal Bonds (Cost \$204,547,842)</b> . . . . .		189,210,997
<b>Total Long Term Investments (Cost \$205,047,842)</b> . . . . .		189,702,159
<b>Total Investments (Cost \$205,047,842) 96.7%</b> . . . . .		\$189,702,159
<b>Other Assets, less Liabilities 3.3%</b> . . . . .		6,544,352
<b>Net Assets 100.0%</b> . . . . .		\$196,246,511

See Abbreviations on page 148.

<sup>a</sup>Fair valued using significant unobservable inputs. See Note 12 regarding fair value measurements.<sup>b</sup>The maturity date shown represents the mandatory put date.<sup>c</sup>Security was purchased pursuant to Rule 144A or Regulation S under the Securities Act of 1933. 144A securities may be sold in transactions exempt from registration only to qualified institutional buyers or in a public offering registered under the Securities Act of 1933. Regulation S securities cannot be sold in the United States without either an effective registration statement filed pursuant to the Securities Act of 1933, or pursuant to an exemption from registration. At February 28, 2023, the aggregate value of these securities was \$9,408,500, representing 4.8% of net assets.<sup>d</sup>Security purchased on a when-issued basis. See Note 1(b).

## Financial Highlights

### Franklin Georgia Tax-Free Income Fund

	Year Ended February 28,				Year Ended February 28, 2019 <sup>b</sup>
	2023	2022	2021	2020 <sup>a</sup>	
<b>Class A</b>					
<b>Per share operating performance</b>					
(for a share outstanding throughout the year)					
Net asset value, beginning of year . . . . .	\$11.57	\$11.91	\$12.19	\$11.59	\$11.57
Income from investment operations <sup>c</sup> :					
Net investment income <sup>d</sup> . . . . .	0.28	0.26	0.30	0.32	0.17
Net realized and unrealized gains (losses) . . . . .	(1.17)	(0.34)	(0.29)	0.63	0.02
Total from investment operations . . . . .	(0.89)	(0.08)	0.01	0.95	0.19
Less distributions from:					
Net investment income . . . . .	(0.28)	(0.26)	(0.29)	(0.35)	(0.17)
Net asset value, end of year . . . . .	\$10.40	\$11.57	\$11.91	\$12.19	\$11.59
Total return <sup>e</sup> . . . . .	(7.71)%	(0.71)%	0.14%	8.27%	1.70%
<b>Ratios to average net assets<sup>f</sup></b>					
Expenses <sup>g</sup> . . . . .	0.88%	0.86%	0.85%	0.86%	0.87%
Net investment income . . . . .	2.65%	2.20%	2.48%	2.76%	3.10%
<b>Supplemental data</b>					
Net assets, end of year (000's) . . . . .	\$76,312	\$92,129	\$77,256	\$54,945	\$19,705
Portfolio turnover rate . . . . .	15.85%	22.60%	16.89%	13.23%	11.78%

<sup>a</sup>For the year ended February 29.

<sup>b</sup>For the period September 10, 2018 (effective date) to February 28, 2019.

<sup>c</sup>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's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

<sup>d</sup>Based on average daily shares outstanding.

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

<sup>f</sup>Ratios are annualized for periods less than one year.

<sup>g</sup>Benefit of expense reduction rounds to less than 0.01%.

**Franklin Georgia Tax-Free Income Fund** (continued)

	Year Ended February 28,				
	2023	2022	2021	2020 <sup>a</sup>	2019
<b>Class A1</b>					
<b>Per share operating performance</b>					
(for a share outstanding throughout the year)					
Net asset value, beginning of year . . . . .	\$11.57	\$11.91	\$12.19	\$11.59	\$11.65
Income from investment operations <sup>b</sup> :					
Net investment income <sup>c</sup> . . . . .	0.30	0.28	0.32	0.35	0.38
Net realized and unrealized gains (losses) . . . . .	(1.18)	(0.34)	(0.29)	0.61	(0.06)
Total from investment operations . . . . .	(0.88)	(0.06)	0.03	0.96	0.32
Less distributions from:					
Net investment income . . . . .	(0.29)	(0.28)	(0.31)	(0.36)	(0.38)
Net asset value, end of year . . . . .	\$10.40	\$11.57	\$11.91	\$12.19	\$11.59
Total return <sup>d</sup> . . . . .	(7.57)%	(0.56)%	0.29%	8.44%	2.83%
<b>Ratios to average net assets</b>					
Expenses <sup>e</sup> . . . . .	0.73%	0.71%	0.71%	0.71%	0.72%
Net investment income . . . . .	2.79%	2.36%	2.66%	2.91%	3.25%
<b>Supplemental data</b>					
Net assets, end of year (000's) . . . . .	\$189,496	\$249,763	\$274,232	\$309,436	\$313,940
Portfolio turnover rate . . . . .	15.85%	22.60%	16.89%	13.23%	11.78%

<sup>a</sup>For the year ended February 29.<sup>b</sup>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's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.<sup>c</sup>Based on average daily shares outstanding.<sup>d</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable.<sup>e</sup>Benefit of expense reduction rounds to less than 0.01%.

**Franklin Georgia Tax-Free Income Fund** (continued)

	Year Ended February 28,				
	2023	2022	2021	2020 <sup>a</sup>	2019
<b>Class C</b>					
<b>Per share operating performance</b>					
(for a share outstanding throughout the year)					
Net asset value, beginning of year . . . . .	\$11.75	\$12.09	\$12.38	\$11.77	\$11.83
Income from investment operations <sup>b</sup> :					
Net investment income <sup>c</sup> . . . . .	0.24	0.22	0.25	0.29	0.32
Net realized and unrealized gains (losses) . . . . .	(1.20)	(0.35)	(0.29)	0.62	(0.06)
Total from investment operations . . . . .	(0.96)	(0.13)	(0.04)	0.91	0.26
Less distributions from:					
Net investment income . . . . .	(0.23)	(0.21)	(0.25)	(0.30)	(0.32)
Net asset value, end of year . . . . .	\$10.56	\$11.75	\$12.09	\$12.38	\$11.77
Total return <sup>d</sup> . . . . .	(8.14)%	(1.10)%	(0.34)%	7.84%	2.22%
<b>Ratios to average net assets</b>					
Expenses <sup>e</sup> . . . . .	1.27%	1.25%	1.25%	1.26%	1.27%
Net investment income . . . . .	2.19%	1.79%	2.08%	2.36%	2.70%
<b>Supplemental data</b>					
Net assets, end of year (000's) . . . . .	\$19,610	\$28,904	\$45,512	\$62,426	\$72,542
Portfolio turnover rate . . . . .	15.85%	22.60%	16.89%	13.23%	11.78%

<sup>a</sup>For the year ended February 29.

<sup>b</sup>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's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

<sup>c</sup>Based on average daily shares outstanding.

<sup>d</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable.

<sup>e</sup>Benefit of expense reduction rounds to less than 0.01%.

**Franklin Georgia Tax-Free Income Fund** (continued)

	<b>Year Ended February 28,</b>				
	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020<sup>a</sup></b>	<b>2019</b>
<b>Class R6</b>					
<b>Per share operating performance</b>					
(for a share outstanding throughout the year)					
Net asset value, beginning of year . . . . .	\$11.57	\$11.91	\$12.20	\$11.59	\$11.66
Income from investment operations <sup>b</sup> :					
Net investment income <sup>c</sup> . . . . .	0.31	0.30	0.33	0.36	0.39
Net realized and unrealized gains (losses) . . . . .	(1.17)	(0.34)	(0.29)	0.63	(0.06)
Total from investment operations . . . . .	(0.86)	(0.04)	0.04	0.99	0.33
Less distributions from:					
Net investment income . . . . .	(0.31)	(0.30)	(0.33)	(0.38)	(0.40)
Net asset value, end of year . . . . .	\$10.40	\$11.57	\$11.91	\$12.20	\$11.59
Total return . . . . .	(7.44)%	(0.42)%	0.35%	8.67%	2.86%
<b>Ratios to average net assets</b>					
Expenses before waiver and payments by affiliates . . . . .	0.59%	0.57%	0.58%	0.59%	0.59%
Expenses net of waiver and payments by affiliates <sup>d</sup> . . . . .	0.59% <sup>e</sup>	0.57% <sup>e</sup>	0.56%	0.57%	0.57%
Net investment income . . . . .	2.92%	2.49%	2.73%	3.05%	3.40%
<b>Supplemental data</b>					
Net assets, end of year (000's) . . . . .	\$10,366	\$17,047	\$13,813	\$4,981	\$3,786
Portfolio turnover rate . . . . .	15.85%	22.60%	16.89%	13.23%	11.78%

<sup>a</sup>For the year ended February 29.<sup>b</sup>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's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.<sup>c</sup>Based on average daily shares outstanding.<sup>d</sup>Benefit of expense reduction rounds to less than 0.01%.<sup>e</sup>Benefit of waiver and payments by affiliates rounds to less than 0.01%.

**Franklin Georgia Tax-Free Income Fund** (continued)

	Year Ended February 28,				
	2023	2022	2021	2020 <sup>a</sup>	2019
<b>Advisor Class</b>					
<b>Per share operating performance</b>					
(for a share outstanding throughout the year)					
Net asset value, beginning of year . . . . .	\$11.57	\$11.92	\$12.20	\$11.59	\$11.66
Income from investment operations <sup>b</sup> :					
Net investment income <sup>c</sup> . . . . .	0.31	0.29	0.33	0.36	0.39
Net realized and unrealized gains (losses) . . . . .	(1.18)	(0.35)	(0.29)	0.63	(0.07)
Total from investment operations . . . . .	(0.87)	(0.06)	0.04	0.99	0.32
Less distributions from:					
Net investment income . . . . .	(0.30)	(0.29)	(0.32)	(0.38)	(0.39)
Net asset value, end of year . . . . .	\$10.40	\$11.57	\$11.92	\$12.20	\$11.59
Total return . . . . .	(7.48)%	(0.46)%	0.31%	8.63%	2.83%
<b>Ratios to average net assets</b>					
Expenses <sup>d</sup> . . . . .	0.63%	0.61%	0.61%	0.61%	0.62%
Net investment income . . . . .	2.88%	2.46%	2.74%	3.01%	3.35%
<b>Supplemental data</b>					
Net assets, end of year (000's) . . . . .	\$48,473	\$72,069	\$68,009	\$53,789	\$40,142
Portfolio turnover rate . . . . .	15.85%	22.60%	16.89%	13.23%	11.78%

<sup>a</sup>For the year ended February 29.

<sup>b</sup>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's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

<sup>c</sup>Based on average daily shares outstanding.

<sup>d</sup>Benefit of expense reduction rounds to less than 0.01%.

## Schedule of Investments, February 28, 2023

## Franklin Georgia Tax-Free Income Fund

	Principal Amount	Value
<b>Corporate Bonds 0.2%</b>		
<b>Software 0.2%</b>		
<sup>a</sup> Haven at Elgin LLC, 5.25%, 12/31/53 .....	\$900,000	\$884,092
<b>Total Corporate Bonds (Cost \$900,000) .....</b>		<b>884,092</b>
<b>Municipal Bonds 98.4%</b>		
<b>California 0.3%</b>		
California Municipal Finance Authority, Revenue, 2022 A-1, 4.25%, 12/01/37 .....	1,300,000	1,082,662
<b>Florida 1.3%</b>		
Capital Trust Agency, Inc.,		
Kingdom Development West Palm Beach Portfolio Obligated Group, Revenue, 2021 A-1, 3.75%, 12/01/36 .....	2,592,000	2,158,287
<sup>b</sup> SHI - Lake Osborne LLC, Revenue, 144A, 2021 A-1, 3.68%, 1/01/57 .....	750,000	505,601
<sup>b</sup> Leon County Housing Finance Authority, Revenue, 144A, 2022 A, Zero Cpn., 5/01/57 .....	2,030,000	1,649,375
		4,313,263
<b>Georgia 89.1%</b>		
Athens Housing Authority, UGAREF East Campus Housing Phase II LLC, Revenue, 2017, Refunding, 4%, 6/15/40 .....	5,000,000	4,868,509
Atlanta Development Authority (The),		
City of Atlanta Hotel Motel Tax, Revenue, 2015 A-1, 5.25%, 7/01/40 .....	7,750,000	7,983,052
City of Atlanta Hotel Motel Tax, Revenue, 2015 A-1, 5.25%, 7/01/44 .....	3,000,000	3,079,750
Tuff Yamacraw LLC, Revenue, 2005 A, Refunding, AMBAC Insured, 5%, 1/01/26 ..	2,555,000	2,614,138
Auburn Urban Redevelopment Agency,		
City of Auburn, Revenue, 2020, BAM Insured, 4%, 10/01/45 .....	1,000,000	934,854
City of Auburn, Revenue, 2020, BAM Insured, 4%, 10/01/50 .....	1,000,000	917,912
Bainbridge Public Facilities Authority, County of Decatur, Revenue, 2018, AGMC Insured, 4%, 3/01/43 .....	4,000,000	3,827,841
Bleckley County School District, GO, 2020, 5%, 10/01/42 .....	2,055,000	2,230,283
Brookhaven Development Authority, Children's Healthcare of Atlanta Obligated Group, Revenue, 2019 A, 4%, 7/01/49 .....	3,000,000	2,779,878
Carroll City-County Hospital Authority,		
Tanner Medical Center Obligated Group, Revenue, 2015, 5%, 7/01/41 .....	2,000,000	2,032,957
Tanner Medical Center Obligated Group, Revenue, 2020, Refunding, 4%, 7/01/50 ..	2,950,000	2,698,961
City of Atlanta,		
GO, 2022 A-1, 5%, 12/01/38 .....	5,000,000	5,685,175
Airport Passenger Facility Charge, Revenue, Sub. Lien, 2014 A, Refunding, 5%, 1/01/34 .....	3,250,000	3,297,343
Airport Passenger Facility Charge, Revenue, Sub. Lien, 2019 D, 4%, 7/01/36 .....	4,500,000	4,453,934
BeltLineTAD, Tax Allocation, 2016 B, Refunding, 5%, 1/01/31 .....	1,780,000	1,893,351
Department of Aviation, Revenue, 2021 C, Refunding, 5%, 7/01/37 .....	1,500,000	1,599,838
Water & Wastewater, Revenue, 2001 A, AGMC, NATL RE Insured, 5.5%, 11/01/27 ..	5,000,000	5,316,315
Water & Wastewater, Revenue, 2018 B, Refunding, 5%, 11/01/47 .....	5,000,000	5,230,603
City of Baldwin, Water & Sewerage, Revenue, 2021, Refunding, BAM Insured, 3%, 6/01/46 .....	1,835,000	1,457,380
City of Buford, GO, 2017 C, Pre-Refunded, 4%, 1/01/43 .....	5,000,000	5,204,239
City of Cartersville, Water & Sewer, Revenue, 2018, Refunding, 5%, 6/01/48 .....	4,000,000	4,203,402
City of Dalton, GO, 2018, 5%, 2/01/48 .....	3,000,000	3,143,825
City of Monroe, Combined Utility, Revenue, 2020, AGMC Insured, 4%, 12/01/50 .....	1,500,000	1,376,551
City of Warner Robins, Water & Sewerage, Revenue, 2020, Refunding, 4%, 7/01/45 ..	1,000,000	950,576
Clayton County Development Authority,		
USG Real Estate Foundation XIII LLC, Revenue, 2022 A, 5%, 6/15/32 .....	1,295,000	1,512,555
USG Real Estate Foundation XIII LLC, Revenue, 2022 A, 5%, 6/15/33 .....	1,210,000	1,426,258
Cobb County Kennestone Hospital Authority,		
WellStar Health System Obligated Group, Revenue, 2020 B, Refunding, 5%, 4/01/38 ..	375,000	394,356
WellStar Health System Obligated Group, Revenue, 2020 B, Refunding, 4%, 4/01/39 ..	425,000	412,521
WellStar Health System Obligated Group, Revenue, 2020 B, Refunding, 5%, 4/01/40 ..	400,000	417,286

**Franklin Georgia Tax-Free Income Fund** (continued)

	Principal Amount	Value
<b>Municipal Bonds</b> (continued)		
<b>Georgia</b> (continued)		
Cobb County Kennestone Hospital Authority, (continued)		
WellStar Health System Obligated Group, Revenue, 2020 B, Refunding, 4%, 4/01/41	\$375,000	\$356,093
WellStar Health System Obligated Group, Revenue, 2022 A, 4%, 4/01/52	3,100,000	2,742,534
County of DeKalb, Water & Sewerage, Revenue, 2006 B, Refunding, AGMC Insured, 5%, 10/01/35	4,000,000	4,253,252
County of Fulton, Water & Sewerage, Revenue, 2020 A, 3%, 1/01/45	5,000,000	3,852,980
County of Rockdale, Stormwater System, Revenue, 2021, 4%, 7/01/41	500,000	487,454
Coweta County Water & Sewage Authority,		
Revenue, 2021 B, 3%, 6/01/43	820,000	655,925
Revenue, 2021 B, 3%, 6/01/46	1,000,000	772,856
Dalton Whitfield County Joint Development Authority, Hamilton Health Care System Obligated Group, Revenue, 2017, 4%, 8/15/41	3,000,000	2,935,800
DeKalb Newton & Gwinnett Counties Joint Development Authority, GGCF Athletic Fields LLC, Revenue, 2012 A, AGMC Insured, 5%, 7/01/39	2,500,000	2,503,083
Development Authority for Fulton County,		
Georgia Tech Facilities, Inc., Revenue, 2018, 4%, 3/01/43	2,000,000	1,926,901
Piedmont Healthcare, Inc. Obligated Group, Revenue, 2014 A, Refunding, 5%, 7/01/44	4,160,000	4,191,093
Piedmont Healthcare, Inc. Obligated Group, Revenue, 2016 A, Refunding, 5%, 7/01/46	5,840,000	5,924,730
Piedmont Healthcare, Inc. Obligated Group, Revenue, 2019 A, 4%, 7/01/49	5,000,000	4,466,154
Tuff/Atlanta Housing LLC, Revenue, 2022, Refunding, 5%, 9/01/29	1,000,000	1,114,053
Tuff/Atlanta Housing LLC, Revenue, 2022, Refunding, 5%, 9/01/30	1,030,000	1,165,876
Tuff/Atlanta Housing LLC, Revenue, 2022, Refunding, 5%, 9/01/31	1,235,000	1,414,382
Tuff/Atlanta Housing LLC, Revenue, 2022, Refunding, 5%, 9/01/32	1,350,000	1,560,327
WellStar Health System Obligated Group, Revenue, 2017, 5%, 4/01/47	1,000,000	1,018,510
WellStar Health System Obligated Group, Revenue, 2020 A, 4%, 4/01/50	4,000,000	3,581,043
Development Authority of Burke County (The), Oglethorpe Power Corp., Revenue, 2017, Refunding, 4.125%, 11/01/45	6,000,000	5,323,997
Development Authority of Cobb County (The),		
Georgia Tech Cobb Research Campus LLC, Revenue, 2017 A, 4%, 6/01/42	1,600,000	1,547,914
Kennesaw State University Real Estate Obligated Group 2015 ABC, Revenue, Senior Lien, 2015 A, Refunding, 5%, 7/15/38	2,000,000	2,054,233
KSU 2020 Housing Real Estate Foundation LLC, Revenue, 2020, 4%, 7/15/52	5,720,000	5,203,872
KSU University II Real Estate Foundation LLC, Revenue, 2021, Refunding, 4%, 7/15/34	1,000,000	1,018,722
University System of Georgia, Revenue, 2020 C, 4%, 7/15/52	2,000,000	1,858,148
Development Authority of Gwinnett County, Gwinnett County School District, COP, 2006, NATL Insured, 5.25%, 1/01/24	2,000,000	2,034,953
<sup>b</sup> Development Authority of Rockdale County, AHPC Terraces at Fieldstone LLC, Revenue, 144A, 2021 A-1, 3.5%, 12/01/36	4,825,000	3,870,146
Etowah Water & Sewer Authority, Revenue, 2019, Refunding, BAM Insured, 3%, 3/01/44	1,250,000	967,413
Floyd County Hospital Authority, Floyd Obligated Group, Revenue, 2016, Pre-Refunded, 4%, 7/01/43	6,735,000	6,975,975
Forsyth County School District, GO, 2018, 5%, 2/01/38	2,650,000	2,865,158
Fulton County Residential Care Facilities for the Elderly Authority, Lenbrook Square Foundation Obligated Group, Revenue, 2016, Refunding, 5%, 7/01/42	6,000,000	5,651,999
Gainesville & Hall County Hospital Authority,		
Northeast Georgia Health System Obligated Group, Revenue, 2017 A, Refunding, 5%, 2/15/42	7,000,000	7,202,138
Northeast Georgia Health System Obligated Group, Revenue, 2020 A, Refunding, 4%, 2/15/45	5,000,000	4,622,075
Northeast Georgia Health System Obligated Group, Revenue, 2021 A, 4%, 2/15/51	5,000,000	4,415,337

## Franklin Georgia Tax-Free Income Fund (continued)

	Principal Amount	Value
<b>Municipal Bonds</b> (continued)		
<b>Georgia</b> (continued)		
Gainesville School District, GO, 2020, 4%, 11/01/42	\$1,000,000	\$986,690
Georgia Higher Education Facilities Authority, USG Real Estate Foundation III LLC, Revenue, 2020, Refunding, 4%, 6/15/41	2,305,000	2,172,437
Georgia Housing & Finance Authority, Revenue, 2013 A, 3.8%, 12/01/37	1,655,000	1,630,704
Revenue, 2018 A, 3.85%, 12/01/38	1,170,000	1,152,958
Revenue, 2018 A, 3.95%, 12/01/43	1,210,000	1,186,345
Revenue, 2019 A, Refunding, 3.7%, 6/01/49	4,605,000	3,950,719
Georgia Ports Authority, Revenue, 2021, 4%, 7/01/51	4,395,000	4,131,454
Revenue, 2022, 5%, 7/01/47	2,500,000	2,723,972
Revenue, 2022, 5.25%, 7/01/52	2,000,000	2,197,225
Glynn-Brunswick Memorial Hospital Authority, Southeast Georgia Health System Obligated Group, Revenue, 2017, 5%, 8/01/47	5,000,000	5,014,025
Gwinnett County School District, GO, 2019, 5%, 2/01/41	3,000,000	3,252,224
Henry County School District, GO, 2016, Pre-Refunded, 4%, 8/01/33	5,000,000	5,176,334
Hogansville Ga Combined Public Utility System, Revenue, 1993, AGMC Insured, ETM, 6%, 10/01/23	505,000	512,982
Main Street Natural Gas, Inc., Revenue, 2007 A, 5.5%, 9/15/27	5,000,000	5,253,355
Revenue, 2019 A, 5%, 5/15/38	2,500,000	2,545,060
<sup>c</sup> Revenue, 2022 B, Mandatory Put, 5%, 6/01/29	5,000,000	5,196,859
<sup>b,c</sup> Revenue, 144A, 2022 C, Mandatory Put, 4%, 11/01/27	8,000,000	7,608,375
<sup>c</sup> Revenue, 2023 B, Mandatory Put, 5%, 3/01/30	2,000,000	2,114,913
Metropolitan Atlanta Rapid Transit Authority, Revenue, 2015 B, 5%, 7/01/45	5,000,000	5,189,315
Monroe County Public Facilities Authority, County of Monroe, Revenue, 2020, 4%, 6/01/42	1,000,000	942,212
Moultrie-Colquitt Counties Development Authority, Philadelphia College of Osteopathic Medicine Obligated Group, Revenue, 2018, 5%, 12/01/43	4,815,000	5,166,112
Municipal Electric Authority of Georgia, Revenue, 2019 A, AGMC Insured, 4%, 1/01/44	5,000,000	4,602,245
Revenue, 2020 A, Refunding, 5%, 1/01/50	3,500,000	3,566,402
Revenue, 2021 A, Refunding, 4%, 1/01/46	330,000	274,257
Revenue, 2021 A, Refunding, 4%, 1/01/51	425,000	342,953
Revenue, 2021 A, Refunding, 5%, 1/01/56	750,000	717,493
Revenue, 2023 A, 5.5%, 7/01/64	2,000,000	2,028,833
Private Colleges & Universities Authority, Emory University, Revenue, 2013 A, 5%, 10/01/43	5,000,000	5,019,556
Emory University, Revenue, 2019 B, Refunding, 5%, 9/01/48	4,000,000	4,281,856
Mercer University, Revenue, 2021, Refunding, 4%, 10/01/50	5,400,000	4,801,077
Mercer University, Revenue, 2022, Refunding, 5.25%, 10/01/51	4,500,000	4,738,372
Pulaski County School District, GO, 2020, 4%, 10/01/42	1,000,000	986,744
Richmond County Hospital Authority, University Health Services Obligated Group, Revenue, 2016, Refunding, 4%, 1/01/35	8,000,000	8,089,243
Savannah Hospital Authority, St. Joseph's/Candler Health System Obligated Group, Revenue, 2019 A, Refunding, 4%, 7/01/43	10,000,000	9,448,064
Sinclair Water Authority, Revenue, 2019, Refunding, AGMC Insured, 5%, 4/01/48	2,000,000	2,116,104
Worth County School District, GO, 2017, 5%, 12/01/42	5,000,000	5,253,246
		306,849,484
<b>Illinois 0.9%</b>		
State of Illinois, GO, 2021 A, 5%, 3/01/32	250,000	266,083
GO, 2021 B, 4%, 12/01/38	3,000,000	2,788,170
		3,054,253

**Franklin Georgia Tax-Free Income Fund** (continued)

	Principal Amount	Value
<b>Municipal Bonds</b> (continued)		
<b>New Jersey 0.4%</b>		
New Jersey Transportation Trust Fund Authority, Revenue, 2018 A, Refunding, 5%, 12/15/35 .....	\$1,200,000	\$1,271,688
<b>New York 0.8%</b>		
Metropolitan Transportation Authority, Revenue, 2020 A-1, 4%, 11/15/53 .....	100,000	83,229
Revenue, 2020 D, 4%, 11/15/47 .....	600,000	523,847
Revenue, 2021 A-2, 4%, 11/15/42 .....	2,300,000	2,054,338
		2,661,414
<b>South Carolina 0.5%</b>		
South Carolina Jobs-Economic Development Authority, <sup>b</sup> Revenue, 144A, 2021 A-1, 3.65%, 12/01/36 .....	900,000	720,549
AHPC Vista Towers 2021 LLC, Revenue, 2021 A-1, 3.65%, 12/01/36 .....	900,000	718,340
<sup>b</sup> South Carolina State Housing Finance & Development Authority, Garden Oaks LP, Revenue, 144A, 2021 A, 4.2%, 12/01/39 .....	500,000	381,949
		1,820,838
<b>Texas 0.6%</b>		
<sup>b</sup> EP Cimarron Ventanas PFC, Revenue, Senior Lien, 144A, 2021 A, 4%, 12/01/51. . . .	1,200,000	890,087
<sup>b</sup> Pecan Public Facility Corp., Revenue, 144A, 2022 A-2, 5%, 12/01/52 .....	1,500,000	1,097,394
		1,987,481
<b>Washington 0.2%</b>		
<sup>b</sup> Washington State Housing Finance Commission, Madison at Rivers Edge Apartments LLC, Revenue, 144A, 2021 A, 3.65%, 1/01/37 .....	900,000	720,580
<b>Wisconsin 1.2%</b>		
<sup>b</sup> Public Finance Authority, Revenue, 144A, 2022, B-1, 4%, 12/28/44. . . . .	900,000	713,119
AL-FL Portfolio Obligated Group, Revenue, 144A, 2021 A, 3.4%, 12/01/36 .....	1,500,000	1,201,341
Gulf Coast Portfolio Obligated Group, Revenue, 144A, 2021, 5.25%, 12/01/23 . . . .	2,300,000	2,300,000
		4,214,460
<b>U.S. Territories 3.1%</b>		
<b>Puerto Rico 3.1%</b>		
HTA HRRB Custodial Trust, Revenue, 2007 CC, 5.25%, 7/01/32 .....	4,800,000	4,863,221
HTA TRRB Custodial Trust, Revenue, 2005 L, 5.25%, 7/01/41 .....	1,100,000	1,112,084
Puerto Rico Electric Power Authority, Revenue, VV, Refunding, NATL Insured, 5.25%, 7/01/32 .....	560,000	561,453
<sup>d</sup> Revenue, XX, 5.25%, 7/01/40 .....	2,270,000	1,594,675
Puerto Rico Highway & Transportation Authority, Revenue, 2022 A, 5%, 7/01/62. . . . .	136,367	126,480
Revenue, 2022 B, Zero Cpn., 7/01/32. . . . .	88,620	55,388
Revenue, 2022 C, Zero Cpn., 7/01/53 .....	151,593	84,160
Puerto Rico Sales Tax Financing Corp., Sales Tax, Revenue, A-1, 5%, 7/01/58 .....	2,480,000	2,300,944
		10,698,405
<b>Total U.S. Territories</b> .....		10,698,405
<b>Total Municipal Bonds (Cost \$366,963,907)</b> .....		338,674,528
<b>Total Long Term Investments (Cost \$367,863,907)</b> .....		339,558,620

**Franklin Georgia Tax-Free Income Fund** (continued)

**Short Term Investments 0.5%**

	Principal Amount	Value
<b>Municipal Bonds 0.5%</b>		
<b>Georgia 0.5%</b>		
<sup>a</sup> Development Authority of Monroe County (The), Florida Power & Light Co., Revenue, 2002, Refunding, Daily VRDN and Put, 2.8%, 9/01/37 .....	\$1,800,000	\$1,800,000
<b>Total Municipal Bonds (Cost \$1,800,000) .....</b>		<b>1,800,000</b>
<b>Total Short Term Investments (Cost \$1,800,000) .....</b>		<b>1,800,000</b>
<b>Total Investments (Cost \$369,663,907) 99.1% .....</b>		<b>\$341,358,620</b>
<b>Other Assets, less Liabilities 0.9% .....</b>		<b>2,897,852</b>
<b>Net Assets 100.0% .....</b>		<b>\$344,256,472</b>

See Abbreviations on page 148.

<sup>a</sup>Fair valued using significant unobservable inputs. See Note 12 regarding fair value measurements.

<sup>b</sup>Security was purchased pursuant to Rule 144A or Regulation S under the Securities Act of 1933. 144A securities may be sold in transactions exempt from registration only to qualified institutional buyers or in a public offering registered under the Securities Act of 1933. Regulation S securities cannot be sold in the United States without either an effective registration statement filed pursuant to the Securities Act of 1933, or pursuant to an exemption from registration. At February 28, 2023, the aggregate value of these securities was \$21,658,516, representing 6.3% of net assets.

<sup>c</sup>The maturity date shown represents the mandatory put date.

<sup>d</sup>See Note 7 regarding defaulted securities.

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

## Financial Highlights

### Franklin Louisiana Tax-Free Income Fund

	Year Ended February 28,				Year Ended February 28, 2019 <sup>b</sup>
	2023	2022	2021	2020 <sup>a</sup>	
<b>Class A</b>					
<b>Per share operating performance</b>					
(for a share outstanding throughout the year)					
Net asset value, beginning of year . . . . .	\$11.03	\$11.28	\$11.55	\$10.93	\$10.85
Income from investment operations <sup>c</sup> :					
Net investment income <sup>d</sup> . . . . .	0.25	0.24	0.28	0.30	0.16
Net realized and unrealized gains (losses) . . . . .	(1.08)	(0.25)	(0.27)	0.64	0.08
Total from investment operations . . . . .	(0.83)	(0.01)	0.01	0.94	0.24
Less distributions from:					
Net investment income . . . . .	(0.24)	(0.24)	(0.28)	(0.32)	(0.16)
Net asset value, end of year . . . . .	\$9.96	\$11.03	\$11.28	\$11.55	\$10.93
Total return <sup>e</sup> . . . . .	(7.49)%	(0.17)%	0.09%	8.68%	2.22%
<b>Ratios to average net assets<sup>f</sup></b>					
Expenses <sup>g</sup> . . . . .	0.89%	0.87%	0.87%	0.86%	0.88%
Net investment income . . . . .	2.42%	2.07%	2.49%	2.70%	3.06%
<b>Supplemental data</b>					
Net assets, end of year (000's) . . . . .	\$60,153	\$69,773	\$56,810	\$48,032	\$18,110
Portfolio turnover rate . . . . .	11.69%	16.61%	22.66%	4.83%	9.46%

<sup>a</sup>For the year ended February 29.

<sup>b</sup>For the period September 10, 2018 (effective date) to February 28, 2019.

<sup>c</sup>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's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

<sup>d</sup>Based on average daily shares outstanding.

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

<sup>f</sup>Ratios are annualized for periods less than one year.

<sup>g</sup>Benefit of expense reduction rounds to less than 0.01%.

**Franklin Louisiana Tax-Free Income Fund** (continued)

	Year Ended February 28,				
	2023	2022	2021	2020 <sup>a</sup>	2019
<b>Class A1</b>					
<b>Per share operating performance</b>					
(for a share outstanding throughout the year)					
Net asset value, beginning of year . . . . .	\$11.03	\$11.28	\$11.55	\$10.92	\$10.90
Income from investment operations <sup>b</sup> :					
Net investment income <sup>c</sup> . . . . .	0.26	0.25	0.30	0.32	0.35
Net realized and unrealized gains (losses) . . . . .	(1.08)	(0.25)	(0.28)	0.64	0.02
Total from investment operations . . . . .	(0.82)	—	0.02	0.96	0.37
Less distributions from:					
Net investment income . . . . .	(0.26)	(0.25)	(0.29)	(0.33)	(0.35)
Net asset value, end of year . . . . .	\$9.95	\$11.03	\$11.28	\$11.55	\$10.92
Total return <sup>d</sup> . . . . .	(7.45)%	(0.02)%	0.24%	8.94%	3.45%
<b>Ratios to average net assets</b>					
Expenses <sup>e</sup> . . . . .	0.74%	0.72%	0.72%	0.71%	0.73%
Net investment income . . . . .	2.57%	2.22%	2.66%	2.85%	3.21%
<b>Supplemental data</b>					
Net assets, end of year (000's) . . . . .	\$175,906	\$234,499	\$250,576	\$289,744	\$284,259
Portfolio turnover rate . . . . .	11.69%	16.61%	22.66%	4.83%	9.46%

<sup>a</sup>For the year ended February 29.<sup>b</sup>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's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.<sup>c</sup>Based on average daily shares outstanding.<sup>d</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable.<sup>e</sup>Benefit of expense reduction rounds to less than 0.01%.

**Franklin Louisiana Tax-Free Income Fund** (continued)

	Year Ended February 28,				
	2023	2022	2021	2020 <sup>a</sup>	2019
<b>Class C</b>					
<b>Per share operating performance</b>					
(for a share outstanding throughout the year)					
Net asset value, beginning of year . . . . .	\$11.21	\$11.46	\$11.74	\$11.10	\$11.07
Income from investment operations <sup>b</sup> :					
Net investment income <sup>c</sup> . . . . .	0.20	0.19	0.24	0.26	0.29
Net realized and unrealized gains (losses) . . . . .	(1.09)	(0.25)	(0.29)	0.65	0.03
Total from investment operations . . . . .	(0.89)	(0.06)	(0.05)	0.91	0.32
Less distributions from:					
Net investment income . . . . .	(0.20)	(0.19)	(0.23)	(0.27)	(0.29)
Net asset value, end of year . . . . .	\$10.12	\$11.21	\$11.46	\$11.74	\$11.10
Total return <sup>d</sup> . . . . .	(7.92)%	(0.57)%	(0.39)%	8.34%	2.92%
<b>Ratios to average net assets</b>					
Expenses <sup>e</sup> . . . . .	1.28%	1.26%	1.26%	1.26%	1.28%
Net investment income . . . . .	1.97%	1.64%	2.08%	2.30%	2.66%
<b>Supplemental data</b>					
Net assets, end of year (000's) . . . . .	\$12,724	\$19,991	\$29,441	\$38,066	\$42,188
Portfolio turnover rate . . . . .	11.69%	16.61%	22.66%	4.83%	9.46%

<sup>a</sup>For the year ended February 29.

<sup>b</sup>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's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

<sup>c</sup>Based on average daily shares outstanding.

<sup>d</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable.

<sup>e</sup>Benefit of expense reduction rounds to less than 0.01%.

**Franklin Louisiana Tax-Free Income Fund** (continued)

	Year Ended February 28,				
	2023	2022	2021	2020 <sup>a</sup>	2019
<b>Class R6</b>					
<b>Per share operating performance</b>					
(for a share outstanding throughout the year)					
Net asset value, beginning of year . . . . .	\$11.03	\$11.28	\$11.55	\$10.93	\$10.90
Income from investment operations <sup>b</sup> :					
Net investment income <sup>c</sup> . . . . .	0.28	0.27	0.31	0.33	0.36
Net realized and unrealized gains (losses) . . . . .	(1.08)	(0.25)	(0.27)	0.64	0.03
Total from investment operations . . . . .	(0.80)	0.02	0.04	0.97	0.39
Less distributions from:					
Net investment income . . . . .	(0.27)	(0.27)	(0.31)	(0.35)	(0.36)
Net asset value, end of year . . . . .	\$9.96	\$11.03	\$11.28	\$11.55	\$10.93
Total return . . . . .	(7.22)%	0.12%	0.38%	8.99%	3.67%
<b>Ratios to average net assets</b>					
Expenses before waiver and payments by affiliates . . . . .	0.61%	0.59%	0.60%	0.60%	0.61%
Expenses net of waiver and payments by affiliates <sup>d</sup> . . . . .	0.60%	0.58%	0.58%	0.58%	0.59%
Net investment income . . . . .	2.72%	2.36%	2.78%	2.98%	3.35%
<b>Supplemental data</b>					
Net assets, end of year (000's) . . . . .	\$6,306	\$8,031	\$6,076	\$5,383	\$3,865
Portfolio turnover rate . . . . .	11.69%	16.61%	22.66%	4.83%	9.46%

<sup>a</sup>For the year ended February 29.<sup>b</sup>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's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.<sup>c</sup>Based on average daily shares outstanding.<sup>d</sup>Benefit of expense reduction rounds to less than 0.01%.

**Franklin Louisiana Tax-Free Income Fund** (continued)

	Year Ended February 28,				
	2023	2022	2021	2020 <sup>a</sup>	2019
<b>Advisor Class</b>					
<b>Per share operating performance</b>					
(for a share outstanding throughout the year)					
Net asset value, beginning of year . . . . .	\$11.03	\$11.28	\$11.55	\$10.93	\$10.90
Income from investment operations <sup>b</sup> :					
Net investment income <sup>c</sup> . . . . .	0.27	0.26	0.31	0.33	0.36
Net realized and unrealized gains (losses) . . . . .	(1.07)	(0.24)	(0.28)	0.63	0.03
Total from investment operations . . . . .	(0.80)	0.02	0.03	0.96	0.39
Less distributions from:					
Net investment income . . . . .	(0.27)	(0.27)	(0.30)	(0.34)	(0.36)
Net asset value, end of year . . . . .	\$9.96	\$11.03	\$11.28	\$11.55	\$10.93
Total return . . . . .	(7.26)%	0.08%	0.34%	8.95%	3.65%
<b>Ratios to average net assets</b>					
Expenses <sup>d</sup> . . . . .	0.65%	0.62%	0.62%	0.61%	0.63%
Net investment income . . . . .	2.67%	2.32%	2.73%	2.95%	3.31%
<b>Supplemental data</b>					
Net assets, end of year (000's) . . . . .	\$36,351	\$42,264	\$37,329	\$27,945	\$19,580
Portfolio turnover rate . . . . .	11.69%	16.61%	22.66%	4.83%	9.46%

<sup>a</sup>For the year ended February 29.

<sup>b</sup>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's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

<sup>c</sup>Based on average daily shares outstanding.

<sup>d</sup>Benefit of expense reduction rounds to less than 0.01%.

## Schedule of Investments, February 28, 2023

## Franklin Louisiana Tax-Free Income Fund

	Principal Amount	Value
<b>Municipal Bonds 98.0%</b>		
<b>Florida 0.1%</b>		
<sup>a</sup> Capital Trust Agency, Inc., SHI - Lake Osborne LLC, Revenue, 144A, 2021 A-1, 3.68%, 1/01/57 .....	\$500,000	\$337,067
<b>Georgia 0.3%</b>		
<sup>a</sup> Development Authority of Rockdale County, AHPC Terraces at Fieldstone LLC, Revenue, 144A, 2021 A-1, 3.5%, 12/01/36 .....	1,225,000	982,576
<b>Louisiana 92.7%</b>		
Ascension Parish School Board, GO, 2020, 4%, 3/01/40 .....	1,000,000	968,075
Caddo Parish Parishwide School District, GO, 2021, AGMC Insured, 3%, 3/01/36 ..	505,000	452,397
Calcasieu Parish School District No. 23, GO, 2019, BAM Insured, 4%, 9/01/36 .....	670,000	673,464
Calcasieu Parish School District No. 31, GO, 2018, BAM Insured, 5%, 3/01/36 .....	1,000,000	1,087,882
GO, 2018, BAM Insured, 5%, 3/01/38 .....	1,000,000	1,077,223
GO, 2019, BAM Insured, 4%, 3/01/37 .....	1,000,000	1,004,564
Central Community School System, GO, 2020, 4%, 3/01/39 .....	1,125,000	1,100,903
GO, 2020, 4%, 3/01/40 .....	1,190,000	1,152,009
City of Bossier City, Utilities, Revenue, 2014, Pre-Refunded, 5%, 10/01/37 .....	1,280,000	1,316,334
City of Lafayette, Sales & Use Tax, Revenue, 2019 A, 5%, 5/01/44 .....	4,350,000	4,678,613
Sales & Use Tax, Revenue, 2020 B, 4%, 3/01/45 .....	5,000,000	4,781,090
City of New Orleans, GO, 2021 A, 5%, 12/01/39 .....	6,000,000	6,398,546
Sewerage Service, Revenue, 2020 B, 5%, 6/01/45 .....	1,700,000	1,759,633
Sewerage Service, Revenue, 2020 B, 4%, 6/01/50 .....	1,300,000	1,160,865
City of Ruston, Sales Tax, Revenue, 2016, AGMC Insured, 5%, 6/01/35 .....	1,085,000	1,134,380
City of Shreveport, Water & Sewer, Revenue, 2016 B, 5%, 12/01/41 .....	4,000,000	4,181,057
Water & Sewer, Revenue, 2020 B, Refunding, 3%, 12/01/50 .....	5,070,000	3,686,854
Consolidated Government of the City of Baton Rouge & Parish of East Baton Rouge, Sales Tax, Revenue, 2020, Refunding, AGMC Insured, 5%, 8/01/30 .....	2,000,000	2,254,018
East Baton Rouge Sewerage Commission, Revenue, 2014 B, Pre-Refunded, 5%, 2/01/39 .....	5,000,000	5,178,858
Revenue, 2019 A, Refunding, 4%, 2/01/45 .....	5,000,000	4,682,307
Revenue, 2020 A, Refunding, 5%, 2/01/31 .....	750,000	852,646
Greater New Orleans Expressway Commission, Revenue, 2017, AGMC Insured, 5%, 11/01/47 .....	4,000,000	4,110,229
Jefferson Parish Consolidated Sewerage District No. 1, Revenue, 2022, BAM Insured, 4%, 2/01/38 .....	1,000,000	984,211
Jefferson Parish Consolidated Waterworks District No. 2, Revenue, 2022, Refunding, BAM Insured, 4%, 2/01/40 .....	5,000,000	4,847,524
Jefferson Sales Tax District, Revenue, 2017 B, AGMC Insured, 5%, 12/01/42 .....	2,250,000	2,347,368
Lafayette Consolidated Government, GO, 2020, Refunding, 3%, 3/01/34 .....	250,000	235,132
GO, 2020, Refunding, 3%, 3/01/35 .....	200,000	183,488
Lafayette Parish School Board, Sales Tax, Revenue, 2023, 4%, 4/01/53 .....	2,500,000	2,354,376
Livingston Parish School Board, Sales & Use Tax, Revenue, 2021 A, Refunding, 4%, 5/01/30 .....	500,000	534,238
Sales & Use Tax, Revenue, 2021 A, Refunding, 4%, 5/01/31 .....	1,300,000	1,390,764
Sales & Use Tax, Revenue, 2021 A, Refunding, 4%, 5/01/32 .....	1,500,000	1,590,108
Louisiana Correctional Facilities Corp., State of Louisiana Office of Juvenile Justice, Revenue, 2021, 4%, 10/01/37 .....	875,000	878,431
State of Louisiana Office of Juvenile Justice, Revenue, 2021, 4%, 10/01/40 .....	1,305,000	1,261,445
Louisiana Housing Corp., Revenue, 2021 B, GNMA Insured, 2.05%, 6/01/36 .....	615,000	465,645
Revenue, 2021 B, GNMA Insured, 2.2%, 6/01/41 .....	1,965,000	1,420,298

**Franklin Louisiana Tax-Free Income Fund** (continued)

	Principal Amount	Value
<b>Municipal Bonds</b> (continued)		
<b>Louisiana</b> (continued)		
Louisiana Local Government Environmental Facilities & Community Development Authority,		
<sup>a</sup> City of New Orleans, Revenue, 144A, 2021, 4%, 11/01/46 . . . . .	\$2,000,000	\$1,724,206
East Ascension Parish Gravity Drainage District No. 1, Revenue, 2015, Refunding, BAM Insured, 5%, 12/01/40 . . . . .	2,925,000	3,029,036
Entergy Louisiana LLC, Revenue, 2021 A, Refunding, 2%, 6/01/30 . . . . .	1,500,000	1,310,922
Entergy Louisiana LLC, Revenue, 2021 B, Refunding, 2.5%, 4/01/36 . . . . .	3,000,000	2,422,719
Innovative Student Facilities, Inc., Revenue, 2016 A, AGMC Insured, 4%, 10/01/33 .	800,000	810,964
Innovative Student Facilities, Inc., Revenue, 2016 A, AGMC Insured, 4%, 10/01/34 .	620,000	625,523
<sup>a</sup> Invest in Americas Veterans Foundation Louisiana, Inc., Revenue, 144A, 2020 A, Refunding, 4.25%, 12/01/50 . . . . .	8,000,000	6,154,627
<sup>a</sup> Parish of Assumption, Revenue, 144A, 2021, 3.875%, 11/01/45 . . . . .	1,000,000	838,836
<sup>a</sup> Parish of St. Bernard, Revenue, 144A, 2021, 4%, 11/01/45 . . . . .	1,225,000	1,062,931
<sup>a</sup> Parish of St. Charles, Revenue, 144A, 2022, 4.5%, 11/01/47 . . . . .	2,000,000	1,851,031
<sup>a</sup> Parish of St. Tammany LA GOMESA, Revenue, 144A, 2020, 3.875%, 11/01/45 . . .	2,900,000	2,432,625
<sup>a</sup> Patriot Services Group Obligated Group, Revenue, 144A, 2021 A, 4%, 10/01/43 . .	250,000	189,266
<sup>a</sup> Patriot Services Group Obligated Group, Revenue, 144A, 2021 A, 4.25%, 10/01/48	221,200	163,196
<sup>a</sup> Patriot Services Group Obligated Group, Revenue, 144A, 2021 A, 4.5%, 10/01/53 .	309,471	228,341
<sup>a</sup> Patriot Services Group Obligated Group, Revenue, 144A, 2021 A, 5%, 10/01/61 . .	249,529	194,661
Ragin Cajun Facilities, Inc., Revenue, 2017, Refunding, AGMC Insured, 5%, 10/01/39 . . . . .	2,680,000	2,766,855
University of Louisiana at Lafayette, Revenue, 2018, AGMC Insured, 5%, 10/01/48	3,500,000	3,553,173
University of Louisiana System, Revenue, 2019, Refunding, AGMC Insured, 4%, 8/01/34 . . . . .	1,000,000	1,013,553
University of Louisiana System Board of Supervisors, Revenue, 2021, Refunding, AGMC Insured, 4%, 10/01/39 . . . . .	1,060,000	1,007,829
University of Louisiana System Board of Supervisors, Revenue, 2021, Refunding, AGMC Insured, 4%, 10/01/41 . . . . .	500,000	464,033
University of Louisiana System Board of Supervisors, Revenue, 2021, Refunding, AGMC Insured, 4%, 10/01/43 . . . . .	500,000	456,384
University of Louisiana System Board of Supervisors, Revenue, 2022, Refunding, 4%, 5/01/30 . . . . .	1,020,000	1,044,063
University of Louisiana System Board of Supervisors, Revenue, 2022, Refunding, 4%, 5/01/31 . . . . .	1,065,000	1,089,504
University of Louisiana System Board of Supervisors, Revenue, 2022, Refunding, 4%, 5/01/32 . . . . .	1,100,000	1,123,896
University of Louisiana System Board of Supervisors, Revenue, 2022, Refunding, 4%, 5/01/33 . . . . .	1,155,000	1,178,144
Woman's Hospital Foundation, Revenue, 2017 A, Refunding, 5%, 10/01/44 . . . . .	5,000,000	5,093,834
Louisiana Public Facilities Authority,		
Revenue, 2017 A, 4%, 12/15/50 . . . . .	1,940,000	1,783,459
Revenue, 2017 A, Pre-Refunded, 4%, 12/15/50 . . . . .	60,000	62,845
CHRISTUS Health Obligated Group, Revenue, 2018 E, 5%, 7/01/48 . . . . .	5,000,000	5,127,380
Franciscan Missionaries of Our Lady Health System Obligated Group, Revenue, 2015 A, 5%, 7/01/35 . . . . .	4,965,000	5,093,152
Franciscan Missionaries of Our Lady Health System Obligated Group, Revenue, 2015 A, Pre-Refunded, 5%, 7/01/35 . . . . .	35,000	36,523
Louisiana Children's Medical Center Obligated Group, Revenue, 2015 A-1, 5%, 6/01/45 . . . . .	10,000,000	10,198,953
Louisiana Children's Medical Center Obligated Group, Revenue, 2020 A, 4%, 6/01/50	5,000,000	4,599,466
Louisiana State University & Agricultural & Mechanical College Auxiliary, Revenue, 2016 A, 5%, 7/01/46 . . . . .	6,500,000	6,588,288
Louisiana State University & Agricultural & Mechanical College Auxiliary, Revenue, 2017, 5%, 7/01/52 . . . . .	2,310,000	2,335,457
Loyola University New Orleans, Revenue, 2021, Refunding, 4%, 10/01/37 . . . . .	2,020,000	1,885,005
Loyola University New Orleans, Revenue, 2021, Refunding, 4%, 10/01/39 . . . . .	3,460,000	3,185,459
Loyola University New Orleans, Revenue, 2021, Refunding, 4%, 10/01/41 . . . . .	2,850,000	2,562,823
Ochsner Clinic Foundation Obligated Group, Revenue, 2002 B, ETM, 5.75%, 5/15/23	2,500,000	2,512,871

## Franklin Louisiana Tax-Free Income Fund (continued)

	Principal Amount	Value
<b>Municipal Bonds</b> (continued)		
<b>Louisiana</b> (continued)		
Louisiana Public Facilities Authority, (continued)		
Ochsner Clinic Foundation Obligated Group, Revenue, 2016, Pre-Refunded, 5%, 5/15/34 . . . . .	\$30,000	\$31,694
Ochsner Clinic Foundation Obligated Group, Revenue, 2016, Pre-Refunded, 5%, 5/15/47 . . . . .	20,000	21,130
Ochsner Clinic Foundation Obligated Group, Revenue, 2017, Refunding, 5%, 5/15/46	12,000,000	12,137,846
<sup>a</sup> Provident Group - HSC Properties, Inc., Revenue, 144A, 2020 A-1, 5.5%, 1/01/50 . . . . .	2,000,000	1,921,312
Roman Catholic Church of the Archdiocese of New Orleans, Revenue, 2017, Refunding, 5%, 7/01/37 . . . . .	3,750,000	3,187,500
Tulane University, Revenue, 2013 B, 5%, 10/01/37 . . . . .	5,540,000	5,545,324
Tulane University, Revenue, 2016 A, Refunding, 5%, 12/15/41 . . . . .	3,000,000	3,127,041
Tulane University, Revenue, 2020 A, Refunding, 5%, 4/01/45 . . . . .	1,000,000	1,054,303
Louisiana Stadium & Exposition District, Revenue, 2020, 5%, 7/03/23 . . . . .	1,150,000	1,151,137
Louisiana State Transportation Authority, Revenue, 2013 A, Pre-Refunded, 5%, 8/15/38	4,500,000	4,537,151
Louisiana State University & Agricultural & Mechanical College, Auxiliary, Revenue, 2016 A, Pre-Refunded, 5%, 7/01/40 . . . . .	4,500,000	4,795,574
Natchitoches Parish School District No. 9, GO, 2018, AGMC Insured, 5%, 3/01/38 . . . . .	1,440,000	1,559,939
New Orleans Aviation Board, Louis Armstrong New Orleans International Airport, Revenue, 2017 A, 5%, 1/01/48 . . . . .	10,000,000	10,238,115
Parish of East Baton Rouge Capital Improvements District, Revenue, 2019, 4%, 8/01/44 . . . . .	2,055,000	1,991,426
Revenue, 2019, 5%, 8/01/48 . . . . .	2,500,000	2,616,039
Parish of Terrebonne, Sales & Use Tax, Revenue, 2020 A, 4%, 3/01/35 . . . . .	1,015,000	1,025,926
Sales & Use Tax, Revenue, 2020 A, 4%, 3/01/41 . . . . .	2,660,000	2,551,967
Port New Orleans Board of Commissioners, Revenue, 2018 A, AGMC Insured, 5%, 4/01/48 . . . . .	2,750,000	2,832,217
Revenue, 2018 B, Refunding, AGMC Insured, 5%, 4/01/43 . . . . .	2,000,000	2,040,006
Revenue, 2020 D, 5%, 4/01/50 . . . . .	6,000,000	6,192,252
Rapides Parish Consolidated School District No. 62, GO, 2022, AGMC Insured, 5%, 3/01/42 . . . . .	1,100,000	1,179,949
St. Tammany Parish Hospital Service District No. 1, Revenue, 2018 A, Refunding, 5%, 7/01/48 . . . . .	5,500,000	5,515,645
State of Louisiana, GO, 2016 A, 5%, 9/01/36 . . . . .	5,000,000	5,240,076
GO, 2019 A, 5%, 3/01/37 . . . . .	3,000,000	3,267,046
Gasoline & Fuels Tax, Revenue, First Lien, 2015 A, Pre-Refunded, 5%, 5/01/41 . . . . .	3,000,000	3,116,650
Gasoline & Fuels Tax, Revenue, Second Lien, 2017 C, Refunding, 5%, 5/01/40 . . . . .	5,000,000	5,265,920
Gasoline & Fuels Tax, Revenue, Second Lien, 2017 C, Refunding, 5%, 5/01/45 . . . . .	10,000,000	10,409,107
Tangipahoa Parish Hospital Service District No. 1, Revenue, 2021, Refunding, 4%, 2/01/35 . . . . .	2,250,000	2,204,030
Revenue, 2021, Refunding, 4%, 2/01/38 . . . . .	2,000,000	1,831,365
Terrebonne Levee & Conservation District, Sales Tax, Revenue, 2020 B, Refunding, 4%, 6/01/41 . . . . .	1,000,000	965,006
West Feliciana Parish Parishwide Consolidated School District No. 1, GO, 2020, 4%, 3/01/50 . . . . .	3,000,000	2,739,255
		<u>270,278,756</u>
<b>South Carolina 0.4%</b>		
South Carolina Jobs-Economic Development Authority,		
<sup>a</sup> Revenue, 144A, 2021 A-1, 3.65%, 12/01/36 . . . . .	700,000	560,426
AHPC Vista Towers 2021 LLC, Revenue, 2021 A-1, 3.65%, 12/01/36 . . . . .	700,000	558,709
		<u>1,119,135</u>

**Franklin Louisiana Tax-Free Income Fund** (continued)

	Principal Amount	Value
<b>Municipal Bonds</b> (continued)		
<b>Texas 0.7%</b>		
City of Dallas, DHFC - Briscoe Apartments LLC (The), Revenue, Senior Lien, 2022 A, 6%, 12/01/62 . . . . .	\$450,000	\$462,573
<sup>a</sup> EP Cimarron Ventanas PFC, Revenue, Senior Lien, 144A, 2021 A, 4%, 12/01/51. . . .	900,000	667,565
<sup>a</sup> Pecan Public Facility Corp., Revenue, 144A, 2022 A-2, 5%, 12/01/52 . . . . .	1,250,000	914,495
		<u>2,044,633</u>
<b>Washington 0.2%</b>		
<sup>a</sup> Washington State Housing Finance Commission, Madison at Rivers Edge Apartments LLC, Revenue, 144A, 2021 A, 3.65%, 1/01/37 . . . . .	700,000	560,451
<b>Wisconsin 1.4%</b>		
<sup>a</sup> Public Finance Authority, Revenue, 144A, 2022, B-1, 4%, 12/28/44 . . . . .	800,000	633,883
AL-FL Portfolio Obligated Group, Revenue, 144A, 2021 A, 3.4%, 12/01/36 . . . . .	1,225,000	981,096
Gulf Coast Portfolio Obligated Group, Revenue, 144A, 2021, 5.25%, 12/01/23 . . . .	1,800,000	1,800,000
Pine Forest 2022 Obligated Group, Revenue, 144A, 2022 A, 6.5%, 12/01/52 . . . . .	500,000	494,741
		<u>3,909,720</u>
<b>U.S. Territories 2.2%</b>		
<b>Puerto Rico 2.2%</b>		
Puerto Rico Electric Power Authority, Revenue, VV, Refunding, NATL Insured, 5.25%, 7/01/32 . . . . .	500,000	501,297
<sup>b</sup> Revenue, WW, 5.25%, 7/01/33. . . . .	855,000	600,638
Puerto Rico Highway & Transportation Authority, Revenue, 2022 A, 5%, 7/01/62 . . . . .	585,911	543,432
Revenue, 2022 B, Zero Cpn., 7/01/32. . . . .	380,763	237,977
Revenue, 2022 C, Zero Cpn., 7/01/53 . . . . .	651,329	361,599
Puerto Rico Sales Tax Financing Corp., Sales Tax, Revenue, A-1, 4.75%, 7/01/53 . . . . .	3,500,000	3,137,337
Sales Tax, Revenue, A-1, 5%, 7/01/58 . . . . .	1,196,000	1,109,649
		<u>6,491,929</u>
<b>Total U.S. Territories</b> . . . . .		<u>6,491,929</u>
<b>Total Municipal Bonds (Cost \$308,359,816)</b> . . . . .		<u>285,724,267</u>
<b>Total Investments (Cost \$308,359,816) 98.0%</b> . . . . .		<b>\$285,724,267</b>
<b>Other Assets, less Liabilities 2.0%</b> . . . . .		<u>5,715,701</u>
<b>Net Assets 100.0%</b> . . . . .		<u><b>\$291,439,968</b></u>

See Abbreviations on page 148.

<sup>a</sup>Security was purchased pursuant to Rule 144A or Regulation S under the Securities Act of 1933. 144A securities may be sold in transactions exempt from registration only to qualified institutional buyers or in a public offering registered under the Securities Act of 1933. Regulation S securities cannot be sold in the United States without either an effective registration statement filed pursuant to the Securities Act of 1933, or pursuant to an exemption from registration. At February 28, 2023, the aggregate value of these securities was \$24,693,332, representing 8.5% of net assets.

<sup>b</sup>See Note 7 regarding defaulted securities.

## Financial Highlights

### Franklin Maryland Tax-Free Income Fund

	Year Ended February 28,				Year Ended February 28,
	2023	2022	2021	2020 <sup>a</sup>	2019 <sup>b</sup>
<b>Class A</b>					
<b>Per share operating performance</b>					
(for a share outstanding throughout the year)					
Net asset value, beginning of year . . . . .	\$10.71	\$10.97	\$11.35	\$10.80	\$10.76
Income from investment operations <sup>c</sup> :					
Net investment income <sup>d</sup> . . . . .	0.26	0.23	0.28	0.29	0.15
Net realized and unrealized gains (losses) . . . . .	(0.96)	(0.26)	(0.38)	0.57	0.04
Total from investment operations . . . . .	(0.70)	(0.03)	(0.10)	0.86	0.19
Less distributions from:					
Net investment income . . . . .	(0.26)	(0.23)	(0.28)	(0.31)	(0.15)
Net asset value, end of year . . . . .	\$9.75	\$10.71	\$10.97	\$11.35	\$10.80
Total return <sup>e</sup> . . . . .	(6.56)%	(0.30)%	(0.84)%	8.11%	1.84%
<b>Ratios to average net assets<sup>f</sup></b>					
Expenses <sup>g</sup> . . . . .	0.89%	0.87%	0.87%	0.88%	0.88%
Net investment income . . . . .	2.62%	2.10%	2.55%	2.65%	2.95%
<b>Supplemental data</b>					
Net assets, end of year (000's) . . . . .	\$80,313	\$90,950	\$78,374	\$60,104	\$26,572
Portfolio turnover rate . . . . .	37.44%	15.00%	28.27%	7.50%	5.33%

<sup>a</sup>For the year ended February 29.

<sup>b</sup>For the period September 10, 2018 (effective date) to February 28, 2019.

<sup>c</sup>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's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

<sup>d</sup>Based on average daily shares outstanding.

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

<sup>f</sup>Ratios are annualized for periods less than one year.

<sup>g</sup>Benefit of expense reduction rounds to less than 0.01%.

**Franklin Maryland Tax-Free Income Fund** (continued)

	Year Ended February 28,				
	2023	2022	2021	2020 <sup>a</sup>	2019
<b>Class A1</b>					
<b>Per share operating performance</b>					
(for a share outstanding throughout the year)					
Net asset value, beginning of year . . . . .	\$10.71	\$10.97	\$11.36	\$10.80	\$10.76
Income from investment operations <sup>b</sup> :					
Net investment income <sup>c</sup> . . . . .	0.27	0.25	0.30	0.31	0.33
Net realized and unrealized gains (losses) . . . . .	(0.96)	(0.26)	(0.39)	0.58	0.05
Total from investment operations . . . . .	(0.69)	(0.01)	(0.09)	0.89	0.38
Less distributions from:					
Net investment income . . . . .	(0.27)	(0.25)	(0.30)	(0.33)	(0.34)
Net asset value, end of year . . . . .	\$9.75	\$10.71	\$10.97	\$11.36	\$10.80
Total return <sup>d</sup> . . . . .	(6.42)%	(0.15)%	(0.69)%	8.27%	3.59%
<b>Ratios to average net assets</b>					
Expenses <sup>e</sup> . . . . .	0.74%	0.72%	0.72%	0.73%	0.73%
Net investment income . . . . .	2.76%	2.25%	2.72%	2.80%	3.10%
<b>Supplemental data</b>					
Net assets, end of year (000's) . . . . .	\$162,447	\$214,264	\$240,637	\$270,309	\$279,750
Portfolio turnover rate . . . . .	37.44%	15.00%	28.27%	7.50%	5.33%

<sup>a</sup>For the year ended February 29.

<sup>b</sup>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's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

<sup>c</sup>Based on average daily shares outstanding.

<sup>d</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable.

<sup>e</sup>Benefit of expense reduction rounds to less than 0.01%.

**Franklin Maryland Tax-Free Income Fund** (continued)

	Year Ended February 28,				
	2023	2022	2021	2020 <sup>a</sup>	2019
<b>Class C</b>					
<b>Per share operating performance</b>					
(for a share outstanding throughout the year)					
Net asset value, beginning of year . . . . .	\$10.94	\$11.20	\$11.59	\$11.02	\$10.98
Income from investment operations <sup>b</sup> :					
Net investment income <sup>c</sup> . . . . .	0.22	0.19	0.24	0.25	0.28
Net realized and unrealized gains (losses) . . . . .	(0.99)	(0.26)	(0.39)	0.59	0.04
Total from investment operations . . . . .	(0.77)	(0.07)	(0.15)	0.84	0.32
Less distributions from:					
Net investment income . . . . .	(0.22)	(0.19)	(0.24)	(0.27)	(0.28)
Net asset value, end of year . . . . .	\$9.95	\$10.94	\$11.20	\$11.59	\$11.02
Total return <sup>d</sup> . . . . .	(7.08)%	(0.70)%	(1.30)%	7.75%	2.94%
<b>Ratios to average net assets</b>					
Expenses <sup>e</sup> . . . . .	1.28%	1.26%	1.26%	1.28%	1.28%
Net investment income . . . . .	2.15%	1.65%	2.13%	2.25%	2.55%
<b>Supplemental data</b>					
Net assets, end of year (000's) . . . . .	\$17,531	\$24,227	\$34,896	\$45,502	\$56,323
Portfolio turnover rate . . . . .	37.44%	15.00%	28.27%	7.50%	5.33%

<sup>a</sup>For the year ended February 29.<sup>b</sup>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's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.<sup>c</sup>Based on average daily shares outstanding.<sup>d</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable.<sup>e</sup>Benefit of expense reduction rounds to less than 0.01%.

**Franklin Maryland Tax-Free Income Fund** (continued)

	Year Ended February 28,				
	2023	2022	2021	2020 <sup>a</sup>	2019
<b>Class R6</b>					
<b>Per share operating performance</b>					
(for a share outstanding throughout the year)					
Net asset value, beginning of year . . . . .	\$10.73	\$10.99	\$11.37	\$10.82	\$10.78
Income from investment operations <sup>b</sup> :					
Net investment income <sup>c</sup> . . . . .	0.29	0.26	0.31	0.32	0.35
Net realized and unrealized gains (losses) . . . . .	(0.96)	(0.25)	(0.37)	0.58	0.04
Total from investment operations . . . . .	(0.67)	0.01	(0.06)	0.90	0.39
Less distributions from:					
Net investment income . . . . .	(0.29)	(0.27)	(0.32)	(0.35)	(0.35)
Net asset value, end of year . . . . .	\$9.77	\$10.73	\$10.99	\$11.37	\$10.82
Total return . . . . .	(6.27)%	(—)% <sup>d</sup>	(0.55)%	8.41%	3.71%
<b>Ratios to average net assets</b>					
Expenses before waiver and payments by affiliates . . . . .	0.60%	0.57%	0.59%	0.60%	0.61%
Expenses net of waiver and payments by affiliates <sup>e</sup> . . . . .	0.60%	0.57% <sup>f</sup>	0.57%	0.58%	0.58%
Net investment income . . . . .	2.91%	2.39%	2.81%	2.95%	3.25%
<b>Supplemental data</b>					
Net assets, end of year (000's) . . . . .	\$11,709	\$13,771	\$8,033	\$3,642	\$1,753
Portfolio turnover rate . . . . .	37.44%	15.00%	28.27%	7.50%	5.33%

<sup>a</sup>For the year ended February 29.

<sup>b</sup>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's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

<sup>c</sup>Based on average daily shares outstanding.

<sup>d</sup>Rounds to less than 0.01%.

<sup>e</sup>Benefit of expense reduction rounds to less than 0.01%.

<sup>f</sup>Benefit of waiver and payments by affiliates rounds to less than 0.01%.

**Franklin Maryland Tax-Free Income Fund** (continued)

	Year Ended February 28,				
	2023	2022	2021	2020 <sup>a</sup>	2019
<b>Advisor Class</b>					
<b>Per share operating performance</b>					
(for a share outstanding throughout the year)					
Net asset value, beginning of year . . . . .	\$10.73	\$10.98	\$11.37	\$10.81	\$10.77
Income from investment operations <sup>b</sup> :					
Net investment income <sup>c</sup> . . . . .	0.28	0.26	0.31	0.32	0.34
Net realized and unrealized gains (losses) . . . . .	(0.97)	(0.25)	(0.39)	0.58	0.05
Total from investment operations . . . . .	(0.69)	0.01	(0.08)	0.90	0.39
Less distributions from:					
Net investment income . . . . .	(0.28)	(0.26)	(0.31)	(0.34)	(0.35)
Net asset value, end of year . . . . .	\$9.76	\$10.73	\$10.98	\$11.37	\$10.81
Total return . . . . .	(6.41)%	0.04%	(0.68)%	8.47%	3.68%
<b>Ratios to average net assets</b>					
Expenses <sup>d</sup> . . . . .	0.64%	0.62%	0.62%	0.63%	0.63%
Net investment income . . . . .	2.87%	2.35%	2.81%	2.90%	3.20%
<b>Supplemental data</b>					
Net assets, end of year (000's) . . . . .	\$45,667	\$55,284	\$57,854	\$54,079	\$44,264
Portfolio turnover rate . . . . .	37.44%	15.00%	28.27%	7.50%	5.33%

<sup>a</sup>For the year ended February 29.<sup>b</sup>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's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.<sup>c</sup>Based on average daily shares outstanding.<sup>d</sup>Benefit of expense reduction rounds to less than 0.01%.

## Schedule of Investments, February 28, 2023

## Franklin Maryland Tax-Free Income Fund

	Principal Amount	Value
<b>Municipal Bonds 99.1%</b>		
<b>Delaware 0.6%</b>		
HTA HRRB Custodial Trust, Revenue, 2007 CC, 5.25%, 7/01/33 . . . . .	\$1,805,000	\$1,826,691
<b>Georgia 0.3%</b>		
<sup>a</sup> Development Authority of Rockdale County, AHPC Terraces at Fieldstone LLC, Revenue, 144A, 2021 A-1, 3.5%, 12/01/36 . . . . .	1,325,000	1,062,786
<b>Maryland 88.2%</b>		
City of Baltimore,		
Harbor Point Special Taxing District, Revenue, 2016, Refunding, 5.125%, 6/01/43 . . . . .	3,000,000	2,977,743
Wastewater Utility Fund, Revenue, 2017 A, 5%, 7/01/46 . . . . .	5,000,000	5,171,403
Wastewater Utility Fund, Revenue, 2022 A, 5%, 7/01/38 . . . . .	1,415,000	1,589,768
Wastewater Utility Fund, Revenue, 2022 A, 5%, 7/01/39 . . . . .	1,495,000	1,666,615
Water Utility Fund, Revenue, 2020 A, 5%, 7/01/50 . . . . .	9,115,000	9,708,653
City of Gaithersburg, Asbury Maryland Obligated Group, Revenue, 2022, 4.5%, 1/01/42 . . . . .	1,500,000	1,273,657
<sup>b</sup> County of Anne Arundel, Glenview Housing LP, Revenue, 2009, Mandatory Put, 5%, 1/01/27 . . . . .	1,815,000	1,817,553
<sup>a</sup> County of Frederick, Urbana Community Development Authority, Special Tax, 144A, 2020 C, 4%, 7/01/50 . . . . .	3,995,000	3,427,201
County of Harford,		
Beechtree Estates Development District, Tax Allocation, 2021, Refunding, 4%, 7/01/31 . . . . .	150,000	157,542
Beechtree Estates Development District, Tax Allocation, 2021, Refunding, 4%, 7/01/36 . . . . .	750,000	754,601
Beechtree Estates Development District, Tax Allocation, 2021, Refunding, 4%, 7/01/40 . . . . .	675,000	646,789
County of Prince George's,		
GO, 2018 A, 4%, 7/15/35 . . . . .	5,000,000	5,149,561
GO, 2020 A, 5%, 7/15/40 . . . . .	900,000	968,477
Howard County Housing Commission,		
Revenue, 2013, 5%, 10/01/28 . . . . .	10,000,000	10,103,176
Revenue, 2016, 4%, 6/01/46 . . . . .	2,000,000	1,828,630
Revenue, 2017, 5%, 12/01/46 . . . . .	5,000,000	5,180,281
Maryland Community Development Administration,		
Housing, Revenue, 2019 D, 3%, 7/01/39 . . . . .	1,500,000	1,265,943
Housing, Revenue, 2019 D, 3.2%, 7/01/44 . . . . .	1,000,000	851,049
Maryland Community Development Administration Local Government Infrastructure,		
Revenue, 2017 A-1, 4%, 6/01/47 . . . . .	2,300,000	2,180,859
Revenue, 2018 A-1, 5%, 6/01/48 . . . . .	1,310,000	1,382,975
Revenue, Senior Lien, 2019 B-1, 4%, 6/01/49 . . . . .	3,000,000	2,822,320
Maryland Economic Development Corp.,		
Annapolis Parking System, Revenue, Senior Lien, 2022 A, 5.25%, 6/30/53 . . . . .	5,000,000	5,179,112
Frostburg State University Project, Revenue, Senior Lien, 2013, Refunding, 5%, 10/01/33 . . . . .	5,000,000	5,003,756
Morgan View & Thurgood Marshall Student Housing, Revenue, 2020, 4%, 7/01/40 . . . . .	1,000,000	903,252
Morgan View & Thurgood Marshall Student Housing, Revenue, 2020, 5%, 7/01/50 . . . . .	1,250,000	1,237,758
Morgan View & Thurgood Marshall Student Housing, Revenue, 2022 A, 6%, 7/01/58 . . . . .	4,620,000	4,989,386
Purple Line Transit Partners LLC, Revenue, 2022 B, 5.25%, 6/30/47 . . . . .	5,000,000	5,029,883
Purple Line Transit Partners LLC, Revenue, 2022 B, 5.25%, 6/30/52 . . . . .	5,000,000	5,020,113
University of Maryland College Park, Revenue, 2016, Refunding, AGMC Insured, 5%, 6/01/35 . . . . .	4,225,000	4,402,288
University of Maryland College Park, Revenue, 2016, Refunding, AGMC Insured, 5%, 6/01/43 . . . . .	3,305,000	3,376,848
University Park Phase I & II at Salisbury University, Revenue, 2013, Refunding, 5%, 6/01/34 . . . . .	2,040,000	2,029,440
University Village at Sheppard Pratt, Revenue, 2012, Refunding, 5%, 7/01/27 . . . . .	1,500,000	1,500,416
University Village at Sheppard Pratt, Revenue, 2012, Refunding, 5%, 7/01/33 . . . . .	2,495,000	2,494,999
West Village & Millennium Hall Student Housing at Towson University, Revenue, Senior Lien, 2012, 5%, 7/01/27 . . . . .	1,145,000	1,145,701

## Franklin Maryland Tax-Free Income Fund (continued)

	Principal Amount	Value
<b>Municipal Bonds</b> (continued)		
<b>Maryland</b> (continued)		
Maryland Health & Higher Educational Facilities Authority,		
Adventist Healthcare Obligated Group, Revenue, 2016 A, 5.5%, 1/01/46 . . . . .	\$9,750,000	\$9,811,395
Adventist Healthcare Obligated Group, Revenue, 2020, Refunding, 4%, 1/01/38 . . . . .	865,000	763,770
Adventist Healthcare Obligated Group, Revenue, 2021 B, 4%, 1/01/51 . . . . .	2,000,000	1,652,116
Charlestown Community, Inc., Revenue, 2016 A, Refunding, 5%, 1/01/45 . . . . .	4,170,000	4,239,013
Frederick Health, Inc. Obligated Group, Revenue, 2020, Refunding, 4%, 7/01/50 . . . . .	1,715,000	1,500,984
Goucher College, Revenue, 2017 A, Refunding, 5%, 7/01/44 . . . . .	7,470,000	7,653,211
Johns Hopkins Medical Institutions Parking System, Revenue, 2001, AMBAC Insured, 5%, 7/01/27 . . . . .	655,000	659,810
Johns Hopkins Medical Institutions Parking System, Revenue, 2004, AMBAC Insured, 5%, 7/01/34 . . . . .	5,000,000	5,037,048
LifeBridge Health Obligated Group, Revenue, 2016, Refunding, 5%, 7/01/47 . . . . .	4,000,000	4,072,440
LifeBridge Health Obligated Group, Revenue, 2017, Refunding, 5%, 7/01/44 . . . . .	2,000,000	2,046,675
Loyola University Maryland, Inc., Revenue, 2014, Refunding, 5%, 10/01/45 . . . . .	2,250,000	2,293,474
Loyola University Maryland, Inc., Revenue, 2019 A, Refunding, 5%, 10/01/49 . . . . .	2,000,000	2,115,643
Maryland Institute College of Art, Revenue, 2012, 5%, 6/01/29 . . . . .	1,000,000	1,000,865
Maryland Institute College of Art, Revenue, 2016, Refunding, 4%, 6/01/42 . . . . .	5,325,000	4,926,693
MedStar Health Obligated Group, Revenue, 1997, AMBAC Insured, ETM, 5%, 7/01/27 . . . . .	7,240,000	7,546,694
MedStar Health Obligated Group, Revenue, 2013 A, 5%, 8/15/38 . . . . .	5,000,000	5,019,931
MedStar Health Obligated Group, Revenue, 2015, Refunding, 5%, 8/15/38 . . . . .	2,100,000	2,133,084
MedStar Health Obligated Group, Revenue, 2017 A, 5%, 5/15/45 . . . . .	5,000,000	5,098,695
Meritus Medical Center Obligated Group, Revenue, 2015, Refunding, 5%, 7/01/40 . . . . .	8,535,000	8,641,961
Stevenson University, Inc., Revenue, 2021 A, Refunding, 5%, 6/01/28 . . . . .	630,000	669,002
Stevenson University, Inc., Revenue, 2021 A, Refunding, 5%, 6/01/30 . . . . .	1,125,000	1,216,271
Stevenson University, Inc., Revenue, 2021 A, Refunding, 5%, 6/01/32 . . . . .	800,000	868,548
Stevenson University, Inc., Revenue, 2021 A, Refunding, 4%, 6/01/34 . . . . .	350,000	348,018
Stevenson University, Inc., Revenue, 2021 A, Refunding, 4%, 6/01/36 . . . . .	1,125,000	1,088,486
Stevenson University, Inc., Revenue, 2021 A, Refunding, 4%, 6/01/40 . . . . .	1,850,000	1,719,693
Stevenson University, Inc., Revenue, 2021 A, Refunding, 4%, 6/01/46 . . . . .	1,000,000	882,998
Stevenson University, Inc., Revenue, 2021 A, Refunding, 4%, 6/01/55 . . . . .	3,250,000	2,737,122
Trinity Health Corp. Obligated Group, Revenue, 2017 MD, 5%, 12/01/46 . . . . .	1,680,000	1,713,736
University of Maryland Medical System Obligated Group, Revenue, 2017 B, Refunding, 5%, 7/01/39 . . . . .	10,000,000	10,343,716
University of Maryland Medical System Obligated Group, Revenue, 2017 D, 4%, 7/01/48 . . . . .	5,000,000	4,578,319
Maryland Industrial Development Financing Authority,		
McDonogh School, Inc., Revenue, 2019, Refunding, 4%, 9/01/43 . . . . .	1,100,000	1,015,916
McDonogh School, Inc., Revenue, 2019, Refunding, 4%, 9/01/48 . . . . .	610,000	551,752
Maryland Stadium Authority,		
Baltimore City Public School Construction Financing Fund, Revenue, 2016, Pre-Refunded, 5%, 5/01/46 . . . . .	4,085,000	4,344,756
Baltimore City Public School Construction Financing Fund, Revenue, 2020 A, 5%, 5/01/50 . . . . .	12,225,000	12,985,060
Built to Learn, Revenue, 2021, 4%, 6/01/35 . . . . .	1,590,000	1,627,327
Built to Learn, Revenue, 2022 A, 4%, 6/01/47 . . . . .	5,000,000	4,585,470
Maryland State Transportation Authority,		
Revenue, 2020, 4%, 7/01/45 . . . . .	4,000,000	3,857,761
Revenue, 2021 A, Refunding, 5%, 7/01/46 . . . . .	4,900,000	5,307,606
State of Maryland, GO, 2022 A, 5%, 6/01/37 . . . . .	10,000,000	11,460,905
State of Maryland Department of Transportation,		
Maryland Aviation Administration, Revenue, 2021 B, 5%, 8/01/46 . . . . .	3,000,000	3,086,241
Maryland Aviation Administration, Revenue, 2021 B, 4%, 8/01/51 . . . . .	3,500,000	3,147,835
Town of Chestertown,		
Washington College, Revenue, 2021 A, Refunding, 4%, 3/01/36 . . . . .	2,700,000	2,513,080
Washington College, Revenue, 2021 A, Refunding, 4%, 3/01/37 . . . . .	3,095,000	2,836,043

**Franklin Maryland Tax-Free Income Fund** (continued)

	Principal Amount	Value
<b>Municipal Bonds</b> (continued)		
<b>Maryland</b> (continued)		
University System of Maryland, Revenue, 2021 A, Refunding, 4%, 4/01/32 . . . . .	\$2,855,000	\$3,099,558
Washington Suburban Sanitary Commission, Revenue, 2023, 4%, 6/01/49 . . . . .	9,500,000	9,182,041
Revenue, Second Series, 2016, 4%, 6/01/43 . . . . .	5,000,000	4,922,151
		<u>280,140,661</u>
<b>New Jersey 0.8%</b>		
New Jersey Transportation Trust Fund Authority, Revenue, 2022 BB, 4%, 6/15/39 . . .	2,500,000	<u>2,417,313</u>
<b>South Carolina 0.6%</b>		
South Carolina Jobs-Economic Development Authority, <sup>a</sup> Revenue, 144A, 2021 A-1, 3.65%, 12/01/36 . . . . .	700,000	560,427
AHPC Vista Towers 2021 LLC, Revenue, 2021 A-1, 3.65%, 12/01/36 . . . . .	700,000	558,709
<sup>a</sup> Columbia Portfolio Obligated Group, Revenue, 144A, 2022 A-2, Zero Cpn., 6/01/52	1,350,000	845,501
		<u>1,964,637</u>
<b>Texas 0.7%</b>		
City of Dallas, DHFC - Briscoe Apartments LLC (The), Revenue, Senior Lien, 2022 A, 6%, 12/01/62 . . . . .	550,000	565,367
<sup>a</sup> EP Cimarron Ventanas PFC, Revenue, Senior Lien, 144A, 2021 A, 4%, 12/01/51. . . .	1,000,000	741,739
<sup>a</sup> Pecan Public Facility Corp., Revenue, 144A, 2022 A-2, 5%, 12/01/52 . . . . .	1,300,000	951,075
		<u>2,258,181</u>
<b>Washington 0.2%</b>		
<sup>a</sup> Washington State Housing Finance Commission, Madison at Rivers Edge Apartments LLC, Revenue, 144A, 2021 A, 3.65%, 1/01/37 . . . . .	700,000	<u>560,451</u>
<b>Wisconsin 1.0%</b>		
<sup>a</sup> Public Finance Authority, Revenue, 144A, 2022, B-1, 4%, 12/28/44 . . . . .	800,000	633,883
Gulf Coast Portfolio Obligated Group, Revenue, 144A, 2021, 5.25%, 12/01/23 . . . .	2,000,000	2,000,000
Pine Forest 2022 Obligated Group, Revenue, 144A, 2022 A, 6.5%, 12/01/52 . . . . .	500,000	494,741
		<u>3,128,624</u>
<b>U.S. Territories 6.7%</b>		
<b>District of Columbia 3.2%</b>		
Washington Metropolitan Area Transit Authority, Revenue, 2017 B, 5%, 7/01/42. . . . .	2,500,000	2,616,701
Dedicated, Revenue, 2020 A, 5%, 7/15/45 . . . . .	2,500,000	2,668,322
Dedicated, Revenue, 2021 A, 4%, 7/15/43 . . . . .	1,750,000	1,681,668
Dedicated, Revenue, 2021 A, 5%, 7/15/46 . . . . .	3,000,000	3,219,448
		<u>10,186,139</u>
<b>Puerto Rico 3.5%</b>		
HTA TRRB Custodial Trust, Revenue, 2005 L, 5.25%, 7/01/41 . . . . .	2,550,000	2,578,018
Puerto Rico Electric Power Authority, Revenue, VV, Refunding, NATL Insured, 5.25%, 7/01/32 . . . . .	2,000,000	2,005,189
<sup>c</sup> Revenue, WW, 5.5%, 7/01/38. . . . .	1,975,000	1,397,312
Puerto Rico Highway & Transportation Authority, Revenue, 2022 A, 5%, 7/01/62. . . . .	94,046	87,228
Revenue, 2022 B, Zero Cpn., 7/01/32. . . . .	61,117	38,198
Revenue, 2022 C, Zero Cpn., 7/01/53 . . . . .	104,547	58,041
Puerto Rico Sales Tax Financing Corp., Sales Tax, Revenue, A-1, 4.75%, 7/01/53 . . . . .	3,600,000	3,226,976

## Franklin Maryland Tax-Free Income Fund (continued)

	Principal Amount	Value
<b>Municipal Bonds</b> (continued)		
<b>U.S. Territories</b> (continued)		
<b>Puerto Rico</b> (continued)		
Puerto Rico Sales Tax Financing Corp., (continued)		
Sales Tax, Revenue, A-1, 5%, 7/01/58 .....	\$1,900,000	\$1,762,820
		11,153,782
<b>Total U.S. Territories</b> .....		21,339,921
<b>Total Municipal Bonds (Cost \$334,791,804)</b> .....		<b>314,699,265</b>
<b>Short Term Investments 0.2%</b>		
<b>Municipal Bonds 0.2%</b>		
<b>Maryland 0.2%</b>		
<sup>d</sup> County of Montgomery, GO, 2017 E, SPA US Bank NA, Daily VRDN and Put, 2.4%, 11/01/37 .....	500,000	500,000
<b>Total Municipal Bonds (Cost \$500,000)</b> .....		<b>500,000</b>
<b>Total Short Term Investments (Cost \$500,000)</b> .....		<b>500,000</b>
<b>Total Investments (Cost \$335,291,804) 99.3%</b> .....		<b>\$315,199,265</b>
<b>Other Assets, less Liabilities 0.7%</b> .....		<b>2,467,438</b>
<b>Net Assets 100.0%</b> .....		<b>\$317,666,703</b>

See Abbreviations on page 148.

<sup>a</sup>Security was purchased pursuant to Rule 144A or Regulation S under the Securities Act of 1933. 144A securities may be sold in transactions exempt from registration only to qualified institutional buyers or in a public offering registered under the Securities Act of 1933. Regulation S securities cannot be sold in the United States without either an effective registration statement filed pursuant to the Securities Act of 1933, or pursuant to an exemption from registration. At February 28, 2023, the aggregate value of these securities was \$11,277,804, representing 3.6% of net assets.

<sup>b</sup>The maturity date shown represents the mandatory put date.

<sup>c</sup>See Note 7 regarding defaulted securities.

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

## Financial Highlights

### Franklin Missouri Tax-Free Income Fund

	Year Ended February 28,				Year Ended February 28, 2019 <sup>b</sup>
	2023	2022	2021	2020 <sup>a</sup>	
<b>Class A</b>					
<b>Per share operating performance</b>					
(for a share outstanding throughout the year)					
Net asset value, beginning of year . . . . .	\$11.48	\$11.85	\$12.09	\$11.47	\$11.41
Income from investment operations <sup>c</sup> :					
Net investment income <sup>d</sup> . . . . .	0.31	0.28	0.29	0.31	0.16
Net realized and unrealized gains (losses) . . . . .	(1.22)	(0.37)	(0.24)	0.63	0.06
Total from investment operations . . . . .	(0.91)	(0.09)	0.05	0.94	0.22
Less distributions from:					
Net investment income . . . . .	(0.30)	(0.28)	(0.29)	(0.32)	(0.16)
Net asset value, end of year . . . . .	\$10.27	\$11.48	\$11.85	\$12.09	\$11.47
Total return <sup>e</sup> . . . . .	(7.92)%	(0.84)%	0.41%	8.32%	1.98%
<b>Ratios to average net assets<sup>f</sup></b>					
Expenses <sup>g</sup> . . . . .	0.82%	0.81%	0.81%	0.81%	0.84%
Net investment income . . . . .	2.90%	2.33%	2.42%	2.62%	2.96%
<b>Supplemental data</b>					
Net assets, end of year (000's) . . . . .	\$166,355	\$208,059	\$169,677	\$122,845	\$63,400
Portfolio turnover rate . . . . .	26.78%	21.64%	18.20%	14.83%	9.79%

<sup>a</sup>For the year ended February 29.

<sup>b</sup>For the period September 10, 2018 (effective date) to February 28, 2019.

<sup>c</sup>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's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

<sup>d</sup>Based on average daily shares outstanding.

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

<sup>f</sup>Ratios are annualized for periods less than one year.

<sup>g</sup>Benefit of expense reduction rounds to less than 0.01%.

**Franklin Missouri Tax-Free Income Fund** (continued)

	Year Ended February 28,				
	2023	2022	2021	2020 <sup>a</sup>	2019
<b>Class A1</b>					
<b>Per share operating performance</b>					
(for a share outstanding throughout the year)					
Net asset value, beginning of year . . . . .	\$11.48	\$11.84	\$12.09	\$11.46	\$11.38
Income from investment operations <sup>b</sup> :					
Net investment income <sup>c</sup> . . . . .	0.32	0.30	0.31	0.33	0.35
Net realized and unrealized gains (losses) . . . . .	(1.21)	(0.36)	(0.26)	0.64	0.09
Total from investment operations . . . . .	(0.89)	(0.06)	0.05	0.97	0.44
Less distributions from:					
Net investment income . . . . .	(0.32)	(0.30)	(0.30)	(0.34)	(0.36)
Net asset value, end of year . . . . .	\$10.27	\$11.48	\$11.84	\$12.09	\$11.46
Total return <sup>d</sup> . . . . .	(7.78)%	(0.60)%	0.48%	8.58%	3.90%
<b>Ratios to average net assets</b>					
Expenses <sup>e</sup> . . . . .	0.67%	0.66%	0.66%	0.66%	0.69%
Net investment income . . . . .	3.05%	2.49%	2.58%	2.77%	3.11%
<b>Supplemental data</b>					
Net assets, end of year (000's) . . . . .	\$439,718	\$588,698	\$647,517	\$708,399	\$700,839
Portfolio turnover rate . . . . .	26.78%	21.64%	18.20%	14.83%	9.79%

<sup>a</sup>For the year ended February 29.<sup>b</sup>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's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.<sup>c</sup>Based on average daily shares outstanding.<sup>d</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable.<sup>e</sup>Benefit of expense reduction rounds to less than 0.01%.

**Franklin Missouri Tax-Free Income Fund** (continued)

	Year Ended February 28,				
	2023	2022	2021	2020 <sup>a</sup>	2019
<b>Class C</b>					
<b>Per share operating performance</b>					
(for a share outstanding throughout the year)					
Net asset value, beginning of year . . . . .	\$11.60	\$11.97	\$12.21	\$11.58	\$11.49
Income from investment operations <sup>b</sup> :					
Net investment income <sup>c</sup> . . . . .	0.26	0.23	0.24	0.26	0.29
Net realized and unrealized gains (losses) . . . . .	(1.23)	(0.37)	(0.24)	0.65	0.09
Total from investment operations . . . . .	(0.97)	(0.14)	—	0.91	0.38
Less distributions from:					
Net investment income . . . . .	(0.26)	(0.23)	(0.24)	(0.28)	(0.29)
Net asset value, end of year . . . . .	\$10.37	\$11.60	\$11.97	\$12.21	\$11.58
Total return <sup>d</sup> . . . . .	(8.38)%	(1.23)%	0.01%	7.92%	3.37%
<b>Ratios to average net assets</b>					
Expenses <sup>e</sup> . . . . .	1.22%	1.20%	1.21%	1.21%	1.24%
Net investment income . . . . .	2.45%	1.91%	2.01%	2.22%	2.56%
<b>Supplemental data</b>					
Net assets, end of year (000's) . . . . .	\$33,334	\$52,654	\$74,779	\$104,721	\$108,739
Portfolio turnover rate . . . . .	26.78%	21.64%	18.20%	14.83%	9.79%

<sup>a</sup>For the year ended February 29.

<sup>b</sup>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's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

<sup>c</sup>Based on average daily shares outstanding.

<sup>d</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable.

<sup>e</sup>Benefit of expense reduction rounds to less than 0.01%.

**Franklin Missouri Tax-Free Income Fund** (continued)

	Year Ended February 28,				
	2023	2022	2021	2020 <sup>a</sup>	2019
<b>Class R6</b>					
<b>Per share operating performance</b>					
(for a share outstanding throughout the year)					
Net asset value, beginning of year . . . . .	\$11.49	\$11.85	\$12.10	\$11.47	\$11.38
Income from investment operations <sup>b</sup> :					
Net investment income <sup>c</sup> . . . . .	0.34	0.31	0.32	0.34	0.37
Net realized and unrealized gains (losses) . . . . .	(1.22)	(0.36)	(0.25)	0.65	0.09
Total from investment operations . . . . .	(0.88)	(0.05)	0.07	0.99	0.46
Less distributions from:					
Net investment income . . . . .	(0.33)	(0.31)	(0.32)	(0.36)	(0.37)
Net asset value, end of year . . . . .	\$10.28	\$11.49	\$11.85	\$12.10	\$11.47
Total return . . . . .	(7.65)%	(0.47)%	0.61%	8.71%	4.12%
<b>Ratios to average net assets</b>					
Expenses before waiver and payments by affiliates . . . . .	0.54%	0.53%	0.53%	0.54%	0.55%
Expenses net of waiver and payments by affiliates <sup>d</sup> . . . . .	0.54% <sup>e</sup>	0.52%	0.53% <sup>e</sup>	0.53%	0.54%
Net investment income . . . . .	3.17%	2.61%	2.70%	2.90%	3.26%
<b>Supplemental data</b>					
Net assets, end of year (000's) . . . . .	\$20,620	\$33,747	\$30,329	\$23,700	\$18,929
Portfolio turnover rate . . . . .	26.78%	21.64%	18.20%	14.83%	9.79%

<sup>a</sup>For the year ended February 29.<sup>b</sup>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's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.<sup>c</sup>Based on average daily shares outstanding.<sup>d</sup>Benefit of expense reduction rounds to less than 0.01%.<sup>e</sup>Benefit of waiver and payments by affiliates rounds to less than 0.01%.

**Franklin Missouri Tax-Free Income Fund** (continued)

	Year Ended February 28,				
	2023	2022	2021	2020 <sup>a</sup>	2019
<b>Advisor Class</b>					
<b>Per share operating performance</b>					
(for a share outstanding throughout the year)					
Net asset value, beginning of year . . . . .	\$11.49	\$11.85	\$12.09	\$11.47	\$11.38
Income from investment operations <sup>b</sup> :					
Net investment income <sup>c</sup> . . . . .	0.33	0.31	0.32	0.34	0.37
Net realized and unrealized gains (losses) . . . . .	(1.22)	(0.36)	(0.24)	0.63	0.09
Total from investment operations . . . . .	(0.89)	(0.05)	0.08	0.97	0.46
Less distributions from:					
Net investment income . . . . .	(0.33)	(0.31)	(0.32)	(0.35)	(0.37)
Net asset value, end of year . . . . .	\$10.27	\$11.49	\$11.85	\$12.09	\$11.47
Total return . . . . .	(7.77)%	(0.50)%	0.66%	8.59%	4.09%
<b>Ratios to average net assets</b>					
Expenses <sup>d</sup> . . . . .	0.57%	0.56%	0.56%	0.56%	0.59%
Net investment income . . . . .	3.15%	2.59%	2.68%	2.87%	3.21%
<b>Supplemental data</b>					
Net assets, end of year (000's) . . . . .	\$70,684	\$86,643	\$85,456	\$82,970	\$60,117
Portfolio turnover rate . . . . .	26.78%	21.64%	18.20%	14.83%	9.79%

<sup>a</sup>For the year ended February 29.

<sup>b</sup>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's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

<sup>c</sup>Based on average daily shares outstanding.

<sup>d</sup>Benefit of expense reduction rounds to less than 0.01%.

## Schedule of Investments, February 28, 2023

## Franklin Missouri Tax-Free Income Fund

	Principal Amount	Value
<b>Municipal Bonds 98.0%</b>		
<b>California 0.1%</b>		
Santa Barbara Secondary High School District, GO, 2011 A, Zero Cpn., 8/01/40 . . . .	\$1,790,000	\$828,801
<b>Delaware 0.1%</b>		
HTA HRRB Custodial Trust, Revenue, 2007 CC, 5.25%, 7/01/33 . . . . .	1,000,000	1,012,017
<b>Florida 0.7%</b>		
Capital Trust Agency, Inc., Kingdom Development West Palm Beach Portfolio Obligated Group, Revenue, 2021 A-1, 3.75%, 12/01/36 . . . . .	5,544,000	4,616,336
<sup>a</sup> SHI - Lake Osborne LLC, Revenue, 144A, 2021 A-1, 3.68%, 1/01/57 . . . . .	850,000	573,014
		5,189,350
<b>Georgia 0.4%</b>		
<sup>a</sup> Development Authority of Rockdale County, AHPC Terraces at Fieldstone LLC, Revenue, 144A, 2021 A-1, 3.5%, 12/01/36 . . . . .	3,250,000	2,606,834
<b>Missouri 88.9%</b>		
Affton School District No. 101, GO, 2017 A, Refunding, 5%, 3/01/32 . . . . .	1,500,000	1,618,896
GO, 2017 A, Refunding, 5%, 3/01/33 . . . . .	1,595,000	1,720,403
GO, 2017 A, Refunding, 5%, 3/01/34 . . . . .	1,700,000	1,829,580
GO, 2017 A, Refunding, 5%, 3/01/35 . . . . .	1,810,000	1,939,795
GO, 2017 A, Refunding, 5%, 3/01/36 . . . . .	1,920,000	2,046,583
Bi-State Development Agency of the Missouri-Illinois Metropolitan District, Revenue, 2020 A, Refunding, 4%, 10/01/44 . . . . .	6,000,000	5,592,465
Cape Girardeau County Industrial Development Authority, Procter & Gamble Co. (The), Revenue, 1998, 5.3%, 5/15/28 . . . . .	6,875,000	6,888,517
SoutheastHEALTH Obligated Group, Revenue, 2021, 4%, 3/01/41 . . . . .	3,010,000	2,600,650
SoutheastHEALTH Obligated Group, Revenue, 2021, 3%, 3/01/46 . . . . .	3,000,000	2,003,536
SoutheastHEALTH Obligated Group, Revenue, 2021, 4%, 3/01/46 . . . . .	8,730,000	7,332,000
St. Francis Obligated Group, Revenue, 2016, Refunding, 5%, 6/01/39 . . . . .	7,110,000	7,227,887
Cape Girardeau County School District No. R-2, GO, 2018, 5%, 3/01/38 . . . . .	2,195,000	2,376,066
City of Bridgeton, Sales Tax, Revenue, 2021 A, Refunding, 2%, 12/01/32 . . . . .	500,000	411,754
Sales Tax, Revenue, 2021 A, Refunding, 2.125%, 12/01/33 . . . . .	1,170,000	959,474
City of Kansas City, Sanitary Sewer System, Revenue, 2018 A, 4%, 1/01/35 . . . . .	1,500,000	1,535,540
Sanitary Sewer System, Revenue, 2023 A, 4%, 1/01/48 . . . . .	5,000,000	4,623,210
Water, Revenue, 2017 A, 4%, 12/01/41 . . . . .	4,970,000	4,906,945
Water, Revenue, 2023 A, 4%, 12/01/47 . . . . .	2,120,000	1,993,588
City of Marshfield, Waterworks & Sewer System, Revenue, 2020 B, AGMC Insured, 5%, 2/01/47 . . . . .	1,775,000	1,858,462
City of Peculiar, Water & Sewer, Revenue, 2017, AGMC Insured, 4%, 6/01/42 . . . . .	2,405,000	2,389,258
City of Republic, Revenue, 2022, 3%, 5/01/47 . . . . .	5,000,000	3,660,976
City of St. Charles, COP, 2020 B, Refunding, 3%, 2/01/38 . . . . .	1,200,000	1,036,668
COP, 2020 B, Refunding, 3%, 2/01/39 . . . . .	1,500,000	1,279,508
City of St. Louis, Airport, Revenue, 2005, Refunding, NATL Insured, 5.5%, 7/01/29 . . . . .	13,070,000	14,912,998
Airport, Revenue, 2017 A, Refunding, AGMC Insured, 5%, 7/01/25 . . . . .	5,000,000	5,202,647
Airport, Revenue, 2017 C, Refunding, AGMC Insured, 5%, 7/01/47 . . . . .	3,170,000	3,272,144
Airport, Revenue, 2017 D, Refunding, AGMC Insured, 5%, 7/01/35 . . . . .	1,000,000	1,038,566
Airport, Revenue, 2017 D, Refunding, AGMC Insured, 5%, 7/01/36 . . . . .	2,125,000	2,195,608
Airport, Revenue, 2019 A, 5%, 7/01/49 . . . . .	2,500,000	2,595,717
Airport, Revenue, 2019 C, Refunding, 5%, 7/01/27 . . . . .	1,705,000	1,837,528
Clay County Reorganized School District No. R-1, GO, 2017, 3%, 3/01/36 . . . . .	1,540,000	1,394,791
GO, 2017, 3.125%, 3/01/37 . . . . .	1,855,000	1,664,466

**Franklin Missouri Tax-Free Income Fund** (continued)

	Principal Amount	Value
<b>Municipal Bonds</b> (continued)		
<b>Missouri</b> (continued)		
Community College District of Central Southwest Missouri, COP, 2021, 3%, 3/01/40 . . . . .	\$575,000	\$476,885
COP, 2021, 3%, 3/01/41 . . . . .	400,000	325,943
Ferguson Reorganized School District No. R-2, GO, 2018, 4%, 5/01/32 . . . . .	1,000,000	1,023,513
GO, 2018, 5%, 5/01/38 . . . . .	2,250,000	2,393,917
Hannibal Board of Public Works, COP, 2022, 3.625%, 4/01/44 . . . . .	1,000,000	831,011
COP, 2022, 3.75%, 4/01/47 . . . . .	1,000,000	835,071
Health & Educational Facilities Authority of the State of Missouri, Bethesda Health Group, Inc. Obligated Group, Revenue, 2015, 5%, 8/01/40 . . . . .	1,650,000	1,590,453
Bethesda Health Group, Inc. Obligated Group, Revenue, 2015, 5%, 8/01/45 . . . . .	1,300,000	1,207,303
BJC Healthcare Obligated Group, Revenue, 2021 A, Refunding, 3%, 7/01/51 . . . . .	13,000,000	9,386,463
CoxHealth Obligated Group, Revenue, 2013 A, 5%, 11/15/38 . . . . .	11,680,000	11,516,002
CoxHealth Obligated Group, Revenue, 2013 A, 5%, 11/15/44 . . . . .	2,760,000	2,695,256
CoxHealth Obligated Group, Revenue, 2015 A, Refunding, 5%, 11/15/34 . . . . .	3,200,000	3,284,688
CoxHealth Obligated Group, Revenue, 2015 A, Refunding, 5%, 11/15/39 . . . . .	6,690,000	6,762,973
CoxHealth Obligated Group, Revenue, 2019 A, 4%, 11/15/44 . . . . .	5,000,000	4,755,095
Kansas City University, Revenue, 2017 A, 5%, 6/01/42 . . . . .	2,800,000	2,981,470
Kansas City University, Revenue, 2017 A, 5%, 6/01/47 . . . . .	4,875,000	5,167,456
Lake Regional Health System Obligated Group, Revenue, 2021, Refunding, 3%, 2/15/40 . . . . .	2,060,000	1,510,260
Lake Regional Health System Obligated Group, Revenue, 2021, Refunding, 3%, 2/15/41 . . . . .	2,120,000	1,531,145
Lake Regional Health System Obligated Group, Revenue, 2021, Refunding, 3%, 2/15/46 . . . . .	5,590,000	3,740,619
Lutheran Senior Services Obligated Group, Revenue, 2016 A, 5%, 2/01/46 . . . . .	4,000,000	3,682,448
Lutheran Senior Services Obligated Group, Revenue, 2016 B, Refunding, 5%, 2/01/46 . . . . .	11,575,000	10,656,083
Lutheran Senior Services Obligated Group, Revenue, 2019 A, 5%, 2/01/34 . . . . .	2,000,000	1,973,459
Lutheran Senior Services Obligated Group, Revenue, 2019 A, 5%, 2/01/42 . . . . .	1,750,000	1,640,017
Lutheran Senior Services Obligated Group, Revenue, 2019 C, Refunding, 4%, 2/01/33 . . . . .	1,730,000	1,564,449
Lutheran Senior Services Obligated Group, Revenue, 2019 C, Refunding, 4%, 2/01/48 . . . . .	485,000	372,795
Lutheran Senior Services Obligated Group, Revenue, 2021, 4%, 2/01/30 . . . . .	2,035,000	1,911,526
Lutheran Senior Services Obligated Group, Revenue, 2021, 4%, 2/01/42 . . . . .	9,900,000	7,976,713
Maryville University of St. Louis, Revenue, 2015, 5%, 6/15/44 . . . . .	5,000,000	5,008,107
Maryville University of St. Louis, Revenue, 2019 A, 5%, 6/15/45 . . . . .	4,000,000	4,010,102
Maryville University of St. Louis, Revenue, 2020 A, Refunding, 4%, 6/15/34 . . . . .	4,345,000	4,196,166
Maryville University of St. Louis, Revenue, 2020 A, Refunding, 4%, 6/15/38 . . . . .	4,885,000	4,449,696
Maryville University of St. Louis, Revenue, 2022 A, Refunding, 3.125%, 6/15/38 . . . . .	2,300,000	1,836,316
Maryville University of St. Louis, Revenue, 2022 A, Refunding, 3.375%, 6/15/45 . . . . .	1,000,000	743,778
Mercy Health, Revenue, 2012, 4%, 11/15/42 . . . . .	8,000,000	7,592,050
Mercy Health, Revenue, 2014 F, 5%, 11/15/45 . . . . .	25,000,000	25,222,352
Mercy Health, Revenue, 2015 B, Refunding, 5%, 2/01/45 . . . . .	6,870,000	6,960,371
Mercy Health, Revenue, 2017 C, Refunding, 5%, 11/15/42 . . . . .	9,720,000	9,969,296
Mercy Health, Revenue, 2017 C, Refunding, 4%, 11/15/47 . . . . .	10,000,000	9,290,322
Mercy Health, Revenue, 2020, 4%, 6/01/53 . . . . .	2,000,000	1,802,276
Mosaic Health System Obligated Group, Revenue, 2019 A, Refunding, 4%, 2/15/54 . . . . .	4,000,000	3,636,193
SSM Health Care Obligated Group, Revenue, 2018 A, 5%, 6/01/48 . . . . .	13,500,000	13,762,645
St. Louis University, Revenue, 2015 A, 5%, 10/01/38 . . . . .	10,000,000	10,371,390
St. Louis University, Revenue, 2017 A, 5%, 10/01/42 . . . . .	9,200,000	9,656,356
St. Louis University, Revenue, 2017 A, 5%, 10/01/47 . . . . .	5,800,000	6,061,193
St. Louis University, Revenue, 2019 A, 5%, 10/01/46 . . . . .	5,775,000	6,146,694
St. Luke's Health System Obligated Group, Revenue, 2016, Refunding, 5%, 11/15/35 . . . . .	3,950,000	4,083,566

## Franklin Missouri Tax-Free Income Fund (continued)

	Principal Amount	Value
<b>Municipal Bonds</b> (continued)		
<b>Missouri</b> (continued)		
Health & Educational Facilities Authority of the State of Missouri, (continued)		
St. Luke's Health System Obligated Group, Revenue, 2018 A, Refunding, 5%, 11/15/43 . . . . .	\$2,000,000	\$2,052,916
St. Luke's Health System Obligated Group, Revenue, 2020, Refunding, 4%, 11/15/50	2,500,000	2,218,312
University of Central Missouri, Revenue, 2013 C-2, 5%, 10/01/34 . . . . .	5,000,000	5,023,551
Howard Bend Levee District,		
Special Tax, 2021, 2.75%, 3/01/31 . . . . .	400,000	341,031
Special Tax, 2021, 3%, 3/01/36 . . . . .	500,000	403,179
Special Tax, 2021, 3.125%, 3/01/41 . . . . .	1,000,000	761,040
Special Tax, 2022, 3.375%, 3/01/32 . . . . .	75,000	65,782
Special Tax, 2022, 3.5%, 3/01/37 . . . . .	175,000	145,676
Special Tax, 2022, 3.625%, 3/01/42 . . . . .	200,000	159,064
Jackson County School District No. R-IV Blue Springs,		
GO, 2018 A, 5.5%, 3/01/36 . . . . .	3,000,000	3,374,053
GO, 2018 A, 5.5%, 3/01/37 . . . . .	2,000,000	2,234,259
Jefferson City School District, GO, 2018, 5%, 3/01/38 . . . . .	2,070,000	2,184,049
Jefferson County School District No. R-VI,		
Festus, COP, 2021 B, 4%, 4/01/40 . . . . .	575,000	556,455
Festus, COP, 2021 B, 4%, 4/01/41 . . . . .	500,000	482,660
Festus, COP, 2021 B, 3%, 4/01/42 . . . . .	500,000	392,129
Festus, COP, 2021 B, 3%, 4/01/44 . . . . .	1,500,000	1,149,680
Festus, COP, 2021 B, 2.375%, 4/01/46 . . . . .	2,000,000	1,346,330
Joplin Industrial Development Authority, Freeman Health System Obligated Group, Revenue, 2015, Refunding, 5%, 2/15/35 . . . . .	4,000,000	4,041,618
Kansas City Industrial Development Authority,		
Revenue, 2011 A, Refunding, 5.5%, 9/01/29 . . . . .	5,000,000	5,009,595
Revenue, 2011 A, Refunding, 5.5%, 9/01/30 . . . . .	12,000,000	12,023,621
Revenue, 2011 A, Refunding, 5%, 9/01/32 . . . . .	3,000,000	3,005,011
City of Kansas City Airport, Revenue, 2019 B, 5%, 3/01/46 . . . . .	9,000,000	9,151,999
City of Kansas City Airport, Revenue, 2019 B, AGMC Insured, 5%, 3/01/49 . . . . .	3,000,000	3,054,150
City of Kansas City Airport, Revenue, 2019 B, 5%, 3/01/54 . . . . .	31,770,000	32,116,140
City of Kansas City Airport, Revenue, 2020 A, AGMC Insured, 4%, 3/01/57 . . . . .	10,900,000	9,714,665
City of Kansas City Airport, Revenue, 2020 A, AGMC Insured, 5%, 3/01/57 . . . . .	100,000	101,898
Liberty Public School District No. 53, GO, 2018, 4%, 3/01/37 . . . . .	4,500,000	4,515,913
Metropolitan St. Louis Sewer District,		
Revenue, 2016 C, Refunding, 5%, 5/01/46 . . . . .	24,700,000	25,700,560
Revenue, 2017 A, Refunding, 5%, 5/01/47 . . . . .	15,000,000	15,758,736
Missouri Development Finance Board,		
City of Independence, Revenue, 2021, Refunding, 5%, 3/01/30 . . . . .	930,000	973,351
City of Independence, Revenue, 2021, Refunding, 4%, 3/01/36 . . . . .	1,140,000	1,076,990
City of Independence, Revenue, 2021, Refunding, 4%, 3/01/37 . . . . .	500,000	462,492
City of Independence, Revenue, 2021, Refunding, 4%, 3/01/41 . . . . .	515,000	457,313
City of Independence, Revenue, 2021, Refunding, 3%, 3/01/46 . . . . .	2,640,000	1,831,226
City of Independence, Revenue, 2021, Refunding, 4%, 3/01/51 . . . . .	9,445,000	7,879,580
Procter & Gamble Co. (The), Revenue, 1999, 5.2%, 3/15/29 . . . . .	3,000,000	3,346,300
Zoological Subdistrict of the Metropolitan Zoo Park & Museum District of St. Louis, Revenue, 2022, 5.25%, 5/01/55 . . . . .	2,500,000	2,678,400
Missouri Housing Development Commission,		
Revenue, 2018 B, GNMA Insured, 4%, 11/01/38 . . . . .	820,000	807,287
Revenue, 2019 C, GNMA Insured, 3%, 11/01/44 . . . . .	3,045,000	2,849,499
Revenue, 2020 C, GNMA Insured, 2.4%, 11/01/45 . . . . .	2,010,000	1,469,731
Revenue, 2020 D, GNMA Insured, 2.55%, 11/01/50 . . . . .	2,715,000	2,045,058
Revenue, 2021 B, GNMA Insured, 2.2%, 11/01/46 . . . . .	1,160,000	824,420
Revenue, 2021 B, GNMA Insured, 2.3%, 11/01/51 . . . . .	7,220,000	5,145,556
Revenue, 2022 A, GNMA Insured, 3%, 11/01/37 . . . . .	1,295,000	1,136,439
Revenue, 2022 A, GNMA Insured, 3.125%, 11/01/42 . . . . .	3,425,000	2,834,694
Revenue, 2022 C, GNMA Insured, 4.3%, 11/01/47 . . . . .	2,000,000	1,935,623

**Franklin Missouri Tax-Free Income Fund** (continued)

	Principal Amount	Value
<b>Municipal Bonds</b> (continued)		
<b>Missouri</b> (continued)		
Missouri Housing Development Commission, (continued)		
Revenue, 2022 C, GNMA Insured, 4.35%, 11/01/52 . . . . .	\$2,500,000	\$2,401,594
Missouri Joint Municipal Electric Utility Commission,		
Iatan 2 Project, Revenue, 2015 A, Refunding, 5%, 12/01/35 . . . . .	7,335,000	7,487,099
MoPEP 1 Pool Fund, Revenue, 2018, 5%, 12/01/43 . . . . .	2,000,000	2,056,528
Plum Point Project, Revenue, 2014 A, Refunding, 5%, 1/01/33 . . . . .	7,500,000	7,632,265
Prairie State Project, Revenue, 2016 A, Refunding, 5%, 12/01/40 . . . . .	27,950,000	28,541,008
Monarch-Chesterfield Levee District, Special Tax, 2015, Refunding, 5%, 3/01/40 . . . .	4,395,000	4,459,418
Move Rolla Transportation Development District, Revenue, 2017, 4.75%, 6/01/47 . . .	5,000,000	4,602,758
Normandy Schools Collaborative,		
GO, 2021 B, 2%, 3/01/40 . . . . .	2,050,000	1,420,798
GO, 2021 B, 2%, 3/01/41 . . . . .	1,700,000	1,161,488
Poplar Bluff Regional Transportation Development District,		
Sales Tax, Revenue, 2023 B, Refunding, 3.375%, 12/01/31 . . . . .	2,000,000	1,923,416
Sales Tax, Revenue, 2023 B, Refunding, 4%, 12/01/37 . . . . .	2,600,000	2,516,528
Riverside-Quindaro Bend Levee District of Platte County, Special Assessment, 2017, Refunding, 5%, 3/01/29 . . . . .	2,585,000	2,661,821
Southeast Missouri State University,		
Revenue, 2020, Refunding, 4%, 4/01/40 . . . . .	5,075,000	4,725,837
Revenue, 2020, Refunding, 4%, 4/01/43 . . . . .	2,580,000	2,373,448
Springfield School District No. R-12, GO, 2013, Refunding, 5%, 3/01/33 . . . . .	1,000,000	1,000,000
St. Charles County Public Water Supply District No. 2, COP, 2022, 4%, 12/01/44 . . .	5,000,000	4,843,729
St. Charles County School District No. R-IV Wentzville, GO, 2018, Refunding, 4%, 3/01/38 . . . . .	15,400,000	15,507,192
St. Louis County Industrial Development Authority,		
Friendship Village St. Louis Obligated Group, Revenue, 2013 A, 5.875%, 9/01/43 . .	7,000,000	7,012,674
Friendship Village St. Louis Obligated Group, Revenue, 2017, Refunding, 5%, 9/01/48 . . . . .	7,095,000	6,166,097
St. Louis Land Clearance for Redevelopment Authority,		
Revenue, 2021, 2.125%, 7/15/39 . . . . .	3,680,000	2,558,015
Revenue, 2021, 2.25%, 7/15/41 . . . . .	3,845,000	2,637,141
Revenue, 2021 A, Refunding, 2.125%, 4/01/39 . . . . .	6,705,000	4,667,487
City of St. Louis, Revenue, 2022 C, 5%, 6/01/36 . . . . .	2,025,000	2,101,614
City of St. Louis, Revenue, 2022 C, 5%, 6/01/41 . . . . .	2,000,000	2,024,432
City of St. Louis, Revenue, 2022 C, 5.125%, 6/01/46 . . . . .	2,600,000	2,634,525
St. Louis Municipal Finance Corp.,		
City of St. Louis, Revenue, 2020, AGMC Insured, 5%, 10/01/45 . . . . .	3,685,000	3,872,680
City of St. Louis, Revenue, 2020, AGMC Insured, 5%, 10/01/49 . . . . .	4,175,000	4,350,797
St. Louis Municipal Library District, COP, 2020, Refunding, BAM Insured, 4%, 3/15/48	2,800,000	2,567,708
Washington Industrial Development Authority, Revenue, 2021, Refunding, 2.5%, 11/01/29 . . . . .	390,000	353,745
		649,637,981
<b>Oregon 0.2%</b>		
<sup>a</sup> State of Oregon Housing & Community Services Department, Union at Pacific Highway LP, Revenue, 144A, 2022 II-1, 5.5%, 12/01/39 . . . . .		
	1,400,000	1,396,834
<b>South Carolina 0.7%</b>		
South Carolina Jobs-Economic Development Authority,		
<sup>a</sup> Revenue, 144A, 2021 A-1, 3.65%, 12/01/36 . . . . .	1,900,000	1,521,158
AHPC Vista Towers 2021 LLC, Revenue, 2021 A-1, 3.65%, 12/01/36 . . . . .	1,900,000	1,516,496
<sup>a</sup> Columbia Portfolio Obligated Group, Revenue, 144A, 2022 A-2, Zero Cpn., 6/01/52	3,200,000	2,004,151
		5,041,805

## Franklin Missouri Tax-Free Income Fund (continued)

	Principal Amount	Value
<b>Municipal Bonds</b> (continued)		
<b>Texas 1.0%</b>		
City of Dallas, DHFC - Briscoe Apartments LLC (The), Revenue, Senior Lien, 2022 A, 6%, 12/01/62 . . . . .	\$2,000,000	\$2,055,878
<sup>a</sup> EP Cimarron Ventanas PFC, Revenue, Senior Lien, 144A, 2021 A, 4%, 12/01/51 . . . . .	2,500,000	1,854,348
Lake Houston Redevelopment Authority, City of Houston Reinvestment Zone No. 10, Revenue, 2021, Refunding, 2.5%, 9/01/41 . . . . .	525,000	356,063
City of Houston Reinvestment Zone No. 10, Revenue, 2021, Refunding, 3%, 9/01/44 . . . . .	700,000	502,027
<sup>a</sup> Pecan Public Facility Corp., Revenue, 144A, 2022 A-2, 5%, 12/01/52 . . . . .	3,200,000	2,341,108
		7,109,424
<b>Washington 0.2%</b>		
<sup>a</sup> Washington State Housing Finance Commission, Madison at Rivers Edge Apartments LLC, Revenue, 144A, 2021 A, 3.65%, 1/01/37 . . . . .	1,900,000	1,521,224
<b>Wisconsin 1.6%</b>		
<sup>a</sup> Public Finance Authority, Revenue, 144A, 2022, B-1, 4%, 12/28/44 . . . . .	1,900,000	1,505,473
AL-FL Portfolio Obligated Group, Revenue, 144A, 2021 A, 3.4%, 12/01/36 . . . . .	3,250,000	2,602,906
FAH Tree House LLC, Revenue, 144A, 2023 A, 6.5%, 8/01/53 . . . . .	1,500,000	1,495,941
Gulf Coast Portfolio Obligated Group, Revenue, 144A, 2021, 5.25%, 12/01/23 . . . . .	4,900,000	4,900,000
Pine Forest 2022 Obligated Group, Revenue, 144A, 2022 A, 6.5%, 12/01/52 . . . . .	1,500,000	1,484,224
		11,988,544
<b>U.S. Territories 4.1%</b>		
<b>Guam 0.8%</b>		
Guam Government Waterworks Authority, Revenue, 2020 A, 5%, 1/01/50 . . . . .	5,790,000	5,811,981
<b>Puerto Rico 3.3%</b>		
HTA HRRB Custodial Trust, Revenue, 2007 CC, 5.25%, 7/01/36 . . . . .	6,200,000	6,255,220
HTA TRRB Custodial Trust, Revenue, 2005 L, 5.25%, 7/01/41 . . . . .	5,205,000	5,262,190
Revenue, 2007 N, 5.25%, 7/01/36 . . . . .	500,000	504,453
Puerto Rico Electric Power Authority, Revenue, VV, Refunding, NATL Insured, 5.25%, 7/01/32 . . . . .	1,750,000	1,754,540
<sup>b</sup> Revenue, WW, 5.5%, 7/01/38 . . . . .	4,690,000	3,318,175
Puerto Rico Highway & Transportation Authority, Revenue, 2022 A, 5%, 7/01/62 . . . . .	165,992	153,958
Revenue, 2022 B, Zero Cpn., 7/01/32 . . . . .	107,872	67,420
Revenue, 2022 C, Zero Cpn., 7/01/53 . . . . .	184,525	102,443
Puerto Rico Sales Tax Financing Corp., Sales Tax, Revenue, A-1, 4.75%, 7/01/53 . . . . .	1,404,000	1,258,520
Sales Tax, Revenue, A-1, 5%, 7/01/58 . . . . .	6,000,000	5,566,800
		24,243,719
<b>Total U.S. Territories</b> . . . . .		30,055,700
<b>Total Municipal Bonds (Cost \$768,360,043)</b> . . . . .		716,388,514

**Franklin Missouri Tax-Free Income Fund** (continued)

**Short Term Investments 0.0%<sup>†</sup>**

	Principal Amount	Value
<b>Municipal Bonds 0.0%<sup>†</sup></b>		
<b>Missouri 0.0%<sup>†</sup></b>		
<sup>c</sup> Health & Educational Facilities Authority of the State of Missouri, Washington University (The), Revenue, 2000 B, SPA JPMorgan Chase Bank NA, Daily VRDN and Put, 2.45%, 3/01/40 .....	\$300,000	\$300,000
<b>Total Municipal Bonds (Cost \$300,000) .....</b>		<b>300,000</b>
<b>Total Short Term Investments (Cost \$300,000) .....</b>		<b>300,000</b>
<b>Total Investments (Cost \$768,660,043) 98.0% .....</b>		<b>\$716,688,514</b>
<b>Other Assets, less Liabilities 2.0% .....</b>		<b>14,023,784</b>
<b>Net Assets 100.0% .....</b>		<b>\$730,712,298</b>

See Abbreviations on page 148.

<sup>†</sup>Rounds to less than 0.1% of net assets.

<sup>a</sup>Security was purchased pursuant to Rule 144A or Regulation S under the Securities Act of 1933. 144A securities may be sold in transactions exempt from registration only to qualified institutional buyers or in a public offering registered under the Securities Act of 1933. Regulation S securities cannot be sold in the United States without either an effective registration statement filed pursuant to the Securities Act of 1933, or pursuant to an exemption from registration. At February 28, 2023, the aggregate value of these securities was \$25,807,215, representing 3.5% of net assets.

<sup>b</sup>See Note 7 regarding defaulted securities.

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

## Financial Highlights

### Franklin North Carolina Tax-Free Income Fund

	Year Ended February 28,				Year Ended February 28,
	2023	2022	2021	2020 <sup>a</sup>	2019 <sup>b</sup>
<b>Class A</b>					
<b>Per share operating performance</b>					
(for a share outstanding throughout the year)					
Net asset value, beginning of year . . . . .	\$11.31	\$11.62	\$11.84	\$11.30	\$11.26
Income from investment operations <sup>c</sup> :					
Net investment income <sup>d</sup> . . . . .	0.24	0.21	0.27	0.28	0.15
Net realized and unrealized gains (losses) . . . . .	(1.07)	(0.31)	(0.23)	0.56	0.04
Total from investment operations . . . . .	(0.83)	(0.10)	0.04	0.84	0.19
Less distributions from:					
Net investment income . . . . .	(0.23)	(0.21)	(0.26)	(0.30)	(0.15)
Net asset value, end of year . . . . .	\$10.25	\$11.31	\$11.62	\$11.84	\$11.30
Total return <sup>e</sup> . . . . .	(7.31)%	(0.89)%	0.38%	7.50%	1.77%
<b>Ratios to average net assets<sup>f</sup></b>					
Expenses <sup>g</sup> . . . . .	0.84%	0.82%	0.81%	0.82%	0.83%
Net investment income . . . . .	2.26%	1.81%	2.27%	2.48%	2.86%
<b>Supplemental data</b>					
Net assets, end of year (000's) . . . . .	\$133,789	\$167,474	\$145,847	\$101,981	\$49,192
Portfolio turnover rate . . . . .	16.87%	23.40%	15.09%	15.22%	11.61%

<sup>a</sup>For the year ended February 29.

<sup>b</sup>For the period September 10, 2018 (effective date) to February 28, 2019.

<sup>c</sup>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's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

<sup>d</sup>Based on average daily shares outstanding.

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

<sup>f</sup>Ratios are annualized for periods less than one year.

<sup>g</sup>Benefit of expense reduction rounds to less than 0.01%.

**Franklin North Carolina Tax-Free Income Fund** (continued)

	Year Ended February 28,				
	2023	2022	2021	2020 <sup>a</sup>	2019
<b>Class A1</b>					
<b>Per share operating performance</b>					
(for a share outstanding throughout the year)					
Net asset value, beginning of year . . . . .	\$11.31	\$11.62	\$11.84	\$11.30	\$11.28
Income from investment operations <sup>b</sup> :					
Net investment income <sup>c</sup> . . . . .	0.25	0.23	0.29	0.30	0.34
Net realized and unrealized gains (losses) . . . . .	(1.06)	(0.31)	(0.23)	0.56	0.03
Total from investment operations . . . . .	(0.81)	(0.08)	0.06	0.86	0.37
Less distributions from:					
Net investment income . . . . .	(0.25)	(0.23)	(0.28)	(0.32)	(0.35)
Net asset value, end of year . . . . .	\$10.25	\$11.31	\$11.62	\$11.84	\$11.30
Total return <sup>d</sup> . . . . .	(7.17)%	(0.65)%	0.44%	7.66%	3.32%
<b>Ratios to average net assets</b>					
Expenses <sup>e</sup> . . . . .	0.69%	0.67%	0.67%	0.67%	0.68%
Net investment income . . . . .	2.41%	1.97%	2.44%	2.63%	3.01%
<b>Supplemental data</b>					
Net assets, end of year (000's) . . . . .	\$339,756	\$462,916	\$521,406	\$567,825	\$577,052
Portfolio turnover rate . . . . .	16.87%	23.40%	15.09%	15.22%	11.61%

<sup>a</sup>For the year ended February 29.

<sup>b</sup>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's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

<sup>c</sup>Based on average daily shares outstanding.

<sup>d</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable.

<sup>e</sup>Benefit of expense reduction rounds to less than 0.01%.

**Franklin North Carolina Tax-Free Income Fund** (continued)

	Year Ended February 28,				
	2023	2022	2021	2020 <sup>a</sup>	2019
<b>Class C</b>					
<b>Per share operating performance</b>					
(for a share outstanding throughout the year)					
Net asset value, beginning of year . . . . .	\$11.49	\$11.81	\$12.04	\$11.49	\$11.46
Income from investment operations <sup>b</sup> :					
Net investment income <sup>c</sup> . . . . .	0.19	0.17	0.22	0.24	0.28
Net realized and unrealized gains (losses) . . . . .	(1.07)	(0.33)	(0.23)	0.56	0.03
Total from investment operations . . . . .	(0.88)	(0.16)	(0.01)	0.80	0.31
Less distributions from:					
Net investment income . . . . .	(0.19)	(0.16)	(0.22)	(0.25)	(0.28)
Net asset value, end of year . . . . .	\$10.42	\$11.49	\$11.81	\$12.04	\$11.49
Total return <sup>d</sup> . . . . .	(7.66)%	(1.36)%	(0.11)%	7.07%	2.78%
<b>Ratios to average net assets</b>					
Expenses <sup>e</sup> . . . . .	1.23%	1.21%	1.21%	1.22%	1.23%
Net investment income . . . . .	1.81%	1.40%	1.87%	2.08%	2.46%
<b>Supplemental data</b>					
Net assets, end of year (000's) . . . . .	\$27,303	\$42,794	\$63,485	\$90,244	\$105,371
Portfolio turnover rate . . . . .	16.87%	23.40%	15.09%	15.22%	11.61%

<sup>a</sup>For the year ended February 29.<sup>b</sup>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's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.<sup>c</sup>Based on average daily shares outstanding.<sup>d</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable.<sup>e</sup>Benefit of expense reduction rounds to less than 0.01%.

**Franklin North Carolina Tax-Free Income Fund** (continued)

	Year Ended February 28,				
	2023	2022	2021	2020 <sup>a</sup>	2019
<b>Class R6</b>					
<b>Per share operating performance</b>					
(for a share outstanding throughout the year)					
Net asset value, beginning of year . . . . .	\$11.30	\$11.61	\$11.84	\$11.29	\$11.27
Income from investment operations <sup>b</sup> :					
Net investment income <sup>c</sup> . . . . .	0.27	0.25	0.30	0.32	0.35
Net realized and unrealized gains (losses) . . . . .	(1.07)	(0.31)	(0.23)	0.56	0.03
Total from investment operations . . . . .	(0.80)	(0.06)	0.07	0.88	0.38
Less distributions from:					
Net investment income . . . . .	(0.26)	(0.25)	(0.30)	(0.33)	(0.36)
Net asset value, end of year . . . . .	\$10.24	\$11.30	\$11.61	\$11.84	\$11.29
Total return . . . . .	(7.05)%	(0.60)%	0.57%	7.90%	3.45%
<b>Ratios to average net assets</b>					
Expenses before waiver and payments by affiliates . . . . .	0.56%	0.54%	0.54%	0.55%	0.56%
Expenses net of waiver and payments by affiliates <sup>d</sup> . . . . .	0.55%	0.53%	0.53%	0.54%	0.54%
Net investment income . . . . .	2.56%	2.10%	2.56%	2.76%	3.15%
<b>Supplemental data</b>					
Net assets, end of year (000's) . . . . .	\$20,233	\$23,000	\$17,426	\$10,948	\$7,776
Portfolio turnover rate . . . . .	16.87%	23.40%	15.09%	15.22%	11.61%

<sup>a</sup>For the year ended February 29.

<sup>b</sup>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's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

<sup>c</sup>Based on average daily shares outstanding.

<sup>d</sup>Benefit of expense reduction rounds to less than 0.01%.

**Franklin North Carolina Tax-Free Income Fund** (continued)

	Year Ended February 28,				
	2023	2022	2021	2020 <sup>a</sup>	2019
<b>Advisor Class</b>					
<b>Per share operating performance</b>					
(for a share outstanding throughout the year)					
Net asset value, beginning of year . . . . .	\$11.31	\$11.62	\$11.84	\$11.30	\$11.28
Income from investment operations <sup>b</sup> :					
Net investment income <sup>c</sup> . . . . .	0.26	0.24	0.30	0.31	0.35
Net realized and unrealized gains (losses) . . . . .	(1.06)	(0.31)	(0.23)	0.56	0.03
Total from investment operations . . . . .	(0.80)	(0.07)	0.07	0.87	0.38
Less distributions from:					
Net investment income . . . . .	(0.26)	(0.24)	(0.29)	(0.33)	(0.36)
Net asset value, end of year . . . . .	\$10.25	\$11.31	\$11.62	\$11.84	\$11.30
Total return . . . . .	(7.08)%	(0.64)%	0.63%	7.77%	3.42%
<b>Ratios to average net assets</b>					
Expenses <sup>d</sup> . . . . .	0.59%	0.57%	0.57%	0.57%	0.58%
Net investment income . . . . .	2.52%	2.06%	2.53%	2.73%	3.11%
<b>Supplemental data</b>					
Net assets, end of year (000's) . . . . .	\$115,439	\$132,919	\$121,041	\$105,851	\$84,506
Portfolio turnover rate . . . . .	16.87%	23.40%	15.09%	15.22%	11.61%

<sup>a</sup>For the year ended February 29.<sup>b</sup>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's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.<sup>c</sup>Based on average daily shares outstanding.<sup>d</sup>Benefit of expense reduction rounds to less than 0.01%.

## Schedule of Investments, February 28, 2023

## Franklin North Carolina Tax-Free Income Fund

	Principal Amount	Value
<b>Corporate Bonds 0.3%</b>		
<b>Software 0.3%</b>		
<sup>a</sup> Haven at Elgin LLC, 5.25%, 12/31/53 . . . . .	\$1,600,000	\$1,571,719
<b>Total Corporate Bonds (Cost \$1,600,000) . . . . .</b>		<b>1,571,719</b>
<b>Municipal Bonds 98.3%</b>		
<b>California 0.3%</b>		
California Municipal Finance Authority, Revenue, 2022 A-1, 4.25%, 12/01/37 . . . . .	2,300,000	1,915,479
<b>Florida 1.3%</b>		
Capital Trust Agency, Inc., Kingdom Development West Palm Beach Portfolio Obligated Group, Revenue, 2021 A-1, 3.75%, 12/01/36 . . . . .	4,680,000	3,896,907
<sup>b</sup> SHI - Lake Osborne LLC, Revenue, 144A, 2021 A-1, 3.68%, 1/01/57 . . . . .	1,500,000	1,011,201
<sup>b</sup> Leon County Housing Finance Authority, Revenue, 144A, 2022 A, Zero Cpn., 5/01/57	3,750,000	3,046,875
		7,954,983
<b>Illinois 0.6%</b>		
Metropolitan Pier & Exposition Authority, Revenue, 2020 A, Refunding, 5%, 6/15/50 . .	500,000	488,319
State of Illinois, GO, 2016, 5%, 11/01/34 . . . . .	1,100,000	1,129,025
GO, 2021 A, 5%, 3/01/33 . . . . .	2,000,000	2,120,221
		3,737,565
<b>Kentucky 0.6%</b>		
<sup>b</sup> Louisville/Jefferson County Metropolitan Government, PSG Vesta Derby Oaks LLC, Revenue, 144A, Zero Cpn., 5/01/52 . . . . .	5,600,000	3,662,448
<b>New Jersey 1.0%</b>		
New Jersey Economic Development Authority, Revenue, 2021 QQQ, 4%, 6/15/41 . . .	1,000,000	941,072
New Jersey Transportation Trust Fund Authority, Revenue, 2019 BB, 5%, 6/15/44 . . . . .	2,900,000	2,977,310
Revenue, 2020 AA, 4%, 6/15/45 . . . . .	1,000,000	916,944
Revenue, 2020 AA, 3%, 6/15/50 . . . . .	500,000	354,992
Revenue, 2020 AA, 5%, 6/15/50 . . . . .	1,290,000	1,329,617
		6,519,935
<b>New York 1.4%</b>		
Metropolitan Transportation Authority, Revenue, 2020 E, Refunding, 4%, 11/15/45 . . . . .	1,595,000	1,395,591
Revenue, 2021 A-1, 4%, 11/15/48 . . . . .	5,325,000	4,577,504
Revenue, 2021 A-2, 4%, 11/15/41 . . . . .	3,000,000	2,708,827
		8,681,922
<b>North Carolina 86.5%</b>		
Cape Fear Public Utility Authority, Revenue, 2019 A, Refunding, 4%, 8/01/44 . . . . .	7,570,000	7,398,489
Charlotte-Mecklenburg Hospital Authority (The), Atrium Health Obligated Group, Revenue, 2016 A, Refunding, 5%, 1/15/40 . . . . .	20,000,000	20,489,630
Atrium Health Obligated Group, Revenue, 2018 A, Refunding, 5%, 1/15/36 . . . . .	5,000,000	5,350,753
Atrium Health Obligated Group, Revenue, 2022 A, Refunding, 4%, 1/15/43 . . . . .	2,000,000	1,921,934
City of Charlotte, COP, 2019 A, Refunding, 5%, 6/01/44 . . . . .	8,250,000	8,814,087
Airport, Revenue, 2019 A, 4%, 7/01/44 . . . . .	3,550,000	3,363,750
Airport, Revenue, 2019 A, 5%, 7/01/49 . . . . .	4,460,000	4,696,411
Airport, Revenue, 2019 B, 4%, 7/01/44 . . . . .	5,515,000	5,138,638
Airport, Revenue, 2021 A, Refunding, 4%, 7/01/36 . . . . .	1,790,000	1,822,681
Airport, Revenue, 2021 A, Refunding, 4%, 7/01/39 . . . . .	8,000,000	7,948,659
Airport, Revenue, 2021 A, Refunding, 4%, 7/01/41 . . . . .	4,610,000	4,471,356
Storm Water, Revenue, 2014, Refunding, 5%, 12/01/39 . . . . .	7,970,000	8,204,139

## Franklin North Carolina Tax-Free Income Fund (continued)

	Principal Amount	Value
<b>Municipal Bonds</b> (continued)		
<b>North Carolina</b> (continued)		
City of Charlotte, (continued)		
Water & Sewer System, Revenue, 2015, Refunding, 5%, 7/01/40 . . . . .	\$10,000,000	\$10,372,115
Water & Sewer System, Revenue, 2018, Refunding, 4%, 7/01/37 . . . . .	5,000,000	5,047,659
Water & Sewer System, Revenue, 2020, Refunding, 2%, 7/01/41 . . . . .	500,000	337,248
City of Fayetteville, Public Works Commission, Revenue, 2018, Refunding, 4%, 3/01/41	4,015,000	3,945,552
City of Greensboro, Combined Water & Sewer System, Revenue, 2020 A, Refunding, 4%, 6/01/45 . . . . .	4,500,000	4,397,369
City of Raleigh,		
Combined Enterprise System, Revenue, 2016 A, 4%, 3/01/46 . . . . .	5,000,000	4,879,546
Combined Enterprise System, Revenue, 2016 B, Refunding, 4%, 3/01/34 . . . . .	1,000,000	1,029,271
City of Salisbury, Combined Enterprise System, Revenue, 2020, Refunding, 5%, 2/01/45 . . . . .	1,000,000	1,072,470
City of Winston-Salem,		
Water & Sewer System, Revenue, 2016 A, Refunding, 4%, 6/01/34 . . . . .	1,350,000	1,381,218
Water & Sewer System, Revenue, 2016 A, Refunding, 4%, 6/01/37 . . . . .	5,000,000	5,030,843
Water & Sewer System, Revenue, 2017, 4%, 6/01/47 . . . . .	10,000,000	9,686,135
County of Brunswick, GO, 2022, 4%, 8/01/39 . . . . .	1,550,000	1,555,548
County of Buncombe, Revenue, 2015, Refunding, 5%, 6/01/34 . . . . .	3,000,000	3,133,129
County of Dare,		
Revenue, 2021 A, 3%, 6/01/38 . . . . .	375,000	320,065
Revenue, 2021 A, 3%, 6/01/39 . . . . .	585,000	490,690
Revenue, 2021 A, 3%, 6/01/40 . . . . .	250,000	206,050
Revenue, 2021 A, 3%, 6/01/41 . . . . .	450,000	362,585
County of Durham,		
GO, 2019, 4%, 6/01/36 . . . . .	500,000	510,969
GO, 2019, 4%, 6/01/37 . . . . .	450,000	455,073
GO, 2019, 4%, 6/01/39 . . . . .	700,000	701,743
GO, 2021, Refunding, 5%, 6/01/31 . . . . .	750,000	884,503
GO, 2021, Refunding, 5%, 6/01/32 . . . . .	625,000	736,175
County of Guilford, GO, 2017 B, 4%, 5/01/33 . . . . .	5,000,000	5,161,971
County of Lincoln,		
Enterprise System, Revenue, 2020, Refunding, 3%, 8/01/38 . . . . .	400,000	340,541
Enterprise System, Revenue, 2020, Refunding, 3%, 8/01/41 . . . . .	480,000	386,332
County of Mecklenburg, GO, 2017 A, 4%, 4/01/30 . . . . .	5,000,000	5,235,060
County of New Hanover,		
GO, 2021 A, Refunding, 4%, 8/01/29 . . . . .	760,000	820,939
GO, 2021 A, Refunding, 4%, 8/01/30 . . . . .	605,000	660,873
Revenue, 2021, Refunding, 5%, 8/01/30 . . . . .	3,375,000	3,900,443
New Hanover Regional Medical Center, Revenue, 2017, Pre-Refunded, 5%, 10/01/42 . . . . .	5,000,000	5,448,260
New Hanover Regional Medical Center, Revenue, 2017, Pre-Refunded, 5%, 10/01/47 . . . . .	13,565,000	14,781,128
County of Union, Enterprise System, Revenue, 2021, 4%, 6/01/32 . . . . .	1,050,000	1,134,932
County of Wake,		
GO, 2019 A, 5%, 3/01/32 . . . . .	7,870,000	8,909,726
Revenue, 2021, 3%, 3/01/35 . . . . .	5,535,000	5,165,300
Revenue, 2021, 3%, 3/01/36 . . . . .	6,000,000	5,465,979
Greenville Utilities Commission, Revenue, 2019, 5%, 8/01/44 . . . . .	4,750,000	5,082,575
North Carolina Capital Facilities Finance Agency,		
Campbell University, Inc., Revenue, 2021 A, Refunding, 5%, 10/01/27 . . . . .	400,000	419,900
Campbell University, Inc., Revenue, 2021 A, Refunding, 5%, 10/01/28 . . . . .	500,000	530,999
Campbell University, Inc., Revenue, 2021 A, Refunding, 5%, 10/01/29 . . . . .	550,000	589,410
Campbell University, Inc., Revenue, 2021 A, Refunding, 5%, 10/01/30 . . . . .	500,000	539,184
Campbell University, Inc., Revenue, 2021 A, Refunding, 5%, 10/01/31 . . . . .	1,855,000	2,011,201
Campbell University, Inc., Revenue, 2021 A, Refunding, 5%, 10/01/32 . . . . .	1,000,000	1,079,118
Campbell University, Inc., Revenue, 2021 A, Refunding, 5%, 10/01/33 . . . . .	1,670,000	1,799,285

**Franklin North Carolina Tax-Free Income Fund** (continued)

	Principal Amount	Value
<b>Municipal Bonds</b> (continued)		
<b>North Carolina</b> (continued)		
North Carolina Capital Facilities Finance Agency, (continued)		
Campbell University, Inc., Revenue, 2021 A, Refunding, 4%, 10/01/34	\$740,000	\$724,446
Campbell University, Inc., Revenue, 2021 A, Refunding, 4%, 10/01/35	360,000	347,313
Duke University, Revenue, 2015 B, Pre-Refunded, 5%, 10/01/41	13,585,000	14,250,547
Duke University, Revenue, 2016, Refunding, 5%, 10/01/40	2,500,000	2,643,198
Duke University, Revenue, 2016 B, Refunding, 5%, 7/01/42	7,500,000	7,921,800
Duke University, Revenue, 2016 B, Refunding, 4%, 10/01/44	5,085,000	5,077,081
Duke University, Revenue, 2016 B, Refunding, 5%, 10/01/44	11,000,000	11,595,820
High Point University, Revenue, 2021, Refunding, 4%, 5/01/32	1,000,000	1,028,122
High Point University, Revenue, 2021, Refunding, 4%, 5/01/33	1,000,000	1,024,290
High Point University, Revenue, 2021, Refunding, 4%, 5/01/34	2,270,000	2,310,614
Wake Forest University, Revenue, 2016, Refunding, 4%, 1/01/35	5,000,000	5,093,172
Wake Forest University, Revenue, 2016, Refunding, 4%, 1/01/38	5,500,000	5,519,369
Wake Forest University, Revenue, 2016, Refunding, 4%, 1/01/39	5,250,000	5,247,340
Wake Forest University, Revenue, 2018, 4%, 1/01/48	20,000,000	18,806,256
Wake Forest University, Revenue, 2018, 5%, 1/01/48	13,500,000	14,246,408
North Carolina Central University,		
Revenue, 2019, AGMC Insured, 5%, 4/01/44	1,575,000	1,671,378
Revenue, 2019, 4%, 4/01/49	1,000,000	898,273
North Carolina Housing Finance Agency,		
Revenue, 41, GNMA Insured, 3.55%, 7/01/44	4,195,000	3,823,588
Revenue, 41, GNMA Insured, 3.625%, 7/01/49	6,435,000	5,899,239
Revenue, 42, GNMA Insured, 2.45%, 7/01/34	750,000	654,151
Revenue, 42, GNMA Insured, 2.625%, 7/01/39	3,035,000	2,435,478
Revenue, 42, GNMA Insured, 2.85%, 1/01/43	2,660,000	2,084,049
Revenue, 43, GNMA Insured, 2.8%, 1/01/40	4,740,000	3,807,860
Revenue, 43, GNMA Insured, 2.95%, 7/01/43	2,180,000	1,726,980
Revenue, 44, 3%, 7/01/46	2,740,000	2,131,979
Revenue, 45, Refunding, GNMA Insured, 2.2%, 7/01/40	1,805,000	1,274,847
Revenue, 46-A, GNMA Insured, 1.55%, 1/01/30	2,100,000	1,809,269
Revenue, 46-A, GNMA Insured, 1.75%, 1/01/31	975,000	830,616
North Carolina Medical Care Commission,		
Caromont Health Obligated Group, Revenue, 2021 A, 4%, 2/01/36	1,675,000	1,694,628
Duke University Health System, Inc., Revenue, 2016 D, Refunding, 4%, 6/01/42	7,000,000	6,826,093
EveryAge Obligated Group, Revenue, 2021 A, Refunding, 4%, 9/01/47	2,935,000	2,162,418
EveryAge Obligated Group, Revenue, 2021 A, Refunding, 4%, 9/01/51	960,000	687,124
Forest at Duke, Inc. Obligated Group, Revenue, 2021, 4%, 9/01/33	180,000	169,653
Forest at Duke, Inc. Obligated Group, Revenue, 2021, 4%, 9/01/34	185,000	172,816
Forest at Duke, Inc. Obligated Group, Revenue, 2021, 4%, 9/01/41	920,000	775,274
Forest at Duke, Inc. Obligated Group, Revenue, 2021, 4%, 9/01/46	1,665,000	1,337,807
Forest at Duke, Inc. Obligated Group, Revenue, 2021, 4%, 9/01/51	1,670,000	1,293,699
Friends Homes Obligated Group, Revenue, 2020 A, 4%, 9/01/50	3,000,000	2,252,245
Novant Health Obligated Group, Revenue, 2013 A, Refunding, 5%, 11/01/46	20,000,000	20,005,662
Novant Health Obligated Group, Revenue, 2019 A, 4%, 11/01/49	6,115,000	5,851,880
Novant Health Obligated Group, Revenue, 2019 A, 4%, 11/01/52	6,640,000	6,239,732
Pines at Davidson, Inc. Obligated Group, Revenue, 2019 A, 5%, 1/01/34	2,050,000	2,064,719
Pines at Davidson, Inc. Obligated Group, Revenue, 2019 A, 5%, 1/01/49	5,000,000	4,844,586
Plantation Village, Inc. Obligated Group, Revenue, 2021 A, Refunding, 4%, 1/01/41	1,020,000	831,367
Plantation Village, Inc. Obligated Group, Revenue, 2021 A, Refunding, 4%, 1/01/52	3,510,000	2,590,859
Presbyterian Homes Obligated Group, Revenue, 2016 C, Refunding, 5%, 10/01/31	5,000,000	5,079,988
Presbyterian Homes Obligated Group, Revenue, 2020 A, 4%, 10/01/45	1,000,000	820,811
Presbyterian Homes Obligated Group, Revenue, 2020 A, 5%, 10/01/45	3,600,000	3,490,869
Presbyterian Homes Obligated Group, Revenue, 2020 A, 4%, 10/01/50	1,350,000	1,067,434
Presbyterian Homes Obligated Group, Revenue, 2020 A, 5%, 10/01/50	1,400,000	1,337,465
Rex Hospital, Inc. Obligated Group, Revenue, 2020 A, 4%, 7/01/49	4,000,000	3,756,760
United Methodist Retirement Homes, Inc. Obligated Group (The), Revenue, 2017 A, Pre-Refunded, 5%, 10/01/37	200,000	207,946

## Franklin North Carolina Tax-Free Income Fund (continued)

	Principal Amount	Value
<b>Municipal Bonds</b> (continued)		
<b>North Carolina</b> (continued)		
North Carolina Medical Care Commission, (continued)		
United Methodist Retirement Homes, Inc. Obligated Group (The), Revenue, 2017 A, Pre-Refunded, 5%, 10/01/42 . . . . .	\$2,250,000	\$2,339,396
United Methodist Retirement Homes, Inc. Obligated Group (The), Revenue, 2017 A, Pre-Refunded, 5%, 10/01/47 . . . . .	2,540,000	2,640,918
Vidant Health Obligated Group, Revenue, 2015, Refunding, 5%, 6/01/40 . . . . .	5,000,000	5,036,010
Wake Forest Baptist Obligated Group, Revenue, 2019 A, 5%, 12/01/33 . . . . .	1,000,000	1,075,909
North Carolina Municipal Power Agency No. 1, Revenue, 2015 A, Refunding, 5%, 1/01/32 . . . . .	4,200,000	4,423,456
North Carolina State Education Assistance Authority,		
Revenue, Senior Lien, 2020 A, 5%, 6/01/25 . . . . .	125,000	128,540
Revenue, Senior Lien, 2020 A, 5%, 6/01/26 . . . . .	300,000	312,810
Revenue, Senior Lien, 2020 A, 5%, 6/01/27 . . . . .	450,000	475,744
Revenue, Senior Lien, 2020 A, 5%, 6/01/28 . . . . .	500,000	535,141
Revenue, Senior Lien, 2020 A, 5%, 6/01/29 . . . . .	350,000	378,896
Revenue, Senior Lien, 2020 A, 3.125%, 6/01/39 . . . . .	1,210,000	1,124,062
North Carolina Turnpike Authority,		
Revenue, 2016 A, Refunding, 5%, 7/01/47 . . . . .	2,500,000	2,502,301
Revenue, 2018 A, Refunding, 4%, 1/01/36 . . . . .	9,875,000	10,068,473
Revenue, 2018 A, Refunding, 4%, 1/01/39 . . . . .	9,815,000	9,764,730
Revenue, 2021, Refunding, 5%, 7/01/35 . . . . .	1,300,000	1,482,179
Revenue, 2021, Refunding, 5%, 7/01/36 . . . . .	1,750,000	1,976,998
Revenue, 2021, Refunding, 5%, 7/01/37 . . . . .	1,770,000	1,980,701
Revenue, 2021, Refunding, 5%, 7/01/38 . . . . .	1,250,000	1,394,883
Revenue, 2021, Refunding, 5%, 7/01/39 . . . . .	1,500,000	1,660,873
Revenue, 2021, Refunding, 5%, 7/01/40 . . . . .	1,270,000	1,399,298
Revenue, 2021, Refunding, 5%, 7/01/41 . . . . .	2,000,000	2,194,271
Revenue, Senior Lien, 2017, Refunding, AGMC Insured, 5%, 1/01/31 . . . . .	1,000,000	1,063,680
Revenue, Senior Lien, 2017, Refunding, AGMC Insured, 5%, 1/01/39 . . . . .	1,200,000	1,234,269
Revenue, Senior Lien, 2019, AGMC Insured, 5%, 1/01/49 . . . . .	15,430,000	15,876,955
Raleigh Durham Airport Authority,		
Revenue, 2015 A, Refunding, 5%, 5/01/27 . . . . .	350,000	365,042
Revenue, 2015 A, Refunding, 5%, 5/01/30 . . . . .	550,000	573,769
Revenue, 2020 A, Refunding, 5%, 5/01/36 . . . . .	2,580,000	2,748,214
State of North Carolina,		
GO, 2019 B, 5%, 6/01/29 . . . . .	2,500,000	2,846,060
GO, 2020 A, 5%, 6/01/31 . . . . .	2,500,000	2,898,867
Highway Trust Fund, Revenue, 2020 B, 4%, 5/01/35 . . . . .	2,750,000	2,862,118
Town of Cary, Combined Utility Systems, Revenue, 2017 B, Refunding, 4%, 12/01/42 . . . . .	8,000,000	7,893,181
Town of Oak Island, Enterprise System, Revenue, 2017, Refunding, AGMC Insured, 5%, 6/01/33 . . . . .	1,000,000	1,078,420
University of North Carolina at Chapel Hill,		
Revenue, 2021 B, Refunding, 5%, 12/01/34 . . . . .	1,225,000	1,424,455
Revenue, 2021 B, Refunding, 5%, 12/01/37 . . . . .	2,180,000	2,470,882
Hospitals at Chapel Hill, Revenue, 2016, 5%, 2/01/46 . . . . .	4,265,000	4,373,159
Hospitals at Chapel Hill, Revenue, 2019, 5%, 2/01/49 . . . . .	2,850,000	3,187,743
University of North Carolina Hospitals at Chapel Hill, Revenue, 2019, 5%, 2/01/45 . . . . .	4,010,000	4,504,876
University of North Carolina at Charlotte (The),		
Revenue, 2014, Pre-Refunded, 5%, 4/01/43 . . . . .	5,000,000	5,100,424
Revenue, 2017, 5%, 10/01/47 . . . . .	10,000,000	10,458,139
Revenue, 2017 A, Refunding, 4%, 10/01/40 . . . . .	2,250,000	2,175,120
Revenue, 2020 A, Refunding, 5%, 10/01/38 . . . . .	1,145,000	1,242,295
Revenue, 2020 A, Refunding, 4%, 10/01/40 . . . . .	290,000	279,653
University of North Carolina at Greensboro,		
Revenue, 2014, Refunding, 5%, 4/01/39 . . . . .	3,500,000	3,555,347
Revenue, 2017, Refunding, 4%, 4/01/35 . . . . .	1,205,000	1,229,274
Revenue, 2017, Refunding, 4%, 4/01/36 . . . . .	1,000,000	1,012,145

**Franklin North Carolina Tax-Free Income Fund** (continued)

	Principal Amount	Value
<b>Municipal Bonds</b> (continued)		
<b>North Carolina</b> (continued)		
University of North Carolina at Greensboro, (continued)		
Revenue, 2018, 5%, 4/01/43 . . . . .	\$2,500,000	\$2,663,061
University of North Carolina at Wilmington, Revenue, 2015, Refunding, 5%, 6/01/37 . . . . .	3,000,000	3,080,269
University of North Carolina System, Appalachian State University, Revenue, 2008 A, AGMC Insured, 5%, 10/01/33 . . . . .	160,000	160,052
Western Carolina University, Revenue, 2020 B, 3%, 4/01/36 . . . . .	1,000,000	904,243
Revenue, 2020 B, 4%, 4/01/50 . . . . .	5,000,000	4,629,952
		<hr/> 550,852,210
<b>South Carolina 0.7%</b>		
South Carolina Jobs-Economic Development Authority,		
<sup>b</sup> Revenue, 144A, 2021 A-1, 3.65%, 12/01/36 . . . . .	1,600,000	1,280,975
AHPC Vista Towers 2021 LLC, Revenue, 2021 A-1, 3.65%, 12/01/36 . . . . .	1,600,000	1,277,049
<sup>b</sup> South Carolina State Housing Finance & Development Authority, Garden Oaks LP, Revenue, 144A, 2021 A, 4.2%, 12/01/39 . . . . .	2,500,000	1,909,747
		<hr/> 4,467,771
<b>Texas 0.6%</b>		
<sup>b</sup> EP Cimarron Ventanas PFC, Revenue, Senior Lien, 144A, 2021 A, 4%, 12/01/51 . . . . .		
Lake Houston Redevelopment Authority, City of Houston Reinvestment Zone No. 10, Revenue, 2021, Refunding, 4%, 9/01/32 . . . . .	2,100,000	1,557,652
City of Houston Reinvestment Zone No. 10, Revenue, 2021, Refunding, 4%, 9/01/33 . . . . .	200,000	193,781
<sup>b</sup> Pecan Public Facility Corp., Revenue, 144A, 2022 A-2, 5%, 12/01/52 . . . . .	200,000	192,470
	2,800,000	2,048,470
		<hr/> 3,992,373
<b>Washington 0.2%</b>		
<sup>b</sup> Washington State Housing Finance Commission, Madison at Rivers Edge Apartments LLC, Revenue, 144A, 2021 A, 3.65%, 1/01/37 . . . . .		
	1,600,000	1,281,030
<b>Wisconsin 0.9%</b>		
<sup>b</sup> Public Finance Authority, Revenue, 144A, 2022, B-1, 4%, 12/28/44 . . . . .		
Gulf Coast Portfolio Obligated Group, Revenue, 144A, 2021, 5.25%, 12/01/23 . . . . .	1,600,000	1,267,766
	4,200,000	4,200,000
		<hr/> 5,467,766
<b>U.S. Territories 4.2%</b>		
<b>Guam 0.7%</b>		
<sup>c</sup> Antonio B Won Pat International Airport Authority, Revenue, 2023 A, Refunding, 5.25%, 10/01/30 . . . . .		
Revenue, 2023 A, Refunding, 5.125%, 10/01/34 . . . . .	750,000	770,339
Revenue, 2023 A, Refunding, 5.25%, 10/01/35 . . . . .	390,000	391,011
Guam Government Waterworks Authority, Revenue, 2020 A, 5%, 1/01/50 . . . . .	265,000	264,818
	3,205,000	3,217,167
		<hr/> 4,643,335
<b>Puerto Rico 3.5%</b>		
Commonwealth of Puerto Rico,		
<sup>d</sup> GO, FRN, Zero Cpn., 11/01/43 . . . . .	110,346	47,587
GO, 2022 A-1, 5.625%, 7/01/27 . . . . .	25,850	26,704
GO, 2022 A-1, 5.625%, 7/01/29 . . . . .	25,431	26,535
GO, 2022 A-1, 5.75%, 7/01/31 . . . . .	24,701	26,000
GO, 2022 A-1, 4%, 7/01/33 . . . . .	23,423	20,988
GO, 2022 A-1, 4%, 7/01/35 . . . . .	21,054	18,441
GO, 2022 A-1, 4%, 7/01/37 . . . . .	18,070	15,454
GO, 2022 A-1, 4%, 7/01/41 . . . . .	24,568	20,295
GO, 2022 A-1, 4%, 7/01/46 . . . . .	25,551	20,346
GO, 2022 A-1, Zero Cpn., 7/01/24 . . . . .	7,794	7,315

## Franklin North Carolina Tax-Free Income Fund (continued)

	Principal Amount	Value
<b>Municipal Bonds</b> (continued)		
<b>U.S. Territories</b> (continued)		
<b>Puerto Rico</b> (continued)		
Commonwealth of Puerto Rico, (continued)		
GO, 2022 A-1, Zero Cpn., 7/01/33 .....	\$30,143	\$17,175
HTA TRRB Custodial Trust,		
Revenue, 2005 L, 5.25%, 7/01/41 .....	2,000,000	2,021,975
Revenue, 2007 N, 5.25%, 7/01/36 .....	300,000	302,672
Puerto Rico Electric Power Authority,		
Revenue, VV, Refunding, NATL Insured, 5.25%, 7/01/32 .....	1,500,000	1,503,892
° Revenue, XX, 5.25%, 7/01/40 .....	4,120,000	2,894,300
Puerto Rico Highway & Transportation Authority,		
Revenue, 2022 A, 5%, 7/01/62 .....	596,256	553,027
Revenue, 2022 B, Zero Cpn., 7/01/32 .....	387,485	242,178
Revenue, 2022 C, Zero Cpn., 7/01/53 .....	662,828	367,983
Puerto Rico Industrial Tourist Educational Medical & Environmental Control Facilities Financing Authority,		
Hospital Auxilio Mutuo Obligated Group, Revenue, 2021, Refunding, 5%, 7/01/33 ..	440,000	480,902
Hospital Auxilio Mutuo Obligated Group, Revenue, 2021, Refunding, 4%, 7/01/41 ..	220,000	191,181
Puerto Rico Sales Tax Financing Corp.,		
Sales Tax, Revenue, A-1, 5%, 7/01/58 .....	12,890,000	11,959,342
Sales Tax, Revenue, A-2, 4.329%, 7/01/40 .....	2,000,000	1,817,405
		22,581,697
<b>Total U.S. Territories</b> .....		27,225,032
<b>Total Municipal Bonds (Cost \$671,278,729)</b> .....		<b>625,758,514</b>
<b>Total Long Term Investments (Cost \$672,878,729)</b> .....		<b>627,330,233</b>
<b>Short Term Investments 0.8%</b>		
<b>Municipal Bonds 0.8%</b>		
<b>North Carolina 0.8%</b>		
†Charlotte-Mecklenburg Hospital Authority (The),		
Atrium Health Obligated Group, Revenue, 2007 B, Refunding, SPA JPMorgan Chase Bank NA, Daily VRDN and Put, 2.45%, 1/15/38 .....	1,100,000	1,100,000
Atrium Health Obligated Group, Revenue, 2007 C, Refunding, SPA JPMorgan Chase Bank NA, Daily VRDN and Put, 2.45%, 1/15/37 .....	2,000,000	2,000,000
Atrium Health Obligated Group, Revenue, 2018 H, SPA JPMorgan Chase Bank NA, Daily VRDN and Put, 2.45%, 1/15/48 .....	1,800,000	1,800,000
		4,900,000
<b>Total Municipal Bonds (Cost \$4,900,000)</b> .....		<b>4,900,000</b>
<b>Total Short Term Investments (Cost \$4,900,000)</b> .....		<b>4,900,000</b>
<b>Total Investments (Cost \$677,778,729) 99.4%</b> .....		<b>\$632,230,233</b>
<b>Other Assets, less Liabilities 0.6%</b> .....		<b>4,290,340</b>
<b>Net Assets 100.0%</b> .....		<b>\$636,520,573</b>

**Franklin North Carolina Tax-Free Income Fund** (continued)

See Abbreviations on page 148.

<sup>a</sup>Fair valued using significant unobservable inputs. See Note 12 regarding fair value measurements.

<sup>b</sup>Security was purchased pursuant to Rule 144A or Regulation S under the Securities Act of 1933. 144A securities may be sold in transactions exempt from registration only to qualified institutional buyers or in a public offering registered under the Securities Act of 1933. Regulation S securities cannot be sold in the United States without either an effective registration statement filed pursuant to the Securities Act of 1933, or pursuant to an exemption from registration. At February 28, 2023, the aggregate value of these securities was \$21,266,164, representing 3.3% of net assets.

<sup>c</sup>Security purchased on a when-issued basis. See Note 1(b).

<sup>d</sup>The coupon rate shown represents the rate at period end.

<sup>e</sup>See Note 7 regarding defaulted securities.

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

## Financial Highlights

### Franklin Virginia Tax-Free Income Fund

	Year Ended February 28,				Year Ended February 28, 2019 <sup>b</sup>
	2023	2022	2021	2020 <sup>a</sup>	
<b>Class A</b>					
<b>Per share operating performance</b>					
(for a share outstanding throughout the year)					
Net asset value, beginning of year . . . . .	\$10.79	\$11.13	\$11.42	\$10.92	\$10.87
Income from investment operations <sup>c</sup> :					
Net investment income <sup>d</sup> . . . . .	0.23	0.19	0.22	0.28	0.15
Net realized and unrealized gains (losses) . . . . .	(1.08)	(0.34)	(0.29)	0.52	0.05
Total from investment operations . . . . .	(0.85)	(0.15)	(0.07)	0.80	0.20
Less distributions from:					
Net investment income . . . . .	(0.22)	(0.19)	(0.22)	(0.30)	(0.15)
Net asset value, end of year . . . . .	\$9.72	\$10.79	\$11.13	\$11.42	\$10.92
Total return <sup>e</sup> . . . . .	(7.85)%	(1.38)%	(0.58)%	7.40%	1.90%
<b>Ratios to average net assets<sup>f</sup></b>					
Expenses <sup>g</sup> . . . . .	0.86%	0.84%	0.84%	0.84%	0.84%
Net investment income . . . . .	2.28%	1.71%	1.97%	2.54%	3.01%
<b>Supplemental data</b>					
Net assets, end of year (000's) . . . . .	\$87,137	\$108,135	\$107,395	\$77,058	\$39,565
Portfolio turnover rate . . . . .	22.24%	34.49%	31.54%	14.44%	9.60%

<sup>a</sup>For the year ended February 29.

<sup>b</sup>For the period September 10, 2018 (effective date) to February 28, 2019.

<sup>c</sup>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's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

<sup>d</sup>Based on average daily shares outstanding.

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

<sup>f</sup>Ratios are annualized for periods less than one year.

<sup>g</sup>Benefit of expense reduction rounds to less than 0.01%.

**Franklin Virginia Tax-Free Income Fund** (continued)

	Year Ended February 28,				
	2023	2022	2021	2020 <sup>a</sup>	2019
<b>Class A1</b>					
<b>Per share operating performance</b>					
(for a share outstanding throughout the year)					
Net asset value, beginning of year . . . . .	\$10.79	\$11.12	\$11.42	\$10.91	\$10.91
Income from investment operations <sup>b</sup> :					
Net investment income <sup>c</sup> . . . . .	0.24	0.21	0.24	0.30	0.34
Net realized and unrealized gains (losses) . . . . .	(1.07)	(0.33)	(0.30)	0.52	— <sup>d</sup>
Total from investment operations . . . . .	(0.83)	(0.12)	(0.06)	0.82	0.34
Less distributions from:					
Net investment income . . . . .	(0.24)	(0.21)	(0.24)	(0.31)	(0.34)
Net asset value, end of year . . . . .	\$9.72	\$10.79	\$11.12	\$11.42	\$10.91
Total return <sup>e</sup> . . . . .	(7.71)%	(1.15)%	(0.52)%	7.66%	3.22%
<b>Ratios to average net assets</b>					
Expenses <sup>f</sup> . . . . .	0.71%	0.69%	0.69%	0.69%	0.69%
Net investment income . . . . .	2.42%	1.86%	2.15%	2.69%	3.16%
<b>Supplemental data</b>					
Net assets, end of year (000's) . . . . .	\$235,354	\$316,275	\$353,874	\$398,547	\$402,739
Portfolio turnover rate . . . . .	22.24%	34.49%	31.54%	14.44%	9.60%

<sup>a</sup>For the year ended February 29.

<sup>b</sup>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's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

<sup>c</sup>Based on average daily shares outstanding.

<sup>d</sup>Amount rounds to less than \$0.01 per share.

<sup>e</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable.

<sup>f</sup>Benefit of expense reduction rounds to less than 0.01%.

**Franklin Virginia Tax-Free Income Fund** (continued)

	Year Ended February 28,				
	2023	2022	2021	2020 <sup>a</sup>	2019
<b>Class C</b>					
<b>Per share operating performance</b>					
(for a share outstanding throughout the year)					
Net asset value, beginning of year . . . . .	\$10.98	\$11.32	\$11.62	\$11.10	\$11.09
Income from investment operations <sup>b</sup> :					
Net investment income <sup>c</sup> . . . . .	0.18	0.15	0.18	0.24	0.29
Net realized and unrealized gains (losses) . . . . .	(1.09)	(0.34)	(0.30)	0.54	— <sup>d</sup>
Total from investment operations . . . . .	(0.91)	(0.19)	(0.12)	0.78	0.29
Less distributions from:					
Net investment income . . . . .	(0.18)	(0.15)	(0.18)	(0.26)	(0.28)
Net asset value, end of year . . . . .	\$9.89	\$10.98	\$11.32	\$11.62	\$11.10
Total return <sup>e</sup> . . . . .	(8.27)%	(1.76)%	(1.05)%	7.07%	2.68%
<b>Ratios to average net assets</b>					
Expenses <sup>f</sup> . . . . .	1.25%	1.23%	1.24%	1.24%	1.24%
Net investment income . . . . .	1.80%	1.27%	1.58%	2.14%	2.61%
<b>Supplemental data</b>					
Net assets, end of year (000's) . . . . .	\$12,400	\$20,687	\$38,151	\$52,357	\$62,041
Portfolio turnover rate . . . . .	22.24%	34.49%	31.54%	14.44%	9.60%

<sup>a</sup>For the year ended February 29.<sup>b</sup>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's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.<sup>c</sup>Based on average daily shares outstanding.<sup>d</sup>Amount rounds to less than \$0.01 per share.<sup>e</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable.<sup>f</sup>Benefit of expense reduction rounds to less than 0.01%.

**Franklin Virginia Tax-Free Income Fund** (continued)

	Year Ended February 28,				
	2023	2022	2021	2020 <sup>a</sup>	2019
<b>Class R6</b>					
<b>Per share operating performance</b>					
(for a share outstanding throughout the year)					
Net asset value, beginning of year . . . . .	\$10.80	\$11.13	\$11.43	\$10.92	\$10.91
Income from investment operations <sup>b</sup> :					
Net investment income <sup>c</sup> . . . . .	0.26	0.22	0.25	0.32	0.36
Net realized and unrealized gains (losses) . . . . .	(1.09)	(0.32)	(0.29)	0.52	0.01
Total from investment operations . . . . .	(0.83)	(0.10)	(0.04)	0.84	0.37
Less distributions from:					
Net investment income . . . . .	(0.25)	(0.23)	(0.26)	(0.33)	(0.36)
Net asset value, end of year . . . . .	\$9.72	\$10.80	\$11.13	\$11.43	\$10.92
Total return . . . . .	(7.66)%	(1.00)%	(0.38)%	7.80%	3.44%
<b>Ratios to average net assets</b>					
Expenses before waiver and payments by affiliates . . . . .	0.58%	0.56%	0.57%	0.56%	0.57%
Expenses net of waiver and payments by affiliates <sup>d</sup> . . . . .	0.56%	0.55%	0.55%	0.55%	0.55%
Net investment income . . . . .	2.61%	2.00%	2.27%	2.83%	3.30%
<b>Supplemental data</b>					
Net assets, end of year (000's) . . . . .	\$6,243	\$7,778	\$6,812	\$5,829	\$4,947
Portfolio turnover rate . . . . .	22.24%	34.49%	31.54%	14.44%	9.60%

<sup>a</sup>For the year ended February 29.

<sup>b</sup>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's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

<sup>c</sup>Based on average daily shares outstanding.

<sup>d</sup>Benefit of expense reduction rounds to less than 0.01%.

**Franklin Virginia Tax-Free Income Fund** (continued)

	Year Ended February 28,				
	2023	2022	2021	2020 <sup>a</sup>	2019
<b>Advisor Class</b>					
<b>Per share operating performance</b>					
(for a share outstanding throughout the year)					
Net asset value, beginning of year . . . . .	\$10.80	\$11.13	\$11.43	\$10.92	\$10.92
Income from investment operations <sup>b</sup> :					
Net investment income <sup>c</sup> . . . . .	0.25	0.22	0.25	0.31	0.35
Net realized and unrealized gains (losses) . . . . .	(1.07)	(0.33)	(0.30)	0.53	0.01
Total from investment operations . . . . .	(0.82)	(0.11)	(0.05)	0.84	0.36
Less distributions from:					
Net investment income . . . . .	(0.25)	(0.22)	(0.25)	(0.33)	(0.36)
Net asset value, end of year . . . . .	\$9.73	\$10.80	\$11.13	\$11.43	\$10.92
Total return . . . . .	(7.61)%	(1.05)%	(0.42)%	7.76%	3.32%
<b>Ratios to average net assets</b>					
Expenses <sup>d</sup> . . . . .	0.61%	0.59%	0.59%	0.59%	0.59%
Net investment income . . . . .	2.54%	1.96%	2.23%	2.79%	3.26%
<b>Supplemental data</b>					
Net assets, end of year (000's) . . . . .	\$111,733	\$138,033	\$128,837	\$109,844	\$84,880
Portfolio turnover rate . . . . .	22.24%	34.49%	31.54%	14.44%	9.60%

<sup>a</sup>For the year ended February 29.<sup>b</sup>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's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.<sup>c</sup>Based on average daily shares outstanding.<sup>d</sup>Benefit of expense reduction rounds to less than 0.01%.

## Schedule of investments, February 28, 2023

## Franklin Virginia Tax-Free Income Fund

	Principal Amount	Value
<b>Municipal Bonds 97.8%</b>		
<b>California 0.2%</b>		
California Municipal Finance Authority, Revenue, 2022 A-1, 4.25%, 12/01/37 . . . . .	\$1,000,000	\$832,817
<b>Florida 0.8%</b>		
Capital Trust Agency, Inc., Kingdom Development West Palm Beach Portfolio Obligated Group, Revenue, 2021 A-1, 3.75%, 12/01/36 . . . . .	3,456,000	2,877,716
<sup>a</sup> SHI - Lake Osborne LLC, Revenue, 144A, 2021 A-1, 3.68%, 1/01/57 . . . . .	1,100,000	741,547
		3,619,263
<b>Illinois 0.5%</b>		
Metropolitan Pier & Exposition Authority, Revenue, 2020 A, Refunding, 5%, 6/15/50. .	1,500,000	1,464,955
State of Illinois, GO, 2017 D, 5%, 11/01/26 . . . . .	1,000,000	1,038,498
		2,503,453
<b>New Jersey 1.0%</b>		
New Jersey Transportation Trust Fund Authority, Revenue, 2018 A, Refunding, 5%, 12/15/32 . . . . .	3,460,000	3,748,618
Revenue, 2021 A, Refunding, 4%, 6/15/36 . . . . .	1,000,000	1,000,085
		4,748,703
<b>New York 0.3%</b>		
Metropolitan Transportation Authority, Revenue, 2021 A-1, 4%, 11/15/46 . . . . .	1,350,000	1,173,613
<b>South Carolina 0.8%</b>		
South Carolina Jobs-Economic Development Authority, <sup>a</sup> Revenue, 144A, 2021 A-1, 3.65%, 12/01/36 . . . . .	1,200,000	960,731
AHPC Vista Towers 2021 LLC, Revenue, 2021 A-1, 3.65%, 12/01/36 . . . . .	1,200,000	957,787
<sup>a</sup> South Carolina State Housing Finance & Development Authority, Garden Oaks LP, Revenue, 144A, 2021 A, 4.2%, 12/01/39 . . . . .	2,000,000	1,527,797
		3,446,315
<b>Texas 0.7%</b>		
<sup>a</sup> EP Cimarron Ventanas PFC, Revenue, Senior Lien, 144A, 2021 A, 4%, 12/01/51. . . .	1,600,000	1,186,783
Lake Houston Redevelopment Authority, City of Houston Reinvestment Zone No. 10, Revenue, 2021, Refunding, 5%, 9/01/28	225,000	231,604
City of Houston Reinvestment Zone No. 10, Revenue, 2021, Refunding, 5%, 9/01/29	250,000	259,090
<sup>a</sup> Pecan Public Facility Corp., Revenue, 144A, 2022 A-2, 5%, 12/01/52 . . . . .	2,100,000	1,536,352
		3,213,829
<b>Virginia 81.0%</b>		
Albemarle County Economic Development Authority, Westminster Canterbury of the Blue Ridge Obligated Group, Revenue, 2022 A, Refunding, 4%, 6/01/30. . . . .	1,120,000	1,068,936
Westminster Canterbury of the Blue Ridge Obligated Group, Revenue, 2022 A, Refunding, 4%, 6/01/31. . . . .	1,165,000	1,099,032
Westminster Canterbury of the Blue Ridge Obligated Group, Revenue, 2022 A, Refunding, 4%, 6/01/32. . . . .	1,105,000	1,032,473
Westminster Canterbury of the Blue Ridge Obligated Group, Revenue, 2022 A, Refunding, 4%, 6/01/33. . . . .	1,260,000	1,165,577
Westminster Canterbury of the Blue Ridge Obligated Group, Revenue, 2022 A, Refunding, 4%, 6/01/42. . . . .	2,725,000	2,327,129
Westminster Canterbury of the Blue Ridge Obligated Group, Revenue, 2022 A, Refunding, 4%, 6/01/49. . . . .	2,800,000	2,263,242
Westminster Canterbury of the Blue Ridge Obligated Group, Revenue, 2022 B, Refunding, 4%, 6/01/54. . . . .	5,215,000	3,946,346
Alexandria Industrial Development Authority, Goodwin House, Inc. Obligated Group, Revenue, 2015, Pre-Refunded, 5%, 10/01/45	975,000	1,024,005

**Franklin Virginia Tax-Free Income Fund** (continued)

	Principal Amount	Value
<b>Municipal Bonds</b> (continued)		
<b>Virginia</b> (continued)		
Alexandria Industrial Development Authority, (continued)		
Protestant Episcopal High School in Virginia, Revenue, 2021 C, Refunding, 4%, 1/01/46 . . . . .	\$2,450,000	\$2,294,167
Arlington County Industrial Development Authority, Virginia Hospital Center Arlington Health System, Revenue, 2020, Refunding, 4%, 7/01/45 . . . . .	2,000,000	1,864,132
Virginia Hospital Center Arlington Health System, Revenue, 2020, Refunding, 3.75%, 7/01/50 . . . . .	10,350,000	8,827,067
Chesapeake Hospital Authority, Chesapeake Hospital Authority Obligated Group, Revenue, 2019, Refunding, 4%, 7/01/39 . . . . .	1,000,000	968,010
Chesapeake Hospital Authority Obligated Group, Revenue, 2019, Refunding, 4%, 7/01/43 . . . . .	4,000,000	3,805,038
City of Hopewell, Sewer System, Revenue, 2011 A, Refunding, 5%, 7/15/42 . . . . .	4,850,000	4,820,610
City of Norfolk, GO, 2013 A, Pre-Refunded, 5%, 8/01/32 . . . . .	5,845,000	5,890,226
Water, Revenue, 2018, 5%, 11/01/43 . . . . .	6,920,000	7,334,127
Water, Revenue, 2018, 5%, 11/01/47 . . . . .	6,925,000	7,301,771
City of Richmond, Public Utility, Revenue, 2016 A, Refunding, 5%, 1/15/33 . . . . .	10,000,000	10,498,665
Commonwealth of Virginia, GO, 2020 A, 4%, 6/01/31 . . . . .	4,650,000	5,028,698
GO, 2022 A, 5%, 6/01/52 . . . . .	2,445,000	2,707,210
County of Arlington, GO, 2019, 4%, 6/15/34 . . . . .	2,000,000	2,112,854
County of Fairfax, GO, 2023 A, 4%, 10/01/40 . . . . .	3,000,000	3,023,741
Sewer, Revenue, 2017, 5%, 7/15/37 . . . . .	2,760,000	2,977,060
Sewer, Revenue, 2021 A, 5%, 7/15/46 . . . . .	2,500,000	2,773,034
Fairfax County Economic Development Authority, Revenue, 2017, 5%, 4/01/42 . . . . .	5,085,000	5,356,943
Goodwin House, Inc. Obligated Group, Revenue, 2016 A, Pre-Refunded, 5%, 10/01/36 . . . . .	4,865,000	5,076,433
Fairfax County Industrial Development Authority, Inova Health System Obligated Group, Revenue, 2014 A, 5%, 5/15/44 . . . . .	2,500,000	2,518,662
Fairfax County Water Authority, Revenue, 2017, Refunding, 5%, 4/01/43 . . . . .	3,510,000	3,718,946
Revenue, 2017, Refunding, 5%, 4/01/47 . . . . .	5,000,000	5,269,632
Farmville Industrial Development Authority, Elwood Place LLC, Revenue, 2021, AGMC Insured, 5.375%, 7/01/53 . . . . .	5,000,000	5,234,021
Longwood Housing Foundation LLC, Revenue, 2018 A, Refunding, 5%, 1/01/48 . . . . .	5,000,000	4,793,833
Hampton Roads Sanitation District, Revenue, 2016 A, Pre-Refunded, 5%, 8/01/33 . . . . .	5,115,000	5,460,461
Revenue, 2016 A, Pre-Refunded, 5%, 8/01/43 . . . . .	11,840,000	12,639,659
Hampton Roads Transportation Accountability Commission, Revenue, Senior Lien, 2018 A, 5%, 7/01/48 . . . . .	14,495,000	15,257,130
Revenue, Senior Lien, 2018 A, Pre-Refunded, 5%, 7/01/48 . . . . .	5,505,000	6,068,732
Revenue, Senior Lien, 2020 A, 5%, 7/01/50 . . . . .	4,000,000	4,302,667
Revenue, Senior Lien, 2020 A, 5%, 7/01/60 . . . . .	4,885,000	5,240,969
Henrico County Economic Development Authority, Westminster-Canterbury Corp. Obligated Group, Revenue, 2020, Refunding, 4%, 10/01/40 . . . . .	500,000	481,892
Westminster-Canterbury Corp. Obligated Group, Revenue, 2020, Refunding, 4%, 10/01/45 . . . . .	725,000	671,219
Westminster-Canterbury Corp. Obligated Group, Revenue, 2020, Refunding, 4%, 10/01/50 . . . . .	1,500,000	1,354,356
Westminster-Canterbury Corp. Obligated Group, Revenue, 2022 A, 5%, 10/01/42 . . . . .	1,125,000	1,184,557
Westminster-Canterbury Corp. Obligated Group, Revenue, 2022 A, 5%, 10/01/52 . . . . .	5,000,000	5,171,393

**Franklin Virginia Tax-Free Income Fund** (continued)

	Principal Amount	Value
<b>Municipal Bonds</b> (continued)		
<b>Virginia</b> (continued)		
Lexington Industrial Development Authority,		
Lexington Retirement Community Obligated Group, Revenue, 2022, Refunding, 4%, 1/01/38 . . . . .	\$685,000	\$591,107
Lexington Retirement Community Obligated Group, Revenue, 2022, Refunding, 4%, 1/01/42 . . . . .	1,120,000	910,776
Lexington Retirement Community Obligated Group, Revenue, 2022, Refunding, 4%, 1/01/48 . . . . .	2,315,000	1,767,613
Washington & Lee University (The), Revenue, 2018 A, Refunding, 5%, 1/01/35 . . .	1,105,000	1,213,556
Washington & Lee University (The), Revenue, 2018 A, Refunding, 5%, 1/01/48 . . .	1,500,000	1,597,949
Lynchburg Economic Development Authority,		
Centra Health Obligated Group, Revenue, 2017 A, Refunding, 5%, 1/01/47 . . . . .	4,500,000	4,570,581
Centra Health Obligated Group, Revenue, 2021, Refunding, 4%, 1/01/47 . . . . .	2,350,000	2,127,814
Centra Health Obligated Group, Revenue, 2021, Refunding, 3%, 1/01/51 . . . . .	2,000,000	1,403,548
Centra Health Obligated Group, Revenue, 2021, Refunding, 4%, 1/01/55 . . . . .	6,305,000	5,548,391
Montgomery County Economic Development Authority,		
Virginia Tech Foundation, Inc., Revenue, 2019 A, 4%, 6/01/36 . . . . .	1,200,000	1,216,080
Virginia Tech Foundation, Inc., Revenue, 2019 A, 4%, 6/01/37 . . . . .	500,000	502,582
Virginia Tech Foundation, Inc., Revenue, 2019 A, 4%, 6/01/39 . . . . .	1,750,000	1,737,444
Norfolk Airport Authority,		
Revenue, 2019, 5%, 7/01/39 . . . . .	800,000	846,430
Revenue, 2019, 5%, 7/01/43 . . . . .	3,925,000	4,103,580
Northern Virginia Transportation Commission, Commuter Rail Operating & Capital Fund, Revenue, 2022, 5%, 6/01/47 . . . . .	1,750,000	1,918,446
Prince Edward County Industrial Development Authority, President and Trustees of Hampden-Sydney College, Revenue, 2018, 5%, 9/01/48 . . . . .	2,050,000	2,094,702
Riverside Regional Jail Authority, Revenue, 2015, Refunding, 5%, 7/01/31 . . . . .	6,215,000	6,447,033
Salem Economic Development Authority, Roanoke College, Revenue, 2020, Refunding, 5%, 4/01/49 . . . . .	925,000	923,408
Stafford County & Staunton Industrial Development Authority, Revenue, 2007 E, AGMC Insured, 5%, 8/01/37 . . . . .	960,000	960,547
Upper Occoquan Sewage Authority, Revenue, 2016 B, Refunding, 4%, 7/01/35 . . . . .	6,165,000	6,294,096
Virginia Beach Development Authority,		
Westminster-Canterbury on Chesapeake Bay Obligated Group, Revenue, 2018, Refunding, 5%, 9/01/40 . . . . .	1,750,000	1,652,473
Westminster-Canterbury on Chesapeake Bay Obligated Group, Revenue, 2018, Refunding, 5%, 9/01/44 . . . . .	2,215,000	2,037,096
Virginia College Building Authority,		
Revenue, 2016 A, 5%, 9/01/27 . . . . .	3,925,000	4,193,405
Revenue, 2016 A, Pre-Refunded, 5%, 9/01/27 . . . . .	75,000	80,077
Revenue, 2016 A, Refunding, 4%, 2/01/30 . . . . .	7,000,000	7,179,041
Randolph-Macon College, Revenue, 2021 A, Refunding, 3%, 1/15/39 . . . . .	795,000	630,940
Randolph-Macon College, Revenue, 2021 A, Refunding, 2.25%, 1/15/40 . . . . .	450,000	314,152
Randolph-Macon College, Revenue, 2021 A, Refunding, 3%, 1/15/41 . . . . .	500,000	383,948
Randolph-Macon College, Revenue, 2021 A, Refunding, 3%, 1/15/46 . . . . .	1,100,000	790,812
Randolph-Macon College, Revenue, 2021 A, Refunding, 3%, 1/15/51 . . . . .	1,750,000	1,196,487
Regent University, Revenue, 2021, Refunding, 4%, 6/01/36 . . . . .	2,750,000	2,507,240
Regent University, Revenue, 2021, Refunding, 3%, 6/01/41 . . . . .	4,800,000	3,420,989
Regent University, Revenue, 2021, Refunding, 4%, 6/01/46 . . . . .	3,725,000	3,075,901
Virginia Commonwealth Transportation Board,		
Revenue, 2016, 5%, 9/15/30 . . . . .	2,260,000	2,401,621
Revenue, 2016, 5%, 9/15/31 . . . . .	4,000,000	4,249,277
Revenue, 2022, Refunding, 4%, 5/15/36 . . . . .	5,000,000	5,175,301
Virginia Housing Development Authority, Revenue, 2018 D, 3.8%, 10/01/43 . . . . .	3,805,000	3,391,631
Virginia Public Building Authority, Revenue, 2019 A, 4%, 8/01/35 . . . . .	1,250,000	1,301,514
Virginia Public School Authority,		
Revenue, 2018 B, 5%, 8/01/30 . . . . .	5,280,000	5,873,399
Revenue, 2020 B, Refunding, 4%, 8/01/34 . . . . .	3,925,000	4,127,544

## Franklin Virginia Tax-Free Income Fund (continued)

	Principal Amount	Value
<b>Municipal Bonds</b> (continued)		
<b>Virginia</b> (continued)		
Virginia Public School Authority, (continued)		
County of Prince William, Revenue, 2018, 4%, 3/01/33 . . . . .	\$5,795,000	\$6,105,425
Virginia Resources Authority,		
Revenue, 5%, 11/01/38 . . . . .	1,970,000	2,051,136
Revenue, Pre-Refunded, 5%, 11/01/38 . . . . .	3,195,000	3,353,223
Revenue, 2015 B, Refunding, 5%, 11/01/45 . . . . .	5,255,000	5,429,401
Revenue, 2018 C, Refunding, 5%, 11/01/48 . . . . .	7,655,000	8,232,967
Virginia Small Business Financing Authority,		
95 Express Lanes LLC, Revenue, Senior Lien, 2022, Refunding, 4%, 1/01/48 . . . .	7,000,000	5,863,906
Bon Secours Mercy Health, Inc., Revenue, 2020 A, Refunding, 4%, 12/01/49 . . . .	5,000,000	4,553,963
Capital Beltway Express LLC, Revenue, Senior Lien, 2022, Refunding, 5%, 12/31/57	6,000,000	6,009,376
Elizabeth River Crossings OpCo LLC, Revenue, Senior Lien, 2022, Refunding, 4%, 1/01/40 . . . . .	7,500,000	6,864,737
I-66 Express Mobility Partners LLC, Revenue, Senior Lien, 2017, 5%, 12/31/47 . . .	5,000,000	5,001,577
I-66 Express Mobility Partners LLC, Revenue, Senior Lien, 2017, 5%, 12/31/52 . . .	4,600,000	4,585,530
LifeSpire of Virginia Obligated Group, Revenue, 2021, Refunding, 4%, 12/01/36 . . .	2,210,000	1,939,761
LifeSpire of Virginia Obligated Group, Revenue, 2021, Refunding, 4%, 12/01/41 . . .	2,500,000	2,077,423
LifeSpire of Virginia Obligated Group, Revenue, 2021, Refunding, 4%, 12/01/51 . . .	7,500,000	5,750,668
National Senior Communities, Inc. Obligated Group, Revenue, 2020 A, Refunding, 4%, 1/01/37 . . . . .	2,750,000	2,570,933
National Senior Communities, Inc. Obligated Group, Revenue, 2020 A, Refunding, 4%, 1/01/51 . . . . .	2,250,000	1,889,700
Sentara Healthcare Obligated Group, Revenue, 2020, Refunding, 4%, 11/01/37 . . .	4,000,000	3,990,806
Sentara Healthcare Obligated Group, Revenue, 2020, Refunding, 4%, 11/01/38 . . .	6,000,000	5,944,174
Sentara Healthcare Obligated Group, Revenue, 2020, Refunding, 4%, 11/01/39 . . .	2,730,000	2,682,990
Winchester Economic Development Authority, Valley Health Obligated Group, Revenue, 2015, Refunding, 5%, 1/01/44 . . . . .	5,000,000	5,068,006
		366,678,888
<b>Washington 0.2%</b>		
<sup>a</sup> Washington State Housing Finance Commission, Madison at Rivers Edge Apartments LLC, Revenue, 144A, 2021 A, 3.65%, 1/01/37 . . . . .	1,200,000	960,773
<b>Wisconsin 1.1%</b>		
<sup>a</sup> Public Finance Authority,		
Revenue, 144A, 2022, B-1, 4%, 12/28/44 . . . . .	1,200,000	950,825
Gulf Coast Portfolio Obligated Group, Revenue, 144A, 2021, 5.25%, 12/01/23 . . . .	3,100,000	3,100,000
Pine Forest 2022 Obligated Group, Revenue, 144A, 2022 A, 6.5%, 12/01/52 . . . .	1,000,000	989,482
		5,040,307
<b>U.S. Territories 11.2%</b>		
<b>District of Columbia 8.0%</b>		
Metropolitan Washington Airports Authority,		
Aviation, Revenue, 2021 A, Refunding, 5%, 10/01/46 . . . . .	5,000,000	5,185,591
Dulles Toll Road, Revenue, Senior Lien, 2022 A, Refunding, AGMC Insured, 4%, 10/01/52 . . . . .	10,000,000	9,106,972
Washington Metropolitan Area Transit Authority,		
Revenue, 2017 B, 5%, 7/01/42 . . . . .	2,500,000	2,616,700
Dedicated, Revenue, 2020 A, 5%, 7/15/36 . . . . .	5,000,000	5,563,473
Dedicated, Revenue, 2020 A, 5%, 7/15/45 . . . . .	3,145,000	3,356,749
Dedicated, Revenue, 2021 A, 5%, 7/15/41 . . . . .	7,530,000	8,230,310
Dedicated, Revenue, 2021 A, 5%, 7/15/46 . . . . .	2,000,000	2,146,299
		36,206,094

**Franklin Virginia Tax-Free Income Fund** (continued)

	Principal Amount	Value
<b>Municipal Bonds</b> (continued)		
<b>U.S. Territories</b> (continued)		
<b>Puerto Rico 3.2%</b>		
HTA HRRB Custodial Trust, Revenue, 2007 CC, 5.5%, 7/01/31 .....	\$1,800,000	\$1,855,594
HTA TRRB Custodial Trust, Revenue, 2005 L, 5.25%, 7/01/41 .....	1,600,000	1,617,578
Puerto Rico Electric Power Authority, Revenue, VV, Refunding, NATL Insured, 5.25%, 7/01/32 .....	1,700,000	1,704,410
<sup>b</sup> Revenue, WW, 5.5%, 7/01/38. ....	1,040,000	735,800
<sup>b</sup> Revenue, XX, 5.25%, 7/01/40 .....	1,900,000	1,334,750
Puerto Rico Highway & Transportation Authority, Revenue, 2022 A, 5%, 7/01/62. ....	103,451	95,951
Revenue, 2022 B, Zero Cpn., 7/01/32. ....	67,229	42,018
Revenue, 2022 C, Zero Cpn., 7/01/53 .....	115,001	63,845
Puerto Rico Industrial Tourist Educational Medical & Environmental Control Facilities Financing Authority, Hospital Auxilio Mutuo Obligated Group, Revenue, 2021, Refunding, 5%, 7/01/29. .	425,000	459,540
Hospital Auxilio Mutuo Obligated Group, Revenue, 2021, Refunding, 4%, 7/01/37. .	200,000	180,004
Puerto Rico Sales Tax Financing Corp., Sales Tax, Revenue, A-1, 4.75%, 7/01/53 .....	6,400,000	5,736,845
Sales Tax, Revenue, A-1, 5%, 7/01/58 .....	500,000	463,900
		14,290,235
<b>Total U.S. Territories</b> .....		50,496,329
<b>Total Municipal Bonds (Cost \$481,327,165)</b> .....		<b>442,714,290</b>
<b>Short Term Investments 1.4%</b>		
<b>Municipal Bonds 1.4%</b>		
<b>Virginia 1.4%</b>		
<sup>a</sup> Albemarle County Economic Development Authority, Sentara Healthcare Obligated Group, Revenue, 2018 B, Refunding, SPA TD Bank NA, Daily VRDN and Put, 2.5%, 10/01/48 .....	6,200,000	6,200,000
<b>Total Municipal Bonds (Cost \$6,200,000)</b> .....		<b>6,200,000</b>
<b>Total Short Term Investments (Cost \$6,200,000)</b> .....		<b>6,200,000</b>
<b>Total Investments (Cost \$487,527,165) 99.2%</b> .....		<b>\$448,914,290</b>
<b>Other Assets, less Liabilities 0.8%</b> .....		<b>3,952,597</b>
<b>Net Assets 100.0%</b> .....		<b>\$452,866,887</b>

See Abbreviations on page 148.

<sup>a</sup>Security was purchased pursuant to Rule 144A or Regulation S under the Securities Act of 1933. 144A securities may be sold in transactions exempt from registration only to qualified institutional buyers or in a public offering registered under the Securities Act of 1933. Regulation S securities cannot be sold in the United States without either an effective registration statement filed pursuant to the Securities Act of 1933, or pursuant to an exemption from registration. At February 28, 2023, the aggregate value of these securities was \$11,954,290, representing 2.6% of net assets.

<sup>b</sup>See Note 7 regarding defaulted securities.

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

# Statements of Assets and Liabilities

February 28, 2023

	Franklin Alabama Tax- Free Income Fund	Franklin Georgia Tax- Free Income Fund	Franklin Louisiana Tax- Free Income Fund
<b>Assets:</b>			
Investments in securities:			
Cost - Unaffiliated issuers . . . . .	\$205,047,842	\$369,663,907	\$308,359,816
Value - Unaffiliated issuers . . . . .	\$189,702,159	\$341,358,620	\$285,724,267
Cash . . . . .	6,726,295	120,502	2,752,830
Receivables:			
Capital shares sold . . . . .	13,586	57,625	12,414
Interest . . . . .	2,315,733	3,456,728	3,613,535
Total assets . . . . .	198,757,773	344,993,475	292,103,046
<b>Liabilities:</b>			
Payables:			
Investment securities purchased . . . . .	2,056,867	—	—
Capital shares redeemed . . . . .	236,815	337,301	350,473
Management fees . . . . .	70,061	152,581	132,219
Distribution fees . . . . .	22,724	39,891	31,956
Transfer agent fees . . . . .	33,050	62,610	58,598
Professional fees . . . . .	36,520	37,549	37,171
Trustees' fees and expenses . . . . .	2,469	2,543	2,397
Distributions to shareholders . . . . .	34,544	81,465	28,237
Accrued expenses and other liabilities . . . . .	18,212	23,063	22,027
Total liabilities . . . . .	2,511,262	737,003	663,078
Net assets, at value . . . . .	\$196,246,511	\$344,256,472	\$291,439,968
<b>Net assets consist of:</b>			
Paid-in capital . . . . .	\$226,811,379	\$404,858,796	\$341,980,583
Total distributable earnings (losses) . . . . .	(30,564,868)	(60,602,324)	(50,540,615)
Net assets, at value . . . . .	\$196,246,511	\$344,256,472	\$291,439,968

## Statements of Assets and Liabilities (continued)

February 28, 2023

	Franklin Alabama Tax- Free Income Fund	Franklin Georgia Tax- Free Income Fund	Franklin Louisiana Tax- Free Income Fund
<b>Class A:</b>			
Net assets, at value	\$42,244,281	\$76,311,986	\$60,153,332
Shares outstanding	4,256,703	7,337,863	6,040,303
Net asset value per share <sup>a</sup>	\$9.92	\$10.40	\$9.96
Maximum offering price per share (net asset value per share ÷ 96.25%, 96.25% and 96.25%, respectively)	\$10.31	\$10.81	\$10.35
<b>Class A1:</b>			
Net assets, at value	\$125,644,214	\$189,495,858	\$175,906,086
Shares outstanding	12,675,561	18,222,112	17,673,149
Net asset value per share <sup>a</sup>	\$9.91	\$10.40	\$9.95
Maximum offering price per share (net asset value per share ÷ 96.25%, 96.25% and 96.25%, respectively)	\$10.30	\$10.81	\$10.34
<b>Class C:</b>			
Net assets, at value	\$8,263,553	\$19,609,712	\$12,723,581
Shares outstanding	822,560	1,857,514	1,257,514
Net asset value and maximum offering price per share <sup>a</sup>	\$10.05	\$10.56	\$10.12
<b>Class R6:</b>			
Net assets, at value	\$1,785,580	\$10,366,320	\$6,306,064
Shares outstanding	180,107	996,671	633,437
Net asset value and maximum offering price per share	\$9.91	\$10.40	\$9.96
<b>Advisor Class:</b>			
Net assets, at value	\$18,308,883	\$48,472,596	\$36,350,905
Shares outstanding	1,846,810	4,658,994	3,650,320
Net asset value and maximum offering price per share	\$9.91	\$10.40	\$9.96

<sup>a</sup>Redemption price is equal to net asset value less contingent deferred sales charges, if applicable.

## Statements of Assets and Liabilities (continued)

February 28, 2023

	Franklin Maryland Tax- Free Income Fund	Franklin Missouri Tax- Free Income Fund	Franklin North Carolina Tax- Free Income Fund
<b>Assets:</b>			
Investments in securities:			
Cost - Unaffiliated issuers . . . . .	\$335,291,804	\$768,660,043	\$677,778,729
Value - Unaffiliated issuers . . . . .	\$315,199,265	\$716,688,514	\$632,230,233
Cash . . . . .	45,331	4,946,771	485,480
Receivables:			
Capital shares sold . . . . .	55,770	465,228	406,473
Interest . . . . .	3,129,159	10,380,887	7,219,707
Total assets . . . . .	318,429,525	732,481,400	640,341,893
<b>Liabilities:</b>			
Payables:			
Investment securities purchased . . . . .	—	—	1,415,130
Capital shares redeemed . . . . .	377,043	1,059,992	1,765,940
Management fees . . . . .	141,891	298,814	263,961
Distribution fees . . . . .	37,266	83,307	66,575
Transfer agent fees . . . . .	62,688	109,812	115,413
Trustees' fees and expenses . . . . .	2,379	2,860	2,444
Distributions to shareholders . . . . .	79,652	123,232	106,655
Accrued expenses and other liabilities . . . . .	61,903	91,085	85,202
Total liabilities . . . . .	762,822	1,769,102	3,821,320
Net assets, at value . . . . .	\$317,666,703	\$730,712,298	\$636,520,573
<b>Net assets consist of:</b>			
Paid-in capital . . . . .	\$387,001,863	\$886,026,195	\$790,909,612
Total distributable earnings (losses) . . . . .	(69,335,160)	(155,313,897)	(154,389,039)
Net assets, at value . . . . .	\$317,666,703	\$730,712,298	\$636,520,573

## Statements of Assets and Liabilities (continued)

February 28, 2023

	Franklin Maryland Tax- Free Income Fund	Franklin Missouri Tax- Free Income Fund	Franklin North Carolina Tax- Free Income Fund
<b>Class A:</b>			
Net assets, at value	\$80,313,062	\$166,355,284	\$133,789,099
Shares outstanding	8,237,817	16,192,744	13,051,157
Net asset value per share <sup>a</sup>	\$9.75	\$10.27	\$10.25
Maximum offering price per share (net asset value per share ÷ 96.25%, 96.25% and 96.25%, respectively)	\$10.13	\$10.67	\$10.65
<b>Class A1:</b>			
Net assets, at value	\$162,446,607	\$439,718,351	\$339,755,914
Shares outstanding	16,658,198	42,830,411	33,153,194
Net asset value per share <sup>a</sup>	\$9.75	\$10.27	\$10.25
Maximum offering price per share (net asset value per share ÷ 96.25%, 96.25% and 96.25%, respectively)	\$10.13	\$10.67	\$10.65
<b>Class C:</b>			
Net assets, at value	\$17,531,291	\$33,334,284	\$27,302,963
Shares outstanding	1,761,230	3,213,232	2,620,804
Net asset value and maximum offering price per share <sup>a</sup>	\$9.95	\$10.37	\$10.42
<b>Class R6:</b>			
Net assets, at value	\$11,708,681	\$20,619,982	\$20,233,374
Shares outstanding	1,198,720	2,006,492	1,975,174
Net asset value and maximum offering price per share	\$9.77	\$10.28	\$10.24
<b>Advisor Class:</b>			
Net assets, at value	\$45,667,062	\$70,684,397	\$115,439,223
Shares outstanding	4,677,445	6,880,140	11,263,183
Net asset value and maximum offering price per share	\$9.76	\$10.27	\$10.25

<sup>a</sup>Redemption price is equal to net asset value less contingent deferred sales charges, if applicable.

# Statements of Assets and Liabilities (continued)

February 28, 2023

	Franklin Virginia Tax- Free Income Fund
<b>Assets:</b>	
Investments in securities:	
Cost - Unaffiliated issuers . . . . .	\$487,527,165
Value - Unaffiliated issuers . . . . .	\$448,914,290
Cash . . . . .	318,077
Receivables:	
Capital shares sold . . . . .	50,559
Interest . . . . .	4,676,041
Total assets . . . . .	453,958,967
<b>Liabilities:</b>	
Payables:	
Capital shares redeemed . . . . .	588,873
Management fees . . . . .	193,705
Distribution fees . . . . .	41,848
Transfer agent fees . . . . .	92,579
Trustees' fees and expenses . . . . .	2,676
Distributions to shareholders . . . . .	104,140
Accrued expenses and other liabilities . . . . .	68,259
Total liabilities . . . . .	1,092,080
Net assets, at value . . . . .	\$452,866,887
<b>Net assets consist of:</b>	
Paid-in capital . . . . .	\$557,563,634
Total distributable earnings (losses) . . . . .	(104,696,747)
Net assets, at value . . . . .	\$452,866,887

## Statements of Assets and Liabilities (continued)

February 28, 2023

	Franklin Virginia Tax- Free Income Fund
<b>Class A:</b>	
Net assets, at value	\$87,136,980
Shares outstanding	8,964,303
Net asset value per share <sup>a</sup>	\$9.72
Maximum offering price per share (net asset value per share ÷ 96.25%)	\$10.10
<b>Class A1:</b>	
Net assets, at value	\$235,353,743
Shares outstanding	24,217,424
Net asset value per share <sup>a</sup>	\$9.72
Maximum offering price per share (net asset value per share ÷ 96.25%)	\$10.10
<b>Class C:</b>	
Net assets, at value	\$12,399,917
Shares outstanding	1,253,934
Net asset value and maximum offering price per share <sup>a</sup>	\$9.89
<b>Class R6:</b>	
Net assets, at value	\$6,243,322
Shares outstanding	641,997
Net asset value and maximum offering price per share	\$9.72
<b>Advisor Class:</b>	
Net assets, at value	\$111,732,925
Shares outstanding	11,486,433
Net asset value and maximum offering price per share	\$9.73

<sup>a</sup>Redemption price is equal to net asset value less contingent deferred sales charges, if applicable.

## Statements of Operations

for the year ended February 28, 2023

	Franklin Alabama Tax- Free Income Fund	Franklin Georgia Tax- Free Income Fund	Franklin Louisiana Tax- Free Income Fund
Investment income:			
Interest:			
Unaffiliated issuers . . . . .	\$6,939,003	\$13,374,583	\$10,527,301
Expenses:			
Management fees (Note 3a) . . . . .	1,187,244	1,936,014	1,661,774
Distribution fees: (Note 3c)			
Class A . . . . .	112,287	201,908	158,196
Class A1 . . . . .	140,007	211,224	196,882
Class C . . . . .	65,848	151,132	100,144
Transfer agent fees: (Note 3e)			
Class A . . . . .	29,005	57,542	46,653
Class A1 . . . . .	90,344	150,866	145,254
Class C . . . . .	6,531	16,616	11,372
Class R6 . . . . .	960	4,103	2,293
Advisor Class . . . . .	11,306	37,374	25,970
Custodian fees (Note 4) . . . . .	1,066	1,998	1,619
Registration and filing fees . . . . .	17,933	13,323	14,972
Professional fees . . . . .	60,702	71,513	62,007
Trustees' fees and expenses . . . . .	3,831	6,628	4,948
Other . . . . .	44,531	92,140	65,933
Total expenses . . . . .	1,771,595	2,952,381	2,498,017
Expense reductions (Note 4) . . . . .	(821)	(1,022)	(1,894)
Expenses waived/paid by affiliates (Note 3f) . . . . .	(59,070)	(80)	(190)
Net expenses . . . . .	1,711,704	2,951,279	2,495,933
Net investment income . . . . .	5,227,299	10,423,304	8,031,368
Realized and unrealized gains (losses):			
Net realized gain (loss) from:			
Investments:			
Unaffiliated issuers . . . . .	(550,238)	(7,422,368)	(3,580,288)
Net change in unrealized appreciation (depreciation) on:			
Investments:			
Unaffiliated issuers . . . . .	(22,789,068)	(37,586,160)	(32,395,123)
Net realized and unrealized gain (loss) . . . . .	(23,339,306)	(45,008,528)	(35,975,411)
Net increase (decrease) in net assets resulting from operations . . . . .	\$(18,112,007)	\$(34,585,224)	\$(27,944,043)

## Statements of Operations (continued)

for the year ended February 28, 2023

	Franklin Maryland Tax- Free Income Fund	Franklin Missouri Tax- Free Income Fund	Franklin North Carolina Tax- Free Income Fund
Investment income:			
Interest:			
Unaffiliated issuers . . . . .	\$11,988,433	\$29,902,094	\$21,567,956
Expenses:			
Management fees (Note 3a) . . . . .	1,774,539	3,819,558	3,347,324
Distribution fees: (Note 3c)			
Class A . . . . .	202,961	426,597	355,057
Class A1 . . . . .	183,850	492,912	384,708
Class C . . . . .	132,622	266,219	219,152
Transfer agent fees: (Note 3e)			
Class A . . . . .	62,471	110,354	101,347
Class A1 . . . . .	142,113	319,391	274,640
Class C . . . . .	15,778	26,544	24,079
Class R6 . . . . .	3,254	9,674	7,483
Advisor Class . . . . .	34,918	48,422	83,225
Custodian fees (Note 4) . . . . .	1,705	4,160	3,493
Registration and filing fees . . . . .	17,382	18,553	17,724
Professional fees . . . . .	74,474	99,732	73,054
Trustees' fees and expenses . . . . .	5,213	11,225	9,437
Other . . . . .	64,447	127,438	141,264
Total expenses . . . . .	2,715,727	5,780,779	5,041,987
Expense reductions (Note 4) . . . . .	(1,821)	(3,553)	(4,562)
Expenses waived/paid by affiliates (Note 3f) . . . . .	—	(1,793)	(1,334)
Net expenses . . . . .	2,713,906	5,775,433	5,036,091
Net investment income . . . . .	9,274,527	24,126,661	16,531,865
Realized and unrealized gains (losses):			
Net realized gain (loss) from:			
Investments:			
Unaffiliated issuers . . . . .	(7,975,275)	(21,361,631)	(14,027,331)
Net change in unrealized appreciation (depreciation) on:			
Investments:			
Unaffiliated issuers . . . . .	(27,068,319)	(77,792,805)	(62,079,218)
Net realized and unrealized gain (loss) . . . . .	(35,043,594)	(99,154,436)	(76,106,549)
Net increase (decrease) in net assets resulting from operations . . . . .	\$(25,769,067)	\$(75,027,775)	\$(59,574,684)

# Statements of Operations (continued)

for the year ended February 28, 2023

	Franklin Virginia Tax- Free Income Fund
Investment income:	
Interest:	
Unaffiliated issuers . . . . .	\$15,494,220
Expenses:	
Management fees (Note 3a) . . . . .	2,447,916
Distribution fees: (Note 3c)	
Class A . . . . .	229,971
Class A1 . . . . .	264,290
Class C . . . . .	101,700
Transfer agent fees: (Note 3e)	
Class A . . . . .	72,333
Class A1 . . . . .	208,417
Class C . . . . .	12,364
Class R6 . . . . .	2,589
Advisor Class . . . . .	91,339
Custodian fees (Note 4) . . . . .	2,568
Registration and filing fees . . . . .	20,023
Professional fees . . . . .	73,124
Trustees' fees and expenses . . . . .	7,369
Other . . . . .	77,530
Total expenses . . . . .	3,611,533
Expense reductions (Note 4) . . . . .	(3,515)
Expenses waived/paid by affiliates (Note 3f) . . . . .	(746)
Net expenses . . . . .	3,607,272
Net investment income . . . . .	11,886,948
Realized and unrealized gains (losses):	
Net realized gain (loss) from:	
Investments:	
Unaffiliated issuers . . . . .	(9,377,978)
Net change in unrealized appreciation (depreciation) on:	
Investments:	
Unaffiliated issuers . . . . .	(47,552,051)
Net realized and unrealized gain (loss) . . . . .	(56,930,029)
Net increase (decrease) in net assets resulting from operations . . . . .	\$(45,043,081)

## Statements of Changes in Net Assets

	Franklin Alabama Tax-Free Income Fund		Franklin Georgia Tax-Free Income Fund	
	Year Ended February 28, 2023	Year Ended February 28, 2022	Year Ended February 28, 2023	Year Ended February 28, 2022
Increase (decrease) in net assets:				
Operations:				
Net investment income . . . . .	\$5,227,299	\$5,076,535	\$10,423,304	\$11,144,057
Net realized gain (loss) . . . . .	(550,238)	1,245,803	(7,422,368)	531,297
Net change in unrealized appreciation (depreciation) . . . . .	(22,789,068)	(6,199,610)	(37,586,160)	(14,369,583)
Net increase (decrease) in net assets resulting from operations.	(18,112,007)	122,728	(34,585,224)	(2,694,229)
Distributions to shareholders:				
Class A . . . . .	(1,036,037)	(754,875)	(2,112,564)	(1,924,865)
Class A1 . . . . .	(3,431,367)	(3,598,684)	(5,828,544)	(6,250,182)
Class C . . . . .	(188,374)	(277,485)	(502,522)	(660,141)
Class R6 . . . . .	(49,965)	(46,916)	(363,765)	(403,672)
Advisor Class . . . . .	(447,010)	(399,137)	(1,495,781)	(1,785,540)
Total distributions to shareholders . . . . .	(5,152,753)	(5,077,097)	(10,303,176)	(11,024,400)
Capital share transactions: (Note 2)				
Class A . . . . .	111,663	17,533,172	(6,595,134)	17,846,174
Class A1 . . . . .	(22,516,464)	(8,167,800)	(35,655,157)	(17,223,067)
Class C . . . . .	(3,955,851)	(9,923,910)	(6,508,892)	(15,938,031)
Class R6 . . . . .	(302,386)	612,250	(5,097,440)	3,801,180
Advisor Class . . . . .	449,996	5,242,272	(16,910,087)	6,322,271
Total capital share transactions . . . . .	(26,213,042)	5,295,984	(70,766,710)	(5,191,473)
Net increase (decrease) in net assets . . . . .	(49,477,802)	341,615	(115,655,110)	(18,910,102)
Net assets:				
Beginning of year . . . . .	245,724,313	245,382,698	459,911,582	478,821,684
End of year . . . . .	\$196,246,511	\$245,724,313	\$344,256,472	\$459,911,582

## Statements of Changes in Net Assets (continued)

	Franklin Louisiana Tax-Free Income Fund		Franklin Maryland Tax-Free Income Fund	
	Year Ended February 28, 2023	Year Ended February 28, 2022	Year Ended February 28, 2023	Year Ended February 28, 2022
Increase (decrease) in net assets:				
Operations:				
Net investment income . . . . .	\$8,031,368	\$8,465,382	\$9,274,527	\$9,201,721
Net realized gain (loss) . . . . .	(3,580,288)	3,844,628	(7,975,275)	317,111
Net change in unrealized appreciation (depreciation) . . . . .	(32,395,123)	(12,436,991)	(27,068,319)	(9,770,304)
Net increase (decrease) in net assets resulting from operations.	(27,944,043)	(126,981)	(25,769,067)	(251,472)
Distributions to shareholders:				
Class A . . . . .	(1,519,013)	(1,355,423)	(2,099,584)	(1,847,123)
Class A1 . . . . .	(5,014,939)	(5,559,774)	(5,014,256)	(5,228,037)
Class C . . . . .	(301,203)	(410,766)	(432,089)	(494,740)
Class R6 . . . . .	(181,380)	(171,786)	(332,637)	(264,173)
Advisor Class . . . . .	(934,723)	(951,070)	(1,290,745)	(1,356,086)
Total distributions to shareholders . . . . .	(7,951,258)	(8,448,819)	(9,169,311)	(9,190,159)
Capital share transactions: (Note 2)				
Class A . . . . .	(2,619,672)	14,760,234	(2,420,595)	14,990,913
Class A1 . . . . .	(36,224,345)	(10,867,047)	(32,972,184)	(21,476,737)
Class C . . . . .	(5,435,907)	(9,129,099)	(4,587,337)	(10,253,672)
Class R6 . . . . .	(942,152)	2,158,691	(902,211)	6,130,219
Advisor Class . . . . .	(1,999,978)	5,976,569	(5,007,484)	(1,248,456)
Total capital share transactions . . . . .	(47,222,054)	2,899,348	(45,889,811)	(11,857,733)
Net increase (decrease) in net assets . . . . .	(83,117,355)	(5,676,452)	(80,828,189)	(21,299,364)
Net assets:				
Beginning of year . . . . .	374,557,323	380,233,775	398,494,892	419,794,256
End of year . . . . .	\$291,439,968	\$374,557,323	\$317,666,703	\$398,494,892

## Statements of Changes in Net Assets (continued)

	Franklin Missouri Tax-Free Income Fund		Franklin North Carolina Tax-Free Income Fund	
	Year Ended February 28, 2023	Year Ended February 28, 2022	Year Ended February 28, 2023	Year Ended February 28, 2022
Increase (decrease) in net assets:				
Operations:				
Net investment income . . . . .	\$24,126,661	\$24,793,123	\$16,531,865	\$16,758,639
Net realized gain (loss) . . . . .	(21,361,631)	1,856,632	(14,027,331)	2,020,954
Net change in unrealized appreciation (depreciation) . . . . .	(77,792,805)	(33,227,550)	(62,079,218)	(24,854,143)
Net increase (decrease) in net assets resulting from operations.	(75,027,775)	(6,577,795)	(59,574,684)	(6,074,550)
Distributions to shareholders:				
Class A . . . . .	(4,880,341)	(4,640,922)	(3,170,425)	(2,910,737)
Class A1 . . . . .	(14,833,742)	(15,763,982)	(9,153,724)	(9,886,701)
Class C . . . . .	(989,784)	(1,239,261)	(602,606)	(736,807)
Class R6 . . . . .	(803,127)	(872,106)	(499,873)	(427,516)
Advisor Class . . . . .	(2,328,879)	(2,220,951)	(2,901,482)	(2,743,534)
Total distributions to shareholders . . . . .	(23,835,873)	(24,737,222)	(16,328,110)	(16,705,295)
Capital share transactions: (Note 2)				
Class A . . . . .	(20,498,698)	45,567,195	(18,279,436)	26,654,713
Class A1 . . . . .	(88,850,838)	(40,150,732)	(80,798,332)	(46,116,361)
Class C . . . . .	(14,071,379)	(20,644,808)	(11,670,976)	(19,791,334)
Class R6 . . . . .	(9,762,458)	4,579,390	(713,448)	6,260,900
Advisor Class . . . . .	(7,042,482)	4,007,477	(5,217,857)	15,670,711
Total capital share transactions . . . . .	(140,225,855)	(6,641,478)	(116,680,049)	(17,321,371)
Net increase (decrease) in net assets . . . . .	(239,089,503)	(37,956,495)	(192,582,843)	(40,101,216)
Net assets:				
Beginning of year . . . . .	969,801,801	1,007,758,296	829,103,416	869,204,632
End of year . . . . .	\$730,712,298	\$969,801,801	\$636,520,573	\$829,103,416

## Statements of Changes in Net Assets (continued)

	Franklin Virginia Tax-Free Income Fund	
	Year Ended February 28, 2023	Year Ended February 28, 2022
Increase (decrease) in net assets:		
Operations:		
Net investment income . . . . .	\$11,886,948	\$11,648,986
Net realized gain (loss) . . . . .	(9,377,978)	2,823,447
Net change in unrealized appreciation (depreciation) . . . . .	(47,552,051)	(21,506,954)
Net increase (decrease) in net assets resulting from operations . . . . .	(45,043,081)	(7,034,521)
Distributions to shareholders:		
Class A . . . . .	(2,065,728)	(1,968,849)
Class A1 . . . . .	(6,321,400)	(6,386,350)
Class C . . . . .	(279,197)	(390,813)
Class R6 . . . . .	(156,330)	(152,144)
Advisor Class . . . . .	(2,900,585)	(2,725,070)
Total distributions to shareholders . . . . .	(11,723,240)	(11,623,226)
Capital share transactions: (Note 2)		
Class A . . . . .	(10,481,727)	4,545,859
Class A1 . . . . .	(50,259,582)	(27,940,434)
Class C . . . . .	(6,332,061)	(17,017,853)
Class R6 . . . . .	(839,600)	1,224,299
Advisor Class . . . . .	(13,362,192)	13,684,586
Total capital share transactions . . . . .	(81,275,162)	(25,503,543)
Net increase (decrease) in net assets . . . . .	(138,041,483)	(44,161,290)
Net assets:		
Beginning of year . . . . .	590,908,370	635,069,660
End of year . . . . .	\$452,866,887	\$590,908,370

# Notes to Financial Statements

## 1. Organization and Significant Accounting Policies

Franklin Tax-Free Trust (Trust) is registered under the Investment Company Act of 1940 (1940 Act) as an open-end management investment company, consisting of twenty separate funds (Funds), seven of which are included in this report. The Funds follow the accounting and reporting guidance in Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic 946, Financial Services – Investment Companies (ASC 946) and apply the specialized accounting and reporting guidance in U.S. Generally Accepted Accounting Principles (U.S. GAAP), including, but not limited to, ASC 946. The Funds offer five classes of shares: Class A, Class A1, Class C, Class R6 and Advisor Class. Class C shares automatically convert to Class A shares on a monthly basis, after they have been held for 8 years. Each class of shares may differ by its initial sales load, contingent deferred sales charges, voting rights on matters affecting a single class, its exchange privilege and fees due to differing arrangements for distribution and transfer agent fees.

The following summarizes the Funds' significant accounting policies.

### a. Financial Instrument Valuation

The Funds' investments in financial instruments are carried at fair value daily. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. The Funds calculate the net asset value (NAV) per share each business day as of 4 p.m. Eastern time or the regularly scheduled close of the New York Stock Exchange (NYSE), whichever is earlier. Under compliance policies and procedures approved by the Trust's Board of Trustees (the Board), the Board has designated the Funds' investment manager as the valuation designee and has responsibility for oversight of valuation. The investment manager is assisted by the Funds' administrator in performing this responsibility, including leading the cross-functional Valuation Committee (VC). The Funds may 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 (OTC) market rather than on a securities exchange. The Funds' 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 Funds have procedures to determine the fair value of financial instruments for which market prices are not reliable or readily available. Under these procedures, the Funds primarily employ a market-based approach which may use related or comparable assets or liabilities, recent transactions, market multiples, 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.

### b. Securities Purchased on a When-Issued Basis

Certain or all Funds purchase 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 Funds will generally purchase these securities with the intention of holding the securities, they may sell the securities before the settlement date.

### c. Income Taxes

It is each Fund's policy to qualify as a regulated investment company under the Internal Revenue Code. Each 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.

**1. Organization and Significant Accounting Policies**

(continued)

**c. Income Taxes** (continued)

Each Fund may recognize an income tax liability related to its uncertain tax positions under U.S. GAAP when the uncertain tax position has a less than 50% probability that it will be sustained upon examination by the tax authorities based on its technical merits. As of February 28, 2023, each Fund has determined that no tax liability is required in its financial statements related to uncertain tax positions for any open tax years (or expected to be taken in future tax years). Open tax years are those that remain subject to examination and are based on the statute of limitations in each jurisdiction in which the Fund invests.

**d. Security Transactions, Investment Income, Expenses and Distributions**

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

Common expenses incurred by the Trust are allocated among the Funds based on the ratio of net assets of each Fund to the combined net assets of the Trust or based on the ratio of number of shareholders of each Fund to the combined number of shareholders of the Trust. Fund specific expenses are charged directly to the Fund that incurred the expense.

Realized and unrealized gains and losses and net investment income, excluding class specific expenses, are allocated daily to each class of shares based upon the

relative proportion of net assets of each class. Differences in per share distributions by class are generally due to differences in class specific expenses.

**e. Insurance**

The scheduled payments of interest and principal for each insured municipal security in the Trust are insured by either a new issue insurance policy or a secondary insurance policy. Some municipal securities in the Funds are secured by collateral guaranteed by an agency of the U.S. government. Depending on the type of coverage, premiums for insurance are either added to the cost basis of the security or paid by a third party.

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

**f. Accounting Estimates**

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

**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 Funds, 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 February 28, 2023, there were an unlimited number of shares authorized (without par value). Transactions in the Funds' shares were as follows:

	Franklin Alabama Tax-Free Income Fund		Franklin Georgia Tax-Free Income Fund	
	Shares	Amount	Shares	Amount
<b>Class A Shares:</b>				
Year ended February 28, 2023				
Shares sold <sup>a</sup> . . . . .	1,621,324	\$16,265,061	1,748,490	\$18,594,349
Shares issued in reinvestment of distributions . . . . .	97,512	979,141	183,240	1,934,918
Shares redeemed . . . . .	(1,714,714)	(17,132,539)	(2,557,645)	(27,124,401)
Net increase (decrease) . . . . .	4,122	\$111,663	(625,915)	\$(6,595,134)
Year ended February 28, 2022				
Shares sold <sup>a</sup> . . . . .	2,046,358	\$23,313,909	3,077,660	\$37,009,305
Shares issued in reinvestment of distributions . . . . .	61,957	700,673	147,263	1,761,384
Shares redeemed . . . . .	(576,882)	(6,481,410)	(1,747,795)	(20,924,515)
Net increase (decrease) . . . . .	1,531,433	\$17,533,172	1,477,128	\$17,846,174
<b>Class A1 Shares:</b>				
Year ended February 28, 2023				
Shares sold . . . . .	312,555	\$3,178,258	719,329	\$7,631,801
Shares issued in reinvestment of distributions . . . . .	306,041	3,075,398	485,622	5,131,175
Shares redeemed . . . . .	(2,876,995)	(28,770,120)	(4,572,010)	(48,418,133)
Net increase (decrease) . . . . .	(2,258,399)	\$(22,516,464)	(3,367,059)	\$(35,655,157)
Year ended February 28, 2022				
Shares sold . . . . .	496,734	\$5,644,773	838,290	\$10,056,968
Shares issued in reinvestment of distributions . . . . .	285,151	3,225,568	464,557	5,561,571
Shares redeemed . . . . .	(1,504,718)	(17,038,141)	(2,738,860)	(32,841,606)
Net increase (decrease) . . . . .	(722,833)	\$(8,167,800)	(1,436,013)	\$(17,223,067)
<b>Class C Shares:</b>				
Year ended February 28, 2023				
Shares sold . . . . .	97,683	\$991,550	67,375	\$718,553
Shares issued in reinvestment of distributions . . . . .	17,476	178,192	44,511	477,570
Shares redeemed <sup>a</sup> . . . . .	(501,116)	(5,125,593)	(714,709)	(7,705,015)
Net increase (decrease) . . . . .	(385,957)	\$(3,955,851)	(602,823)	\$(6,508,892)
Year ended February 28, 2022				
Shares sold . . . . .	124,256	\$1,424,632	198,212	\$2,412,785
Shares issued in reinvestment of distributions . . . . .	23,668	271,689	51,567	627,675
Shares redeemed <sup>a</sup> . . . . .	(1,005,038)	(11,620,231)	(1,552,546)	(18,978,491)
Net increase (decrease) . . . . .	(857,114)	\$(9,923,910)	(1,302,767)	\$(15,938,031)

## 2. Shares of Beneficial Interest (continued)

	Franklin Alabama Tax-Free Income Fund		Franklin Georgia Tax-Free Income Fund	
	Shares	Amount	Shares	Amount
<b>Class R6 Shares:</b>				
Year ended February 28, 2023				
Shares sold	62,185	\$627,320	772,115	\$8,210,516
Shares issued in reinvestment of distributions	4,971	49,965	15,117	159,927
Shares redeemed	(97,776)	(979,671)	(1,264,007)	(13,467,883)
Net increase (decrease)	(30,620)	\$(302,386)	(476,775)	\$(5,097,440)
Year ended February 28, 2022				
Shares sold	85,075	\$966,469	693,251	\$8,350,009
Shares issued in reinvestment of distributions	4,171	47,147	15,389	184,124
Shares redeemed	(35,757)	(401,366)	(394,867)	(4,732,953)
Net increase (decrease)	53,489	\$612,250	313,773	\$3,801,180
<b>Advisor Class Shares:</b>				
Year ended February 28, 2023				
Shares sold	869,679	\$8,755,022	1,698,941	\$18,043,256
Shares issued in reinvestment of distributions	40,371	405,764	130,170	1,376,447
Shares redeemed	(870,353)	(8,710,790)	(3,397,008)	(36,329,790)
Net increase (decrease)	39,697	\$449,996	(1,567,897)	\$(16,910,087)
Year ended February 28, 2022				
Shares sold	781,670	\$8,871,519	1,663,730	\$19,956,762
Shares issued in reinvestment of distributions	32,349	365,736	135,942	1,627,414
Shares redeemed	(353,474)	(3,994,983)	(1,280,532)	(15,261,905)
Net increase (decrease)	460,545	\$5,242,272	519,140	\$6,322,271
	Franklin Louisiana Tax-Free Income Fund		Franklin Maryland Tax-Free Income Fund	
	Shares	Amount	Shares	Amount
<b>Class A Shares:</b>				
Year ended February 28, 2023				
Shares sold <sup>a</sup>	1,273,963	\$12,969,760	1,689,537	\$16,756,402
Shares issued in reinvestment of distributions	140,975	1,420,787	199,166	1,961,949
Shares redeemed	(1,698,813)	(17,010,219)	(2,141,682)	(21,138,946)
Net increase (decrease)	(283,875)	\$(2,619,672)	(252,979)	\$(2,420,595)
Year ended February 28, 2022				
Shares sold <sup>a</sup>	2,042,754	\$23,336,846	2,288,375	\$25,395,603
Shares issued in reinvestment of distributions	115,403	1,312,424	158,179	1,746,832
Shares redeemed	(869,485)	(9,889,036)	(1,101,847)	(12,151,522)
Net increase (decrease)	1,288,672	\$14,760,234	1,344,707	\$14,990,913

## 2. Shares of Beneficial Interest (continued)

	Franklin Louisiana Tax-Free Income Fund		Franklin Maryland Tax-Free Income Fund	
	Shares	Amount	Shares	Amount
<b>Class A1 Shares:</b>				
Year ended February 28, 2023				
Shares sold . . . . .	511,375	\$5,157,176	351,520	\$3,484,316
Shares issued in reinvestment of distributions . . . . .	478,699	4,823,068	445,209	4,388,962
Shares redeemed . . . . .	(4,583,325)	(46,204,589)	(4,136,594)	(40,845,462)
Net increase (decrease) . . . . .	(3,593,251)	\$(36,224,345)	(3,339,865)	\$(32,972,184)
Year ended February 28, 2022				
Shares sold . . . . .	1,181,303	\$13,495,822	387,313	\$4,287,400
Shares issued in reinvestment of distributions . . . . .	472,813	5,378,235	416,893	4,607,805
Shares redeemed . . . . .	(2,610,509)	(29,741,104)	(2,741,178)	(30,371,942)
Net increase (decrease) . . . . .	(956,393)	\$(10,867,047)	(1,936,972)	\$(21,476,737)
<b>Class C Shares:</b>				
Year ended February 28, 2023				
Shares sold . . . . .	100,570	\$1,023,842	226,293	\$2,284,701
Shares issued in reinvestment of distributions . . . . .	28,824	295,374	40,997	412,514
Shares redeemed <sup>a</sup> . . . . .	(655,090)	(6,755,123)	(721,197)	(7,284,552)
Net increase (decrease) . . . . .	(525,696)	\$(5,435,907)	(453,907)	\$(4,587,337)
Year ended February 28, 2022				
Shares sold . . . . .	185,099	\$2,145,258	247,424	\$2,800,314
Shares issued in reinvestment of distributions . . . . .	35,122	406,561	41,661	470,383
Shares redeemed <sup>a</sup> . . . . .	(1,005,238)	(11,680,918)	(1,190,239)	(13,524,369)
Net increase (decrease) . . . . .	(785,017)	\$(9,129,099)	(901,154)	\$(10,253,672)
<b>Class R6 Shares:</b>				
Year ended February 28, 2023				
Shares sold . . . . .	149,286	\$1,510,559	681,091	\$6,663,440
Shares issued in reinvestment of distributions . . . . .	17,697	178,368	21,007	207,693
Shares redeemed . . . . .	(261,711)	(2,631,079)	(786,537)	(7,773,344)
Net increase (decrease) . . . . .	(94,728)	\$(942,152)	(84,439)	\$(902,211)
Year ended February 28, 2022				
Shares sold . . . . .	232,036	\$2,642,633	639,448	\$7,100,082
Shares issued in reinvestment of distributions . . . . .	14,889	169,248	17,177	189,952
Shares redeemed . . . . .	(57,540)	(653,190)	(104,553)	(1,159,815)
Net increase (decrease) . . . . .	189,385	\$2,158,691	552,072	\$6,130,219

## 2. Shares of Beneficial Interest (continued)

	Franklin Louisiana Tax-Free Income Fund		Franklin Maryland Tax-Free Income Fund	
	Shares	Amount	Shares	Amount
<b>Advisor Class Shares:</b>				
Year ended February 28, 2023				
Shares sold	1,064,682	\$10,742,983	2,568,387	\$25,471,601
Shares issued in reinvestment of distributions	86,626	872,889	118,105	1,163,994
Shares redeemed	(1,331,934)	(13,615,850)	(3,162,831)	(31,643,079)
Net increase (decrease)	(180,626)	\$(1,999,978)	(476,339)	\$(5,007,484)
Year ended February 28, 2022				
Shares sold	1,661,750	\$18,954,446	941,858	\$10,423,162
Shares issued in reinvestment of distributions	77,178	877,833	105,600	1,168,006
Shares redeemed	(1,216,958)	(13,855,710)	(1,161,180)	(12,839,624)
Net increase (decrease)	521,970	\$5,976,569	(113,722)	\$(1,248,456)
	Franklin Missouri Tax-Free Income Fund		Franklin North Carolina Tax-Free Income Fund	
	Shares	Amount	Shares	Amount
<b>Class A Shares:</b>				
Year ended February 28, 2023				
Shares sold <sup>a</sup>	5,855,721	\$61,401,454	4,327,513	\$44,876,566
Shares issued in reinvestment of distributions	450,106	4,710,839	284,857	2,952,870
Shares redeemed	(8,228,845)	(86,610,991)	(6,367,988)	(66,108,872)
Net increase (decrease)	(1,923,018)	\$(20,498,698)	(1,755,618)	\$(18,279,436)
Year ended February 28, 2022				
Shares sold <sup>a</sup>	5,732,614	\$68,498,844	4,872,592	\$57,200,564
Shares issued in reinvestment of distributions	380,235	4,517,293	231,798	2,707,866
Shares redeemed	(2,315,449)	(27,448,942)	(2,849,437)	(33,253,717)
Net increase (decrease)	3,797,400	\$45,567,195	2,254,953	\$26,654,713
<b>Class A1 Shares:</b>				
Year ended February 28, 2023				
Shares sold	2,239,512	\$23,487,893	2,128,039	\$22,071,447
Shares issued in reinvestment of distributions	1,320,758	13,817,937	800,975	8,305,512
Shares redeemed	(12,021,358)	(126,156,668)	(10,716,547)	(111,175,291)
Net increase (decrease)	(8,461,088)	\$(88,850,838)	(7,787,533)	\$(80,798,332)
Year ended February 28, 2022				
Shares sold	1,914,178	\$22,833,927	2,011,409	\$23,607,466
Shares issued in reinvestment of distributions	1,251,522	14,873,739	772,462	9,028,704
Shares redeemed	(6,551,686)	(77,858,398)	(6,731,227)	(78,752,531)
Net increase (decrease)	(3,385,986)	\$(40,150,732)	(3,947,356)	\$(46,116,361)

## 2. Shares of Beneficial Interest (continued)

	Franklin Missouri Tax-Free Income Fund		Franklin North Carolina Tax-Free Income Fund	
	Shares	Amount	Shares	Amount
<b>Class C Shares:</b>				
Year ended February 28, 2023				
Shares sold . . . . .	294,589	\$3,154,109	209,125	\$2,203,737
Shares issued in reinvestment of distributions . . . . .	90,952	961,917	54,916	578,976
Shares redeemed <sup>a</sup> . . . . .	(1,712,296)	(18,187,405)	(1,366,078)	(14,453,689)
Net increase (decrease) . . . . .	(1,326,755)	\$(14,071,379)	(1,102,037)	\$(11,670,976)
Year ended February 28, 2022				
Shares sold . . . . .	491,863	\$5,937,874	304,354	\$3,637,555
Shares issued in reinvestment of distributions . . . . .	100,076	1,202,622	60,110	714,993
Shares redeemed <sup>a</sup> . . . . .	(2,300,978)	(27,785,304)	(2,017,272)	(24,143,882)
Net increase (decrease) . . . . .	(1,709,039)	\$(20,644,808)	(1,652,808)	\$(19,791,334)
<b>Class R6 Shares:</b>				
Year ended February 28, 2023				
Shares sold . . . . .	838,718	\$8,827,824	1,393,866	\$14,428,350
Shares issued in reinvestment of distributions . . . . .	69,077	724,330	33,064	342,803
Shares redeemed . . . . .	(1,838,636)	(19,314,612)	(1,486,703)	(15,484,601)
Net increase (decrease) . . . . .	(930,841)	\$(9,762,458)	(59,773)	\$(713,448)
Year ended February 28, 2022				
Shares sold . . . . .	994,504	\$11,869,543	823,890	\$9,645,380
Shares issued in reinvestment of distributions . . . . .	66,792	794,024	30,042	350,803
Shares redeemed . . . . .	(682,413)	(8,084,177)	(319,832)	(3,735,283)
Net increase (decrease) . . . . .	378,883	\$4,579,390	534,100	\$6,260,900
<b>Advisor Class Shares:</b>				
Year ended February 28, 2023				
Shares sold . . . . .	3,284,148	\$34,246,384	7,262,296	\$74,897,973
Shares issued in reinvestment of distributions . . . . .	183,654	1,920,437	269,486	2,792,496
Shares redeemed . . . . .	(4,131,561)	(43,209,303)	(8,022,802)	(82,908,326)
Net increase (decrease) . . . . .	(663,759)	\$(7,042,482)	(491,020)	\$(5,217,857)
Year ended February 28, 2022				
Shares sold . . . . .	1,952,665	\$23,178,356	3,813,931	\$44,691,310
Shares issued in reinvestment of distributions . . . . .	152,927	1,817,572	226,022	2,640,968
Shares redeemed . . . . .	(1,772,609)	(20,988,451)	(2,705,056)	(31,661,567)
Net increase (decrease) . . . . .	332,983	\$4,007,477	1,334,897	\$15,670,711

**2. Shares of Beneficial Interest** (continued)

	Franklin Virginia Tax-Free Income Fund	
	Shares	Amount
<b>Class A Shares:</b>		
Year ended February 28, 2023		
Shares sold <sup>a</sup> . . . . .	1,789,456	\$17,690,250
Shares issued in reinvestment of distributions . . . . .	179,625	1,771,113
Shares redeemed . . . . .	(3,024,345)	(29,943,090)
Net increase (decrease) . . . . .	(1,055,264)	\$(10,481,727)
Year ended February 28, 2022		
Shares sold <sup>a</sup> . . . . .	2,238,244	\$25,192,744
Shares issued in reinvestment of distributions . . . . .	153,930	1,719,894
Shares redeemed . . . . .	(2,024,950)	(22,366,779)
Net increase (decrease) . . . . .	367,224	\$4,545,859
<b>Class A1 Shares:</b>		
Year ended February 28, 2023		
Shares sold . . . . .	597,867	\$5,910,955
Shares issued in reinvestment of distributions . . . . .	572,381	5,645,061
Shares redeemed . . . . .	(6,264,117)	(61,815,598)
Net increase (decrease) . . . . .	(5,093,869)	\$(50,259,582)
Year ended February 28, 2022		
Shares sold . . . . .	671,869	\$7,548,613
Shares issued in reinvestment of distributions . . . . .	516,348	5,771,968
Shares redeemed . . . . .	(3,688,331)	(41,261,015)
Net increase (decrease) . . . . .	(2,500,114)	\$(27,940,434)
<b>Class C Shares:</b>		
Year ended February 28, 2023		
Shares sold . . . . .	112,143	\$1,130,448
Shares issued in reinvestment of distributions . . . . .	26,940	270,609
Shares redeemed <sup>a</sup> . . . . .	(769,209)	(7,733,118)
Net increase (decrease) . . . . .	(630,126)	\$(6,332,061)
Year ended February 28, 2022		
Shares sold . . . . .	160,811	\$1,837,277
Shares issued in reinvestment of distributions . . . . .	33,496	381,657
Shares redeemed <sup>a</sup> . . . . .	(1,680,994)	(19,236,787)
Net increase (decrease) . . . . .	(1,486,687)	\$(17,017,853)

## 2. Shares of Beneficial Interest (continued)

	Franklin Virginia Tax-Free Income Fund	
	Shares	Amount
<b>Class R6 Shares:</b>		
Year ended February 28, 2023		
Shares sold . . . . .	388,577	\$3,831,979
Shares issued in reinvestment of distributions . . . . .	14,739	145,517
Shares redeemed . . . . .	(481,730)	(4,817,096)
Net increase (decrease) . . . . .	(78,414)	\$(839,600)
Year ended February 28, 2022		
Shares sold . . . . .	221,768	\$2,486,760
Shares issued in reinvestment of distributions . . . . .	13,291	148,577
Shares redeemed . . . . .	(126,588)	(1,411,038)
Net increase (decrease) . . . . .	108,471	\$1,224,299
<b>Advisor Class Shares:</b>		
Year ended February 28, 2023		
Shares sold . . . . .	5,189,615	\$51,441,715
Shares issued in reinvestment of distributions . . . . .	263,131	2,596,173
Shares redeemed . . . . .	(6,746,936)	(67,400,080)
Net increase (decrease) . . . . .	(1,294,190)	\$(13,362,192)
Year ended February 28, 2022		
Shares sold . . . . .	3,934,898	\$44,022,268
Shares issued in reinvestment of distributions . . . . .	219,223	2,451,281
Shares redeemed . . . . .	(2,944,601)	(32,788,963)
Net increase (decrease) . . . . .	1,209,520	\$13,684,586

<sup>a</sup>May include a portion of Class C shares that were automatically converted to Class A.

## 3. Transactions with Affiliates

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

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

**3. Transactions with Affiliates** (continued)**a. Management Fees**

The Funds pay an investment management fee, calculated daily and paid monthly, to Advisers based on the month-end net assets of each of the Funds as follows:

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

For the year ended February 28, 2023, each Fund's gross effective investment management fee rate based on average daily net assets was as follows:

	<b>Franklin Alabama Tax- Free Income Fund</b>	<b>Franklin Georgia Tax- Free Income Fund</b>	<b>Franklin Louisiana Tax- Free Income Fund</b>
Gross effective investment management fee rate. . . . .	0.554%	0.510%	0.524%
	<b>Franklin Maryland Tax- Free Income Fund</b>	<b>Franklin Missouri Tax- Free Income Fund</b>	<b>Franklin North Carolina Tax- Free Income Fund</b>
Gross effective investment management fee rate. . . . .	0.519%	0.475%	0.481%
	<b>Franklin Virginia Tax- Free Income Fund</b>		
Gross effective investment management fee rate. . . . .	0.496%		

**b. Administrative Fees**

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

**c. Distribution Fees**

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

### 3. Transactions with Affiliates (continued)

#### c. Distribution Fees (continued)

Class C compensation distribution plans, the Funds pay Distributors for costs incurred in connection with the servicing, sale and distribution of each Fund's shares up to the maximum annual plan rate. The plan year, for purposes of monitoring compliance with the maximum annual plan rates, is February 1 through January 31 for each Fund.

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

	Franklin Alabama Tax- Free Income Fund	Franklin Georgia Tax- Free Income Fund	Franklin Louisiana Tax- Free Income Fund	Franklin Maryland Tax- Free Income Fund
Reimbursement Plans:				
Class A . . . . .	0.25%	0.25%	0.25%	0.25%
Class A1 . . . . .	0.10%	0.10%	0.10%	0.10%
Compensation Plans:				
Class C . . . . .	0.65%	0.65%	0.65%	0.65%
	Franklin Missouri Tax- Free Income Fund	Franklin North Carolina Tax- Free Income Fund	Franklin Virginia Tax- Free Income Fund	
Reimbursement Plans:				
Class A . . . . .	0.25%	0.25%	0.25%	
Class A1 . . . . .	0.10%	0.10%	0.10%	
Compensation Plans:				
Class C . . . . .	0.65%	0.65%	0.65%	

#### d. Sales Charges/Underwriting Agreements

Front-end sales charges and contingent deferred sales charges (CDSC) do not represent expenses of the Funds. 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 Funds of the following commission transactions related to the sales and redemptions of the Funds' shares for the year:

	Franklin Alabama Tax- Free Income Fund	Franklin Georgia Tax- Free Income Fund	Franklin Louisiana Tax- Free Income Fund	Franklin Maryland Tax- Free Income Fund
Sales charges retained net of commissions paid to unaffiliated brokers/dealers . . . . .	\$5,471	\$4,161	\$3,668	\$3,294
CDSC retained . . . . .	\$698	\$6,725	\$10,948	\$12,138
	Franklin Missouri Tax- Free Income Fund	Franklin North Carolina Tax- Free Income Fund	Franklin Virginia Tax- Free Income Fund	
Sales charges retained net of commissions paid to unaffiliated brokers/dealers . . . . .	\$13,006	\$7,558	\$3,132	
CDSC retained . . . . .	\$32,053	\$39,495	\$12,910	

**3. Transactions with Affiliates** (continued)**e. Transfer Agent Fees**

Each class of shares pays transfer agent fees to Investor Services for its performance of shareholder servicing obligations. Effective October 1, 2022, the fees are based on an annualized asset based fee of 0.016% plus a reduced transaction based fee. Prior to October 1, 2022, the fees were based on an annualized asset based fee of 0.02% plus a transaction based fee. In addition, each class reimburses Investor Services for out of pocket expenses incurred and, except for Class R6, reimburses shareholder servicing fees paid to third parties. These fees are allocated daily based upon their relative proportion of such classes' aggregate net assets. Class R6 pays Investor Services transfer agent fees specific to that class.

For the year ended February 28, 2023, the Funds paid transfer agent fees as noted in the Statements of Operations of which the following amounts were retained by Investor Services:

	Franklin Alabama Tax- Free Income Fund	Franklin Georgia Tax- Free Income Fund	Franklin Louisiana Tax- Free Income Fund	Franklin Maryland Tax- Free Income Fund
Transfer agent fees . . . . .	\$60,884	\$109,662	\$84,347	\$108,482
	Franklin Missouri Tax- Free Income Fund	Franklin North Carolina Tax- Free Income Fund	Franklin Virginia Tax- Free Income Fund	
Transfer agent fees . . . . .	\$219,765	\$188,500	\$144,339	

**f. Waiver and Expense Reimbursements**

Effective April 1, 2022, Advisers has contractually agreed in advance to waive or limit its fees and to assume as its own expense certain expenses otherwise payable by the Funds so that the operating expenses (excluding distribution fees, acquired fund fees and expenses and certain non-routine expenses or costs, including those relating to litigation, indemnification, reorganizations, and liquidations) for each class of the Funds do not exceed 0.65%, based on the average net assets of each class until June 30, 2023. Total expenses waived or paid are not subject to recapture subsequent to the Funds' fiscal year end.

Investor Services has contractually agreed in advance to waive or limit its fees so that the Class R6 transfer agent fees do not exceed 0.03% based on the average net assets of the class until June 30, 2023.

**g. Interfund Transactions**

Certain or all Funds engaged in purchases and sales of investments with funds or other accounts that have common investment managers (or affiliated investment managers), directors, trustees or officers. These purchases, sales and the related net realized gains (losses), if any, for the year ended February 28, 2023, were as follows:

	Franklin Alabama Tax- Free Income Fund	Franklin Georgia Tax- Free Income Fund	Franklin Louisiana Tax- Free Income Fund	Franklin Maryland Tax- Free Income Fund
Purchases . . . . .	\$5,976,528	\$35,117,199	—	\$33,049,620
Sales . . . . .	\$5,954,028	\$24,313,455	—	\$12,700,000
Net Realized Gains (Losses) . . . . .	\$(560,922)	\$(857,084)	—	—

### 3. Transactions with Affiliates (continued)

#### g. Interfund Transactions (continued)

	Franklin Missouri Tax- Free Income Fund	Franklin North Carolina Tax- Free Income Fund	Franklin Virginia Tax- Free Income Fund
Purchases .....	\$10,198,928	\$66,027,471	\$26,163,245
Sales .....	\$6,100,000	\$58,742,250	\$23,137,825
Net Realized Gains (Losses) .....	—	\$(3,130,818)	\$(1,215,929)

### 4. Expense Offset Arrangement

The Funds have entered into an arrangement with their custodian whereby credits realized as a result of uninvested cash balances are used to reduce a portion of the Funds' custodian expenses. During the year ended February 28, 2023, the custodian fees were reduced as noted in the Statements of Operations.

### 5. Income Taxes

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

At February 28, 2023, the capital loss carryforwards were as follows:

	Franklin Alabama Tax- Free Income Fund	Franklin Georgia Tax- Free Income Fund	Franklin Louisiana Tax- Free Income Fund	Franklin Maryland Tax- Free Income Fund
Capital loss carryforwards not subject to expiration:				
Short term .....	\$4,896,624	\$8,440,045	\$12,705,581	\$16,496,338
Long term .....	10,367,405	24,252,472	15,491,997	33,130,661
Total capital loss carryforwards .....	\$15,264,029	\$32,692,517	\$28,197,578	\$49,626,999

	Franklin Missouri Tax- Free Income Fund	Franklin North Carolina Tax- Free Income Fund	Franklin Virginia Tax- Free Income Fund
Capital loss carryforwards not subject to expiration:			
Short term .....	\$20,285,619	\$32,392,070	\$24,089,454
Long term .....	83,239,664	77,827,319	42,504,920
Total capital loss carryforwards .....	\$103,525,283	\$110,219,389	\$66,594,374

## 5. Income Taxes (continued)

The tax character of distributions paid during the years ended February 28, 2023 and 2022, were as follows:

	Franklin Alabama Tax-Free Income Fund		Franklin Georgia Tax-Free Income Fund	
	2023	2022	2023	2022
Distributions paid from:				
Ordinary income . . . . .	\$18,105	\$—	\$39,459	\$—
Tax exempt income . . . . .	5,134,648	5,077,097	10,263,717	11,024,400
	<u>\$5,152,753</u>	<u>\$5,077,097</u>	<u>\$10,303,176</u>	<u>\$11,024,400</u>
	Franklin Louisiana Tax-Free Income Fund		Franklin Maryland Tax-Free Income Fund	
	2023	2022	2023	2022
Distributions paid from:				
Ordinary income . . . . .	\$10,260	\$—	\$11,632	\$—
Tax exempt income . . . . .	7,940,998	8,448,819	9,157,679	9,190,159
	<u>\$7,951,258</u>	<u>\$8,448,819</u>	<u>\$9,169,311</u>	<u>\$9,190,159</u>
	Franklin Missouri Tax-Free Income Fund		Franklin North Carolina Tax-Free Income Fund	
	2023	2022	2023	2022
Distributions paid from:				
Ordinary income . . . . .	\$29,478	\$—	\$67,888	\$—
Tax exempt income . . . . .	23,806,395	24,737,222	16,260,222	16,705,295
	<u>\$23,835,873</u>	<u>\$24,737,222</u>	<u>\$16,328,110</u>	<u>\$16,705,295</u>
	Franklin Virginia Tax-Free Income Fund			
	2023	2022		
Distributions paid from:				
Ordinary income . . . . .	\$18,568	\$—		
Tax exempt income . . . . .	11,704,672	11,623,226		
	<u>\$11,723,240</u>	<u>\$11,623,226</u>		

## 5. Income Taxes (continued)

At February 28, 2023, the cost of investments, net unrealized appreciation (depreciation) and undistributed tax exempt income for income tax purposes were as follows:

	Franklin Alabama Tax- Free Income Fund	Franklin Georgia Tax- Free Income Fund	Franklin Louisiana Tax- Free Income Fund	Franklin Maryland Tax- Free Income Fund
Cost of investments . . . . .	\$205,039,246	\$369,654,961	\$308,389,650	\$335,355,712
Unrealized appreciation. . . . .	\$875,636	\$1,378,209	\$535,954	\$2,383,933
Unrealized depreciation. . . . .	(16,212,723)	(29,674,550)	(23,201,337)	(22,540,380)
Net unrealized appreciation (depreciation). . . . .	\$(15,337,087)	\$(28,296,341)	\$(22,665,383)	\$(20,156,447)
Distributable earnings:				
Undistributed tax exempt income. . . . .	\$76,099	\$476,922	\$357,269	\$535,437
	Franklin Missouri Tax- Free Income Fund	Franklin North Carolina Tax- Free Income Fund	Franklin Virginia Tax- Free Income Fund	
Cost of investments . . . . .	\$770,125,140	\$677,877,746	\$487,578,552	
Unrealized appreciation. . . . .	\$3,923,516	\$1,303,371	\$1,796,333	
Unrealized depreciation. . . . .	(57,360,142)	(46,950,884)	(40,460,595)	
Net unrealized appreciation (depreciation). . . . .	\$(53,436,626)	\$(45,647,513)	\$(38,664,262)	
Distributable earnings:				
Undistributed tax exempt income. . . . .	\$1,790,074	\$1,599,979	\$677,471	

Differences between income and/or capital gains as determined on a book basis and a tax basis are primarily due to differing treatments of wash sales.

## 6. Investment Transactions

Purchases and sales of investments (excluding short term securities) for the year ended February 28, 2023, were as follows:

	Franklin Alabama Tax- Free Income Fund	Franklin Georgia Tax- Free Income Fund	Franklin Louisiana Tax- Free Income Fund	Franklin Maryland Tax- Free Income Fund
Purchases .....	\$39,699,445	\$59,295,600	\$36,339,976	\$126,049,680
Sales .....	\$62,378,939	\$125,080,436	\$72,558,213	\$165,418,226

	Franklin Missouri Tax- Free Income Fund	Franklin North Carolina Tax- Free Income Fund	Franklin Virginia Tax- Free Income Fund
Purchases .....	\$213,471,524	\$115,872,489	\$107,789,234
Sales .....	\$354,222,123	\$217,634,840	\$167,972,261

## 7. Defaulted Securities

Certain or all Funds held defaulted securities and/or other securities for which the income has been deemed uncollectible. The Funds discontinue accruing income on securities for which income has been deemed uncollectible and provide an estimate for losses on interest receivable. The securities have been identified in the accompanying Schedules of Investments. At February 28, 2023, the aggregate value of these securities was as follows:

	Value	Percentage of Net Assets
Franklin Georgia Tax-Free Income Fund .....	\$1,594,675	0.5%
Franklin Louisiana Tax-Free Income Fund .....	600,638	0.2%
Franklin Maryland Tax-Free Income Fund .....	1,397,312	0.4%
Franklin Missouri Tax-Free Income Fund .....	3,318,175	0.5%
Franklin North Carolina Tax-Free Income Fund .....	2,894,300	0.5%
Franklin Virginia Tax-Free Income Fund .....	2,070,550	0.5%

## 8. Concentration of Risk

Certain or all Funds invest a large percentage of their total assets in obligations of issuers within their respective state U.S. territories, and the District of Columbia. Such concentration may subject the Funds to risks associated with industrial or regional matters, and economic, political or legal developments occurring within those states, U.S. territories, and the District of Columbia. 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.

## 9. Geopolitical Risk

On February 24, 2022, Russia engaged in military actions in the sovereign territory of Ukraine. The current political and financial uncertainty surrounding Russia and Ukraine may increase market volatility and the economic risk of investing in securities in these countries and may also cause uncertainty for the global economy and broader financial markets. The ultimate fallout and long-term impact from these events are not known. The Funds will continue to assess the impact on valuations and liquidity and will take any potential actions needed in accordance with procedures approved by the Board.

## 10. Novel Coronavirus Pandemic

The global outbreak of the novel coronavirus disease, known as COVID-19, has caused adverse effects on many companies, sectors, nations, regions and the markets in general, and may continue for an unpredictable duration. The effects of this pandemic may materially impact the value and performance of the Funds, their ability to buy and sell fund investments at appropriate valuations and their ability to achieve their investment objectives.

## 11. Credit Facility

The Funds, together with other U.S. registered and foreign investment funds (collectively, Borrowers), managed by Franklin Templeton, are borrowers in a joint syndicated senior unsecured credit facility totaling \$2.675 billion (Global Credit Facility) which matures on February 2, 2024. 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 Funds shall, in addition to interest charged on any borrowings made by the Funds and other costs incurred by the Funds, pay their share of fees and expenses incurred in connection with the implementation and maintenance of the Global Credit Facility, based upon their relative share of the aggregate net assets of all of the Borrowers, including an annual commitment fee of 0.15% based upon the unused portion of the Global Credit Facility. These fees are reflected in other expenses in the Statements of Operations. During the year ended February 28, 2023, the Funds did not use the Global Credit Facility.

## 12. Fair Value Measurements

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

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

A summary of inputs used as of February 28, 2023, in valuing the Funds' assets carried at fair value, is as follows:

	Level 1	Level 2	Level 3	Total
<b>Franklin Alabama Tax-Free Income Fund</b>				
<b>Assets:</b>				
Investments in Securities:				
Corporate Bonds . . . . .	\$—	\$—	\$491,162	\$491,162
Municipal Bonds . . . . .	—	189,210,997	—	189,210,997
Total Investments in Securities . . . . .	\$—	\$189,210,997	\$491,162	\$189,702,159
<b>Franklin Georgia Tax-Free Income Fund</b>				
<b>Assets:</b>				
Investments in Securities:				
Corporate Bonds . . . . .	—	—	884,092	884,092
Municipal Bonds . . . . .	—	338,674,528	—	338,674,528
Short Term Investments . . . . .	—	1,800,000	—	1,800,000
Total Investments in Securities . . . . .	\$—	\$340,474,528	\$884,092	\$341,358,620

## 12. Fair Value Measurements (continued)

	Level 1	Level 2	Level 3	Total
<b>Franklin Louisiana Tax-Free Income Fund</b>				
<b>Assets:</b>				
Municipal Bonds . . . . .	\$—	\$285,724,267	\$—	\$285,724,267
Total Investments in Securities . . . . .	\$—	\$285,724,267	\$—	\$285,724,267
<b>Franklin Maryland Tax-Free Income Fund</b>				
<b>Assets:</b>				
Investments in Securities:				
Municipal Bonds . . . . .	—	314,699,265	—	314,699,265
Short Term Investments . . . . .	—	500,000	—	500,000
Total Investments in Securities . . . . .	\$—	\$315,199,265	\$—	\$315,199,265
<b>Franklin Missouri Tax-Free Income Fund</b>				
<b>Assets:</b>				
Investments in Securities: <sup>a</sup>				
Municipal Bonds . . . . .	—	716,388,514	—	716,388,514
Short Term Investments . . . . .	—	300,000	—	300,000
Total Investments in Securities . . . . .	\$—	\$716,688,514	\$—	\$716,688,514
<b>Franklin North Carolina Tax-Free Income Fund</b>				
<b>Assets:</b>				
Investments in Securities:				
Corporate Bonds . . . . .	—	—	1,571,719	1,571,719
Municipal Bonds . . . . .	—	625,758,514	—	625,758,514
Short Term Investments . . . . .	—	4,900,000	—	4,900,000
Total Investments in Securities . . . . .	\$—	\$630,658,514	\$1,571,719	\$632,230,233
<b>Franklin Virginia Tax-Free Income Fund</b>				
<b>Assets:</b>				
Investments in Securities: <sup>a</sup>				
Municipal Bonds . . . . .	—	442,714,290	—	442,714,290
Short Term Investments . . . . .	—	6,200,000	—	6,200,000
Total Investments in Securities . . . . .	\$—	\$448,914,290	\$—	\$448,914,290

A reconciliation in which Level 3 inputs are used in determining fair value is presented when there are significant Level 3 assets and/or liabilities at the beginning and/or end of the year.

## 13. Subsequent Events

The Funds have evaluated subsequent events through the issuance of the financial statements and determined that no events have occurred that require disclosure.

## Abbreviations

### Selected Portfolio

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<b>AGMC</b>	Assured Guaranty Municipal Corp.
<b>AMBAC</b>	American Municipal Bond Assurance Corp.
<b>BAM</b>	Build America Mutual Assurance Co.
<b>COP</b>	Certificate of Participation
<b>ETM</b>	Escrowed to Maturity
<b>GNMA</b>	Government National Mortgage Association
<b>GO</b>	General Obligation
<b>NATL</b>	National Reinsurance Corp.
<b>SPA</b>	Standby Purchase Agreement

## Report of Independent Registered Public Accounting Firm

To the Board of Trustees of Franklin Tax-Free Trust and Shareholders of Franklin Alabama Tax-Free Income Fund, Franklin Georgia Tax-Free Income Fund, Franklin Louisiana Tax-Free Income Fund, Franklin Maryland Tax-Free Income Fund, Franklin Missouri Tax-Free Income Fund, Franklin North Carolina Tax-Free Income Fund, and Franklin Virginia Tax-Free Income Fund

### ***Opinions on the Financial Statements***

We have audited the accompanying statements of assets and liabilities, including the schedules of investments, of Franklin Alabama Tax-Free Income Fund, Franklin Georgia Tax-Free Income Fund, Franklin Louisiana Tax-Free Income Fund, Franklin Maryland Tax-Free Income Fund, Franklin Missouri Tax-Free Income Fund, Franklin North Carolina Tax-Free Income Fund, and Franklin Virginia Tax-Free Income Fund (seven of the funds constituting Franklin Tax-Free Trust, hereafter collectively referred to as the "Funds") as of February 28, 2023, the related statements of operations for the year ended February 28, 2023, the statements of changes in net assets for each of the two years in the period ended February 28, 2023, including the related notes, and the financial highlights for each of the periods indicated therein (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of each of the Funds as of February 28, 2023, the results of each of their operations for the year then ended, the changes in each of their net assets for each of the two years in the period ended February 28, 2023 and each of the financial highlights for each of the periods indicated therein in conformity with accounting principles generally accepted in the United States of America.

### ***Basis for Opinions***

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

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

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of February 28, 2023 by correspondence with the custodian and brokers; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinions.

PricewaterhouseCoopers LLP

San Francisco, California

April 18, 2023

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

## Tax Information (unaudited)

By mid-February, tax information related to a shareholder's proportionate share of distributions paid during the preceding calendar year will be received, if applicable. Please also refer to [www.franklintempleton.com](http://www.franklintempleton.com) for per share tax information related to any distributions paid during the preceding calendar year. Shareholders are advised to consult with their tax advisors for further information on the treatment of these amounts on their tax returns.

The following tax information for the Funds is required to be furnished to shareholders with respect to income earned and distributions paid during their fiscal year.

The Funds hereby report the following amounts, or if subsequently determined to be different, the maximum allowable amounts, for the fiscal year ended February 28, 2023:

		<b>Franklin Alabama Tax-Free Income Fund</b>	<b>Franklin Georgia Tax-Free Income Fund</b>	<b>Franklin Louisiana Tax-Free Income Fund</b>
Exempt-Interest Dividends Distributed	<b>Pursuant to:</b> §852(b)(5)(A)	\$5,134,648	\$10,263,717	\$7,940,998
		<b>Franklin Maryland Tax-Free Income Fund</b>	<b>Franklin Missouri Tax-Free Income Fund</b>	<b>Franklin North Carolina Tax-Free Income Fund</b>
Exempt-Interest Dividends Distributed	<b>Pursuant to:</b> §852(b)(5)(A)	\$9,157,679	\$23,806,395	\$16,260,222
		<b>Franklin Virginia Tax-Free Income Fund</b>		
Exempt-Interest Dividends Distributed	<b>Pursuant to:</b> §852(b)(5)(A)	\$11,704,672		

## Board Members and Officers

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

### Independent Board Members

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member*	Other Directorships Held During at Least the Past 5 Years
<b>Harris J. Ashton (1932)</b> One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 1984	118	Bar-S Foods (meat packing company) (1981-2010).
<b>Principal Occupation During at Least the Past 5 Years:</b> Director of various companies; and <b>formerly</b> , Director, RBC Holdings, Inc. (bank holding company) (until 2002); and President, Chief Executive Officer and Chairman of the Board, General Host Corporation (nursery and craft centers) (until 1998).				
<b>Terrence J. Checki (1945)</b> One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 2017	118	Hess Corporation (exploration of oil and gas) (2014-present).
<b>Principal Occupation During at Least the Past 5 Years:</b> Member of the Council on Foreign Relations (1996-present); Member of the National Committee on U.S.-China Relations (1999-present); member of the board of trustees of the Economic Club of New York (2013-present); member of the board of trustees of the Foreign Policy Association (2005-present); member of the board of directors of Council of the Americas (2007-present) and the Tallberg Foundation (2018-present); and <b>formerly</b> , Executive Vice President of the Federal Reserve Bank of New York and Head of its Emerging Markets and Internal Affairs Group and Member of Management Committee (1995-2014); and Visiting Fellow at the Council on Foreign Relations (2014).				
<b>Mary C. Choksi (1950)</b> One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 2014	118	Omnicom Group Inc. (advertising and marketing communications services) (2011-present) and White Mountains Insurance Group, Ltd. (holding company) (2017-present); and <b>formerly</b> , Avis Budget Group Inc. (car rental) (2007-2020).
<b>Principal Occupation During at Least the Past 5 Years:</b> Director of various companies; and <b>formerly</b> , Founder and Senior Advisor, Strategic Investment Group (investment management group) (2015-2017); Founding Partner and Senior Managing Director, Strategic Investment Group (1987-2015); Founding Partner and Managing Director, Emerging Markets Management LLC (investment management firm) (1987-2011); and Loan Officer/Senior Loan Officer/Senior Pension Investment Officer, World Bank Group (international financial institution) (1977-1987).				

## Independent Board Members (continued)

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member*	Other Directorships Held During at Least the Past 5 Years
<b>Edith E. Holiday (1952)</b> One Franklin Parkway San Mateo, CA 94403-1906	Lead Independent Trustee	Trustee since 1998 and Lead Independent Trustee since 2019	118	Hess Corporation (exploration of oil and gas) (1993-present), Santander Consumer USA Holdings, Inc. (consumer finance) (2016-present); Santander Holdings USA (holding company) (2019-present); and <b>formerly</b> , Canadian National Railway (railroad) (2001-2021), White Mountains Insurance Group, Ltd. (holding company) (2004-2021), RTI International Metals, Inc. (manufacture and distribution of titanium) (1999-2015) and H.J. Heinz Company (processed foods and allied products) (1994-2013).

**Principal Occupation During at Least the Past 5 Years:**

Director or Trustee of various companies and trusts; and **formerly**, Assistant to the President of the United States and Secretary of the Cabinet (1990-1993); General Counsel to the United States Treasury Department (1989-1990); and Counselor to the Secretary and Assistant Secretary for Public Affairs and Public Liaison-United States Treasury Department (1988-1989).

<b>J. Michael Luttig (1954)</b> One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 2009	118	Boeing Capital Corporation (aircraft financing) (2006-2010).
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**Principal Occupation During at Least the Past 5 Years:**

Counselor and Special Advisor to the CEO and Board of Directors of the Coca-Cola Company (beverage company) (2021-present); and **formerly**, Counselor and Senior Advisor to the Chairman, CEO, and Board of Directors, of The Boeing Company (aerospace company), and member of the Executive Council (2019-2020); Executive Vice President, General Counsel and member of the Executive Council, The Boeing Company (2006-2019); and Federal Appeals Court Judge, United States Court of Appeals for the Fourth Circuit (1991-2006).

<b>Larry D. Thompson (1945)</b> One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 2007	118	Graham Holdings Company (education and media organization) (2011-2021); The Southern Company (energy company) (2014-2020; previously 2010-2012) and Cbeyond, Inc. (business communications provider) (2010-2012).
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**Principal Occupation During at Least the Past 5 Years:**

Director of various companies; Counsel, Finch McCranie, LLP (law firm) (2015-present); John A. Sibley Professor of Corporate and Business Law, University of Georgia School of Law (2015-present; previously 2011-2012); and **formerly**, Independent Compliance Monitor and Auditor, Volkswagen AG (manufacturer of automobiles and commercial vehicles) (2017-2020); Executive Vice President - Government Affairs, General Counsel and Corporate Secretary, PepsiCo, Inc. (consumer products) (2012-2014); Senior Vice President - Government Affairs, General Counsel and Secretary, PepsiCo, Inc. (2004-2011); Senior Fellow of The Brookings Institution (2003-2004); Visiting Professor, University of Georgia School of Law (2004); and Deputy Attorney General, U.S. Department of Justice (2001-2003).

## Independent Board Members (continued)

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member*	Other Directorships Held During at Least the Past 5 Years
<b>Valerie M. Williams (1956)</b> One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 2021	110	Omnicom Group, Inc. (advertising and marketing communications services) (2016-present), DTE Energy Co. (gas and electric utility) (2018-present), Devon Energy Corporation (exploration and production of oil and gas) (2021-present); and <b>formerly</b> , WPX Energy, Inc. (exploration and production of oil and gas) (2018-2021).

**Principal Occupation During at Least the Past 5 Years:**

Director of various companies; and **formerly**, Regional Assurance Managing Partner, Ernst & Young LLP (public accounting) (2005-2016), various roles of increasing responsibility at Ernst & Young (1981-2005).

## Interested Board Members and Officers

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member*	Other Directorships Held During at Least the Past 5 Years
<b>**Gregory E. Johnson (1961)</b>  One Franklin Parkway San Mateo, CA 94403-1906	Chairman of the Board and Trustee	Chairman of the Board since January 2023 and Trustee since 2007	129	None

**Principal Occupation During at Least the Past 5 Years:**

Executive Chairman, Chairman of the Board and Director, Franklin Resources, Inc.; officer and/or director or trustee of some of the other subsidiaries of Franklin Resources, Inc. and of certain funds in the Franklin Templeton/Legg Mason fund complex; Vice Chairman, Investment Company Institute; and **formerly**, Chief Executive Officer (2013-2020) and President (1994-2015) Franklin Resources, Inc.

<b>**Rupert H. Johnson, Jr. (1940)</b> One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 2013	118	None
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**Principal Occupation During at Least the Past 5 Years:**

Director (Vice Chairman), Franklin Resources, Inc.; Director, Franklin Advisers, Inc.; and officer and/or director or trustee of some of the other subsidiaries of Franklin Resources, Inc. and of certain funds in the Franklin Templeton/Legg Mason fund complex.

<b>Ben Barber (1969)</b> One Franklin Parkway San Mateo, CA 94403-1906	Vice President	Since 2020	Not Applicable	Not Applicable
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**Principal Occupation During at Least the Past 5 Years:**

Senior Vice President, Franklin Advisers, Inc.; Director, Municipal Bonds; officer of certain funds in the Franklin Templeton/Legg Mason fund complex; and **formerly**, Co-Head of Municipal Bonds, Goldman Sachs Asset Management (1999-2020).

<b>Alison E. Baur (1964)</b> One Franklin Parkway San Mateo, CA 94403-1906	Vice President	Since 2012	Not Applicable	Not Applicable
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**Principal Occupation During at Least the Past 5 Years:**

Deputy General Counsel, Franklin Templeton; and officer of some of the other subsidiaries of Franklin Resources, Inc. and of certain funds in the Franklin Templeton/Legg Mason fund complex.

## Interested Board Members and Officers (continued)

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member*	Other Directorships Held During at Least the Past 5 Years
<b>Breda M. Beckerle (1958)</b> 280 Park Avenue New York, NY 10017	Chief Compliance Officer	Since 2020	Not Applicable	Not Applicable
<b>Principal Occupation During at Least the Past 5 Years:</b> Chief Compliance Officer, Fiduciary Investment Management International, Inc.; and officer of certain funds in the Franklin Templeton/Legg Mason fund complex.				
<b>Sonal Desai, Ph.D. (1963)</b> One Franklin Parkway San Mateo, CA 94403-1906	President and Chief Executive Officer – Investment Management	Since 2018	Not Applicable	Not Applicable
<b>Principal Occupation During at Least the Past 5 Years:</b> Director and Executive Vice President, Franklin Advisers, Inc.; Executive Vice President, Franklin Templeton Institutional, LLC; and officer of certain funds in the Franklin Templeton/Legg Mason fund complex.				
<b>Steven J. Gray (1955)</b> One Franklin Parkway San Mateo, CA 94403-1906	Vice President and Co-Secretary	Vice President since 2009 and Co-Secretary since 2019	Not Applicable	Not Applicable
<b>Principal Occupation During at Least the Past 5 Years:</b> Senior Associate General Counsel, Franklin Templeton; Assistant Secretary, Franklin Distributors, LLC; and officer of certain funds in the Franklin Templeton/Legg Mason fund complex.				
<b>Matthew T. Hinkle (1971)</b> One Franklin Parkway San Mateo, CA 94403-1906	Chief Executive Officer – Finance and Administration	Since 2017	Not Applicable	Not Applicable
<b>Principal Occupation During at Least the Past 5 Years:</b> Senior Vice President, Franklin Templeton Services, LLC; officer of certain funds in the Franklin Templeton/Legg Mason fund complex; and formerly, Vice President, Global Tax (2012-April 2017) and Treasurer/Assistant Treasurer, Franklin Templeton (2009-2017).				
<b>Susan Kerr (1949)</b> 620 Eighth Avenue New York, NY 10018	Vice President – AML Compliance	Since 2021	Not Applicable	Not Applicable
<b>Principal Occupation During at Least the Past 5 Years:</b> Senior Compliance Analyst, Franklin Templeton; Chief Anti-Money Laundering Compliance Officer, Legg Mason & Co., or its affiliates; Anti Money Laundering Compliance Officer; Senior Compliance Officer, LMIS; and officer of certain funds in the Franklin Templeton/Legg Mason fund complex.				
<b>Christopher Kings (1974)</b> One Franklin Parkway San Mateo, CA 94403-1906	Chief Financial Officer, Chief Accounting Officer and Treasurer	Since 2022	Not Applicable	Not Applicable
<b>Principal Occupation During at Least the Past 5 Years:</b> Treasurer, U.S. Fund Administration & Reporting; and officer of certain funds in the Franklin Templeton/Legg Mason fund complex.				
<b>Navid J. Tofigh (1972)</b> One Franklin Parkway San Mateo, CA 94403-1906	Vice President	Since 2015	Not Applicable	Not Applicable
<b>Principal Occupation During at Least the Past 5 Years:</b> Senior Associate General Counsel, Franklin Templeton; and officer of certain funds in the Franklin Templeton/Legg Mason fund complex.				

## Interested Board Members and Officers (continued)

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member*	Other Directorships Held During at Least the Past 5 Years
<b>Lori A. Weber (1964)</b> 300 S.E. 2nd Street Fort Lauderdale, FL 33301-1923	Vice President and Co-Secretary	Vice President since 2011 and Co-Secretary since 2019	Not Applicable	Not Applicable

**Principal Occupation During at Least the Past 5 Years:**

Senior Associate General Counsel, Franklin Templeton; Assistant Secretary, Franklin Resources, Inc.; Vice President and Secretary, Templeton Investment Counsel, LLC; and officer of certain funds in the Franklin Templeton/Legg Mason fund complex.

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

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

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

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

The Sarbanes-Oxley Act of 2002 and Rules adopted by the Securities and Exchange Commission require the Fund to disclose whether the Fund's Audit Committee includes at least one member who is an audit committee financial expert within the meaning of such Act and Rules. The Fund's Board has determined that there is at least one such financial expert on the Audit Committee and has designated Mary C. Choksi as its audit committee financial expert. The Board believes that Ms. Choksi qualifies as such an expert in view of her extensive business background and experience. She served as a director of Avis Budget Group, Inc. (2007 to 2020) and formerly, Founder and Senior Advisor, Strategic Investment Group (1987 to 2017). Ms. Choksi has been a Member of the Fund's Audit Committee since 2014. As a result of such background and experience, the Board believes that Ms. Choksi has acquired an understanding of generally accepted accounting principles and financial statements, the general application of such principles in connection with the accounting estimates, accruals and reserves, and analyzing and evaluating financial statements that present a breadth and level of complexity of accounting issues generally comparable to those of the Fund, as well as an understanding of internal controls and procedures for financial reporting and an understanding of audit committee functions. Ms. Choksi is an independent Board member as that term is defined under the relevant Securities and Exchange Commission Rules and Releases.

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

## Shareholder Information

### Proxy Voting Policies and Procedures

The 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](http://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](http://franklintempleton.com) and posted on the U.S. Securities and Exchange Commission's website at [sec.gov](http://sec.gov) and reflect the most recent 12-month period ended June 30.

### Quarterly Schedule of Investments

The Trust files a complete schedule of investments with the U.S. Securities and Exchange Commission for the first and third quarters for each fiscal year as an exhibit to its report on Form N-PORT. Shareholders may view the filed Form N-PORT by visiting the Commission's website at [sec.gov](http://sec.gov). The filed form may also be viewed and copied at the Commission's Public Reference Room in Washington, DC. Information regarding the operations of the Public Reference Room may be obtained by calling (800) SEC-0330.

### Householding of Reports and Prospectuses

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

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

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



**FRANKLIN  
TEMPLETON**

**Annual Report and Shareholder Letter**  
**Franklin Tax-Free Trust**

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Franklin Advisers, Inc.

**Distributor**  
Franklin Distributors, LLC  
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[franklintempleton.com](https://franklintempleton.com)

**Shareholder Services**  
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