

SEMIANNUAL REPORT

# FRANKLIN TAX-FREE TRUST

August 31, 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**

The Securities and Exchange Commission has adopted new regulations that will result in changes to the design and delivery of annual and semiannual shareholder reports beginning in July 2024.

If you have previously elected to receive shareholder reports electronically, you will continue to do so and need not take any action.

Otherwise, paper copies of the Fund's shareholder reports will be mailed to you beginning in July 2024. If you would like to receive shareholder reports and other communications from the Fund electronically instead of by mail, you may make that request at any time by contacting your financial intermediary (such as a broker-dealer or bank) or, if you are a direct investor, enrolling at [franklintempleton.com](https://franklintempleton.com).

You may access [franklintempleton.com](https://franklintempleton.com) by scanning the code below.



Not FDIC Insured

May Lose Value

No Bank Guarantee



# Contents

---

Franklin Alabama Tax-Free Income Fund.....	2
Franklin Georgia Tax-Free Income Fund.....	6
Franklin Louisiana Tax-Free Income Fund .....	10
Franklin Maryland Tax-Free Income Fund.....	14
Franklin Missouri Tax-Free Income Fund .....	18
Franklin North Carolina Tax-Free Income Fund .....	22
Franklin Virginia Tax-Free Income Fund.....	26
Financial Highlights and Schedules of Investments .....	30
Financial Statements .....	102
Notes to Financial Statements.....	112
Shareholder Information .....	130

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

# Franklin Alabama Tax-Free Income Fund

This semiannual report for Franklin Alabama Tax-Free Income Fund covers the period ended August 31, 2023.

## Fund Overview

### 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 \$9.92 on February 28, 2023, to \$9.84 on August 31, 2023. The Fund's Class A shares paid dividends totaling 12.3102 cents per share for the same period.<sup>2</sup> The Performance Summary beginning on page 3 shows that at the end of this reporting period the Fund's Class A shares' distribution rate was 2.47%, based on an annualization of August's 2.1034 cents per share monthly dividend and the maximum offering price of \$10.22 on August 31, 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 4.56% 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.*

### Portfolio Composition

8/31/23

	% of Total Investments*
Education	26.07%
Health Care	19.79%
Utilities	15.61%
Local	9.15%
Refunded	8.25%
Industrial Dev. Revenue and Pollution Control	8.21%
Transportation	4.85%
Housing	4.71%
Lease	2.05%
Special Tax	1.31%

\*Does not include cash and cash equivalents.

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

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 estimated tax basis net investment income distributions for the period shown. A portion or all of the distribution may be reclassified as return of capital or short-term or long-term capital gains once final tax designations are known. 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.

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 35.

## Performance Summary as of August 31, 2023

The performance tables 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 8/31/23<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>		
6-Month	+0.42%	-3.35%
1-Year	+0.41%	-3.36%
5-Year	+2.62%	-0.25%
10-Year	+22.30%	+1.64%

<b>Advisor<sup>6</sup></b>		
6-Month	+0.54%	+0.54%
1-Year	+0.76%	+0.76%
5-Year	+3.81%	+0.75%
10-Year	+23.96%	+2.17%

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>	
			(with fee waiver)	(without fee waiver)	(with fee waiver)	(without fee waiver)
A	2.47%	4.56%	3.34%	3.32%	6.16%	6.13%
Advisor	2.82%	5.20%	3.73%	3.71%	6.88%	6.85%

*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 4 for Performance Summary footnotes.

## Distributions (3/1/23–8/31/23)

Share Class	Net Investment Income
A	\$0.123102
A1	\$0.130681
C	\$0.102416
R6	\$0.137233
Advisor	\$0.135723

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

Share Class	With Fee Waiver	Without Fee Waiver
A	0.90%	0.92%
Advisor	0.65%	0.67%

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

Events such as the spread of deadly diseases, disasters, and financial, political or social disruptions, may heighten risks and adversely affect performance.

**All investments involve risks, including possible loss of principal.** Fixed income securities involve interest rate, credit, inflation and reinvestment risks, and possible loss of principal. As interest rates rise, the value of fixed income securities falls. Portfolios focused on a **single state** are 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. These and other risks are discussed in the Fund's prospectus.

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 6/30/24 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 August dividend and the maximum offering price (NAV for Advisor Class) per share on 8/31/23.
  8. Taxable equivalent distribution rate and yield assume the published rates as of 6/22/23 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. 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 3/1/23	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio <sup>2</sup>
		Ending Account Value 8/31/23	Expenses Paid During Period 3/1/23–8/31/23 <sup>1,2</sup>	Ending Account Value 8/31/23	Expenses Paid During Period 3/1/23–8/31/23 <sup>1,2</sup>	
A	\$1,000	\$1,004.20	\$4.53	\$1,020.61	\$4.57	0.90%
A1	\$1,000	\$1,004.90	\$3.78	\$1,021.36	\$3.81	0.75%
C	\$1,000	\$1,001.10	\$6.50	\$1,018.64	\$6.55	1.29%
R6	\$1,000	\$1,005.60	\$3.13	\$1,022.02	\$3.15	0.62%
Advisor	\$1,000	\$1,005.40	\$3.28	\$1,021.87	\$3.31	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 184/366 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 semiannual report for Franklin Georgia Tax-Free Income Fund covers the period ended August 31, 2023.

## Fund Overview

### 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 \$10.40 on February 28, 2023, to \$10.32 on August 31, 2023. The Fund's Class A shares paid dividends totaling 14.3791 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 2.82%, based on an annualization of August's 2.522 cents per share monthly dividend and the maximum offering price of \$10.72 on August 31, 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 5.28% 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.*

### Portfolio Composition

8/31/23

	% of Total Investments*
Health Care	20.00%
Housing	15.12%
Utilities	14.76%
Education	9.33%
Industrial Dev. Revenue and Pollution Control	8.83%
Local	8.59%
Transportation	8.47%
Special Tax	6.97%
Refunded	4.29%
Lease	2.20%
State General Obligation	0.98%
Other Revenue Bonds	0.46%

\*Does not include cash and cash equivalents.

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

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 estimated tax basis net investment income distributions for the period shown. A portion or all of the distribution may be reclassified as return of capital or short-term or long-term capital gains once final tax designations are known. 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.

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 44.



## Performance Summary as of August 31, 2023

The performance tables 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 8/31/23<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>		
6-Month	+0.60%	-3.18%
1-Year	+0.55%	-3.22%
5-Year	+1.26%	-0.51%
10-Year	+21.54%	+1.58%
<b>Advisor<sup>6</sup></b>		
6-Month	+0.72%	+0.72%
1-Year	+0.80%	+0.80%
5-Year	+2.53%	+0.50%
10-Year	+23.29%	+2.12%

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>
A	2.82%	5.28%	3.43%	6.42%
Advisor	3.19%	5.94%	3.81%	7.09%

*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 8 for Performance Summary footnotes.

## Distributions (3/1/23–8/31/23)

Share Class	Net Investment Income
A	\$0.143791
A1	\$0.151712
C	\$0.122044
R6	\$0.159206
Advisor	\$0.156988

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

Events such as the spread of deadly diseases, disasters, and financial, political or social disruptions, may heighten risks and adversely affect performance

**All investments involve risks, including possible loss of principal.** Fixed income securities involve interest rate, credit, inflation and reinvestment risks, and possible loss of principal. As interest rates rise, the value of fixed income securities falls. Portfolios focused on a **single state** are 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. These and other risks are discussed in the Fund's prospectus.

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 6/30/24 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 August dividend and the maximum offering price (NAV for Advisor Class) per share on 8/31/23.
8. Taxable equivalent distribution rate and yield assume the published rates as of 6/22/23 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. 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 3/1/23	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio <sup>2</sup>
		Ending Account Value 8/31/23	Expenses Paid During Period 3/1/23–8/31/23 <sup>1,2</sup>	Ending Account Value 8/31/23	Expenses Paid During Period 3/1/23–8/31/23 <sup>1,2</sup>	
A	\$1,000	\$1,006.00	\$4.45	\$1,020.70	\$4.48	0.88%
A1	\$1,000	\$1,006.70	\$3.69	\$1,021.46	\$3.72	0.73%
C	\$1,000	\$1,003.80	\$6.41	\$1,018.74	\$6.46	1.27%
R6	\$1,000	\$1,007.40	\$2.98	\$1,022.17	\$3.00	0.59%
Advisor	\$1,000	\$1,007.20	\$3.19	\$1,021.96	\$3.21	0.63%

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 184/366 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 semiannual report for Franklin Louisiana Tax-Free Income Fund covers the period ended August 31, 2023.

## Fund Overview

### 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 \$9.96 on February 28, 2023, to \$9.90 on August 31, 2023. The Fund's Class A shares paid dividends totaling 13.4280 cents per share for the same period.<sup>2</sup> The Performance Summary beginning on page 11 shows that at the end of this reporting period the Fund's Class A shares' distribution rate was 2.67%, based on an annualization of August's 2.2861 cents per share monthly dividend and the maximum offering price of \$10.29 on August 31, 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 4.86% 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.*

### Portfolio Composition 8/31/23

	% of Total Investments*
Health Care	18.81%
Transportation	15.41%
Special Tax	12.26%
Education	11.52%
Housing	10.86%
Utilities	9.62%
Local	8.86%
Refunded	5.27%
Lease	3.68%
State General Obligation	2.36%
Other Revenue Bonds	1.35%

\*Does not include cash and cash equivalents.

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

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 estimated tax basis net investment income distributions for the period shown. A portion or all of the distribution may be reclassified as return of capital or short-term or long-term capital gains once final tax designations are known. 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.

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 54.

## Performance Summary as of August 31, 2023

The performance tables 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 8/31/23<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>		
6-Month	+0.73%	-3.04%
1-Year	+0.79%	-2.99%
5-Year	+3.01%	-0.17%
10-Year	+23.09%	+1.71%

<b>Advisor<sup>6</sup></b>		
6-Month	+0.86%	+0.86%
1-Year	+1.14%	+1.14%
5-Year	+4.30%	+0.85%
10-Year	+24.87%	+2.25%

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	2.67%	4.86%	3.56%	6.48%
Advisor	3.03%	5.51%	3.95%	7.19%

*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 12 for Performance Summary footnotes.

## Distributions (3/1/23–8/31/23)

Share Class	Net Investment Income
A	\$0.134280
A1	\$0.141854
C	\$0.113442
R6	\$0.148885
Advisor	\$0.146903

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

Share Class	
A	0.88%
Advisor	0.64%

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

Events such as the spread of deadly diseases, disasters, and financial, political or social disruptions, may heighten risks and adversely affect performance.

**All investments involve risks, including possible loss of principal.** Fixed income securities involve interest rate, credit, inflation and reinvestment risks, and possible loss of principal. As interest rates rise, the value of fixed income securities falls. Portfolios focused on a **single state** are 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. These and other risks are discussed in the Fund's prospectus.

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 6/30/24 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 August dividend and the maximum offering price (NAV for Advisor Class) per share on 8/31/23.
  8. Taxable equivalent distribution rate and yield assume the published rates as of 6/22/23 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. 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 3/1/23	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio <sup>2</sup>
		Ending Account Value 8/31/23	Expenses Paid During Period 3/1/23–8/31/23 <sup>1,2</sup>	Ending Account Value 8/31/23	Expenses Paid During Period 3/1/23–8/31/23 <sup>1,2</sup>	
A	\$1,000	\$1,007.30	\$4.52	\$1,020.63	\$4.55	0.90%
A1	\$1,000	\$1,008.10	\$3.77	\$1,021.38	\$3.79	0.75%
C	\$1,000	\$1,005.20	\$6.48	\$1,018.67	\$6.53	1.29%
R6	\$1,000	\$1,007.80	\$3.07	\$1,022.08	\$3.09	0.61%
Advisor	\$1,000	\$1,008.60	\$3.26	\$1,021.89	\$3.29	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 184/366 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 semiannual report for Franklin Maryland Tax-Free Income Fund covers the period ended August 31, 2023.

## Fund Overview

### 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 \$9.75 on February 28, 2023, to \$9.70 on August 31, 2023. The Fund's Class A shares paid dividends totaling 15.2902 cents per share for the same period.<sup>2</sup> The Performance Summary beginning on page 15 shows that at the end of this reporting period the Fund's Class A shares' distribution rate was 3.17%, based on an annualization of August's 2.6610 cents per share monthly dividend and the maximum offering price of \$10.08 on August 31, 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 6.31% 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.*

### Portfolio Composition

8/31/23

	% of Total Investments*
Health Care	20.09%
Housing	18.27%
Transportation	13.08%
Education	12.59%
Lease	12.10%
Local	10.67%
State General Obligation	3.62%
Refunded	3.36%
Special Tax	3.28%
Utilities	2.52%
Other Revenue Bonds	0.42%

\*Does not include cash and cash equivalents.

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

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 estimated tax basis net investment income distributions for the period shown. A portion or all of the distribution may be reclassified as return of capital or short-term or long-term capital gains once final tax designations are known. 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.

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 64.



## Performance Summary as of August 31, 2023

The performance tables 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 8/31/23<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>		
6-Month	+1.04%	-2.75%
1-Year	+1.30%	-2.50%
5-Year	+2.43%	-0.28%
10-Year	+21.92%	+1.61%
<b>Advisor</b>		
6-Month	+1.27%	+1.27%
1-Year	+1.65%	+1.65%
5-Year	+3.81%	+0.75%
10-Year	+24.28%	+2.20%

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	3.17%	6.31%	3.30%	6.57%
Advisor	3.54%	7.04%	3.67%	7.30%

*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 16 for Performance Summary footnotes.

## Distributions (3/1/23–8/31/23)

Share Class	Net Investment Income
A	\$0.152902
A1	\$0.160324
C	\$0.132304
R6	\$0.167658
Advisor	\$0.165273

## Total Annual Operating Expenses<sup>9</sup>

Share Class	
A	0.88%
Advisor	0.63%

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

Events such as the spread of deadly diseases, disasters, and financial, political or social disruptions, may heighten risks and adversely affect performance.

**All investments involve risks, including possible loss of principal.** Fixed income securities involve interest rate, credit, inflation and reinvestment risks, and possible loss of principal. As interest rates rise, the value of fixed income securities falls. Portfolios focused on a **single state** are 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. These and other risks are discussed in the Fund's prospectus.

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 6/30/24 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 August dividend and the maximum offering price (NAV for Advisor Class) per share on 8/31/23.
7. Taxable equivalent distribution rate and yield assume the published rates as of 6/22/23 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. 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 3/1/23	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio <sup>2</sup>
		Ending Account Value 8/31/23	Expenses Paid During Period 3/1/23–8/31/23 <sup>1,2</sup>	Ending Account Value 8/31/23	Expenses Paid During Period 3/1/23–8/31/23 <sup>1,2</sup>	
A	\$1,000	\$1,010.40	\$4.54	\$1,020.62	\$4.56	0.90%
A1	\$1,000	\$1,011.20	\$3.78	\$1,021.38	\$3.80	0.75%
C	\$1,000	\$1,009.20	\$6.49	\$1,018.68	\$6.52	1.28%
R6	\$1,000	\$1,011.90	\$3.03	\$1,022.13	\$3.04	0.60%
Advisor	\$1,000	\$1,012.70	\$3.27	\$1,021.89	\$3.29	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 184/366 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 semiannual report for Franklin Missouri Tax-Free Income Fund covers the period ended August 31, 2023.

## Fund Overview

### 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 \$10.27 on February 28, 2023, to \$10.20 on August 31, 2023. The Fund's Class A shares paid dividends totaling 16.6874 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 3.30%, based on an annualization of August's 2.9149 cents per share monthly dividend and the maximum offering price of \$10.60 on August 31, 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 6.12% 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.*

## Portfolio Composition

8/31/23

	% of Total Investments*
Health Care	26.38%
Lease	21.79%
Utilities	15.50%
Education	9.27%
Local	8.21%
Housing	7.81%
Transportation	5.43%
Special Tax	3.08%
Industrial Dev. Revenue and Pollution Control	2.09%
Other Revenue Bonds	0.44%

\*Does not include cash and cash equivalents.

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

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 estimated tax basis net investment income distributions for the period shown. A portion or all of the distribution may be reclassified as return of capital or short-term or long-term capital gains once final tax designations are known. 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.

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 73.

## Performance Summary as of August 31, 2023

The performance tables 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 8/31/23<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>		
6-Month	+0.93%	-2.85%
1-Year	+0.52%	-3.25%
5-Year	+1.91%	-0.38%
10-Year	+20.17%	+1.47%
<b>Advisor</b>		
6-Month	+1.06%	+1.06%
1-Year	+0.77%	+0.77%
5-Year	+3.10%	+0.61%
10-Year	+22.27%	+2.03%

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	3.30%	6.12%	3.56%	6.60%
Advisor	3.68%	6.83%	3.95%	7.33%

*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 20 for Performance Summary footnotes.

## Distributions (3/1/23–8/31/23)

Share Class	Net Investment Income
A	\$0.166874
A1	\$0.174683
C	\$0.145646
R6	\$0.181536
Advisor	\$0.179887

## Total Annual Operating Expenses<sup>9</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.**

Events such as the spread of deadly diseases, disasters, and financial, political or social disruptions, may heighten risks and adversely affect performance.

**All investments involve risks, including possible loss of principal.** Fixed income securities involve interest rate, credit, inflation and reinvestment risks, and possible loss of principal. As interest rates rise, the value of fixed income securities falls. Portfolios focused on a **single state** are 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. These and other risks are discussed in the Fund's prospectus.

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 6/30/24 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 August dividend and the maximum offering price (NAV for Advisor Class) per share on 8/31/23.
  7. Taxable equivalent distribution rate and yield assume the published rates as of 6/22/23 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. 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 3/1/23	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio <sup>2</sup>
		Ending Account Value 8/31/23	Expenses Paid During Period 3/1/23–8/31/23 <sup>1,2</sup>	Ending Account Value 8/31/23	Expenses Paid During Period 3/1/23–8/31/23 <sup>1,2</sup>	
A	\$1,000	\$1,009.30	\$4.15	\$1,021.01	\$4.18	0.82%
A1	\$1,000	\$1,009.10	\$3.39	\$1,021.76	\$3.41	0.67%
C	\$1,000	\$1,007.20	\$6.13	\$1,019.02	\$6.17	1.22%
R6	\$1,000	\$1,009.80	\$2.73	\$1,022.42	\$2.74	0.54%
Advisor	\$1,000	\$1,010.60	\$2.89	\$1,022.26	\$2.91	0.57%

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 184/366 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 semiannual report for Franklin North Carolina Tax-Free Income Fund covers the period ended August 31, 2023.

## Portfolio Composition

8/31/23

## Fund Overview

### 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 \$10.25 on February 28, 2023, to \$10.21 on August 31, 2023. The Fund's Class A shares paid dividends totaling 13.0200 cents per share for the same period.<sup>2</sup> The Performance Summary beginning on page 23 shows that at the end of this reporting period the Fund's Class A shares' distribution rate was 2.52%, based on an annualization of August's 2.2243 cents per share monthly dividend and the maximum offering price of \$10.61 on August 31, 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 4.63% 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.*

### % of Total Investments\*

Health Care	20.62%
Education	19.69%
Transportation	12.38%
Housing	11.00%
Utilities	10.74%
Lease	9.48%
Refunded	6.74%
Local	4.82%
Special Tax	2.51%
State General Obligation	1.56%
Other Revenue Bonds	0.46%

\*Does not include cash and cash equivalents.

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

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 estimated tax basis net investment income distributions for the period shown. A portion or all of the distribution may be reclassified as return of capital or short-term or long-term capital gains once final tax designations are known. 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.

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 84.



## Performance Summary as of August 31, 2023

The performance tables 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 8/31/23<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>		
6-Month	+0.87%	-2.91%
1-Year	+0.87%	-2.91%
5-Year	+1.44%	-0.48%
10-Year	+16.90%	+1.19%
<b>Advisor</b>		
6-Month	+1.00%	+1.00%
1-Year	+1.22%	+1.22%
5-Year	+2.72%	+0.54%
10-Year	+18.96%	+1.75%

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	2.52%	4.63%	3.31%	6.08%
Advisor	2.87%	5.27%	3.69%	6.78%

*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 24 for Performance Summary footnotes.

## Distributions (3/1/23–8/31/23)

Share Class	Net Investment Income
A	\$0.130200
A1	\$0.138009
C	\$0.108725
R6	\$0.145216
Advisor	\$0.143217

## Total Annual Operating Expenses<sup>9</sup>

Share Class	
A	0.83%
Advisor	0.58%

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

Events such as the spread of deadly diseases, disasters, and financial, political or social disruptions, may heighten risks and adversely affect performance.

**All investments involve risks, including possible loss of principal.** Fixed income securities involve interest rate, credit, inflation and reinvestment risks, and possible loss of principal. As interest rates rise, the value of fixed income securities falls. Portfolios focused on a **single state** are 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. These and other risks are discussed in the Fund's prospectus.

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 6/30/24 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 August dividend and the maximum offering price (NAV for Advisor Class) per share on 8/31/23.
7. Taxable equivalent distribution rate and yield assume the published rates as of 6/22/23 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. 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 3/1/23	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio <sup>2</sup>
		Ending Account Value 8/31/23	Expenses Paid During Period 3/1/23–8/31/23 <sup>1,2</sup>	Ending Account Value 8/31/23	Expenses Paid During Period 3/1/23–8/31/23 <sup>1,2</sup>	
A	\$1,000	\$1,008.70	\$4.22	\$1,020.94	\$4.25	0.84%
A1	\$1,000	\$1,008.50	\$3.46	\$1,021.69	\$3.48	0.69%
C	\$1,000	\$1,005.50	\$6.18	\$1,018.97	\$6.23	1.23%
R6	\$1,000	\$1,010.20	\$2.77	\$1,022.39	\$2.78	0.55%
Advisor	\$1,000	\$1,010.00	\$2.96	\$1,022.19	\$2.98	0.59%

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 184/366 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 semiannual report for Franklin Virginia Tax-Free Income Fund covers the period ended August 31, 2023.

## Portfolio Composition

8/31/23

## Fund Overview

### 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 \$9.72 on February 28, 2023, to \$9.67 on August 31, 2023. The Fund's Class A shares paid dividends totaling 12.7938 cents per share for the same period.<sup>2</sup> The Performance Summary beginning on page 27 shows that at the end of this reporting period the Fund's Class A shares' distribution rate was 2.62%, based on an annualization of August's 2.1951 cents per share monthly dividend and the maximum offering price of \$10.05 on August 31, 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 4.90% 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.*

### % of Total Investments\*

Health Care	22.79%
Transportation	15.38%
Lease	13.75%
Utilities	12.38%
Education	8.04%
Refunded	7.76%
Housing	6.61%
Special Tax	6.60%
Other Revenue Bonds	2.74%
State General Obligation	1.54%
Industrial Dev. Revenue and Pollution Control	1.21%
Local	1.20%

\*Does not include cash and cash equivalents.

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

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 estimated tax-basis net investment income distributions for the period shown. A portion or all of the distribution may be reclassified as return of capital or short-term or long-term capital gains once final tax designations are known. 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.

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 96.

## Performance Summary as of August 31, 2023

The performance tables 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 8/31/23<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>		
6-Month	+0.79%	-2.99%
1-Year	+0.47%	-3.30%
5-Year	-0.67%	-0.89%
10-Year	+16.45%	+1.15%
<b>Advisor</b>		
6-Month	+0.92%	+0.92%
1-Year	+0.72%	+0.72%
5-Year	+0.59%	+0.12%
10-Year	+18.60%	+1.72%

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	2.62%	4.90%	3.35%	6.27%
Advisor	2.98%	5.58%	3.72%	6.96%

*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 28 for Performance Summary footnotes.

## Distributions (3/1/23–8/31/23)

Share Class	Net Investment Income
A	\$0.127938
A1	\$0.135334
C	\$0.107545
R6	\$0.142563
Advisor	\$0.140261

## Total Annual Operating Expenses<sup>9</sup>

Share Class	
A	0.85%
Advisor	0.60%

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

Events such as the spread of deadly diseases, disasters, and financial, political or social disruptions, may heighten risks and adversely affect performance.

**All investments involve risks, including possible loss of principal.** Fixed income securities involve interest rate, credit, inflation and reinvestment risks, and possible loss of principal. As interest rates rise, the value of fixed income securities falls. Portfolios focused on a **single state** are 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. These and other risks are discussed in the Fund's prospectus.

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 6/30/24 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 August dividend and the maximum offering price (NAV for Advisor Class) per share on 8/31/23.
7. Taxable equivalent distribution rate and yield assume the published rates as of 6/22/23 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. 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 3/1/23	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio <sup>2</sup>
		Ending Account Value 8/31/23	Expenses Paid During Period 3/1/23–8/31/23 <sup>1,2</sup>	Ending Account Value 8/31/23	Expenses Paid During Period 3/1/23–8/31/23 <sup>1,2</sup>	
A	\$1,000	\$1,007.90	\$4.36	\$1,020.79	\$4.39	0.86%
A1	\$1,000	\$1,008.70	\$3.60	\$1,021.55	\$3.63	0.71%
C	\$1,000	\$1,005.70	\$6.32	\$1,018.83	\$6.36	1.25%
R6	\$1,000	\$1,009.40	\$2.87	\$1,022.28	\$2.89	0.57%
Advisor	\$1,000	\$1,009.20	\$3.10	\$1,022.05	\$3.12	0.61%

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 184/366 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

	Six Months Ended August 31, 2023 (unaudited)	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 period)						
Net asset value, beginning of period . . . . .	\$9.92	\$10.97	\$11.18	\$11.40	\$10.85	\$10.79
Income from investment operations <sup>c</sup> :						
Net investment income <sup>d</sup> . . . . .	0.12	0.24	0.22	0.28	0.30	0.15
Net realized and unrealized gains (losses) . . . . .	(0.08)	(1.06)	(0.21)	(0.23)	0.57	0.06
Total from investment operations . . . . .	0.04	(0.82)	0.01	0.05	0.87	0.21
Less distributions from:						
Net investment income . . . . .	(0.12)	(0.23)	(0.22)	(0.27)	(0.32)	(0.15)
Net asset value, end of period . . . . .	\$9.84	\$9.92	\$10.97	\$11.18	\$11.40	\$10.85
Total return <sup>e</sup> . . . . .	0.42%	(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 . . . . .	0.94%	0.93%	0.91%	0.91%	0.91%	0.92%
Expenses net of waiver and payments by affiliates <sup>g</sup> . . . . .	0.90%	0.90%	0.91%	0.91%	0.91%	0.92%
Net investment income . . . . .	2.45%	2.34%	1.91%	2.46%	2.70%	2.91%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$42,428	\$42,244	\$46,633	\$30,415	\$16,423	\$7,334
Portfolio turnover rate . . . . .	2.26%	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)

	Six Months Ended August 31, 2023 (unaudited)	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 period)						
Net asset value, beginning of period . . . . .	\$9.91	\$10.95	\$11.16	\$11.38	\$10.84	\$10.88
Income from investment operations <sup>b</sup> :						
Net investment income <sup>c</sup> . . . . .	0.13	0.25	0.23	0.30	0.32	0.33
Net realized and unrealized gains (losses) . . . . .	(0.08)	(1.04)	(0.20)	(0.23)	0.55	(0.04)
Total from investment operations . . . . .	0.05	(0.79)	0.03	0.07	0.87	0.29
Less distributions from:						
Net investment income . . . . .	(0.13)	(0.25)	(0.24)	(0.29)	(0.33)	(0.33)
Net asset value, end of period . . . . .	\$9.83	\$9.91	\$10.95	\$11.16	\$11.38	\$10.84
Total return <sup>d</sup> . . . . .	0.49%	(7.24)%	0.17%	0.64%	8.16%	2.76%
<b>Ratios to average net assets<sup>e</sup></b>						
Expenses before waiver and payments by affiliates . . . . .	0.79%	0.78%	0.76%	0.77%	0.76%	0.77%
Expenses net of waiver and payments by affiliates <sup>f</sup> . . . . .	0.75%	0.75%	0.76%	0.77%	0.76%	0.77%
Net investment income . . . . .	2.60%	2.49%	2.07%	2.66%	2.85%	3.06%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$119,610	\$125,644	\$163,571	\$174,802	\$186,486	\$188,290
Portfolio turnover rate . . . . .	2.26%	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, and is not annualized for periods less than one year.<sup>e</sup>Ratios are annualized for periods less than one year.<sup>f</sup>Benefit of expense reduction rounds to less than 0.01%.

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

	Six Months Ended August 31, 2023 (unaudited)	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 period)						
Net asset value, beginning of period . . . . .	\$10.05	\$11.10	\$11.32	\$11.54	\$10.98	\$11.02
Income from investment operations <sup>b</sup> :						
Net investment income <sup>c</sup> . . . . .	0.10	0.19	0.17	0.24	0.26	0.27
Net realized and unrealized gains (losses) . . . . .	(0.09)	(1.05)	(0.22)	(0.23)	0.57	(0.04)
Total from investment operations . . . . .	0.01	(0.86)	(0.05)	0.01	0.83	0.23
Less distributions from:						
Net investment income . . . . .	(0.10)	(0.19)	(0.17)	(0.23)	(0.27)	(0.27)
Net asset value, end of period . . . . .	\$9.96	\$10.05	\$11.10	\$11.32	\$11.54	\$10.98
Total return <sup>d</sup> . . . . .	0.11%	(7.74)%	(0.38)%	(0.01)%	7.68%	2.15%
<b>Ratios to average net assets<sup>e</sup></b>						
Expenses before waiver and payments by affiliates . . . . .	1.33%	1.32%	1.30%	1.31%	1.31%	1.32%
Expenses net of waiver and payments by affiliates <sup>f</sup> . . . . .	1.29%	1.29%	1.30%	1.31%	1.31%	1.32%
Net investment income . . . . .	2.00%	1.89%	1.51%	2.10%	2.30%	2.51%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$6,573	\$8,264	\$13,416	\$23,374	\$31,175	\$30,641
Portfolio turnover rate . . . . .	2.26%	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, and is not annualized for periods less than one year.

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

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

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

	Six Months Ended August 31, 2023 (unaudited)	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 period)						
Net asset value, beginning of period . . . . .	\$9.91	\$10.95	\$11.17	\$11.39	\$10.84	\$10.88
Income from investment operations <sup>b</sup> :						
Net investment income <sup>c</sup> . . . . .	0.14	0.26	0.25	0.31	0.33	0.35
Net realized and unrealized gains (losses) . . . . .	(0.08)	(1.04)	(0.22)	(0.22)	0.57	(0.04)
Total from investment operations . . . . .	0.06	(0.78)	0.03	0.09	0.90	0.31
Less distributions from:						
Net investment income . . . . .	(0.14)	(0.26)	(0.25)	(0.31)	(0.35)	(0.35)
Net asset value, end of period . . . . .	\$9.83	\$9.91	\$10.95	\$11.17	\$11.39	\$10.84
Total return <sup>d</sup> . . . . .	0.56%	(7.11)%	0.22%	0.77%	8.39%	2.78%
<b>Ratios to average net assets<sup>e</sup></b>						
Expenses before waiver and payments by affiliates . . . . .	0.67%	0.66%	0.65%	0.65%	0.65%	0.65%
Expenses net of waiver and payments by affiliates <sup>f</sup> . . . . .	0.62%	0.62%	0.63%	0.63%	0.63%	0.63%
Net investment income . . . . .	2.73%	2.62%	2.19%	2.78%	2.98%	3.20%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$1,653	\$1,786	\$2,308	\$1,756	\$1,664	\$824
Portfolio turnover rate . . . . .	2.26%	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 is not annualized for periods less than one year.<sup>e</sup>Ratios are annualized for periods less than one year.<sup>f</sup>Benefit of expense reduction rounds to less than 0.01%.

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

	Six Months Ended August 31, 2023 (unaudited)	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 period)						
Net asset value, beginning of period . . . . .	\$9.91	\$10.95	\$11.17	\$11.39	\$10.84	\$10.88
Income from investment operations <sup>b</sup> :						
Net investment income <sup>c</sup> . . . . .	0.14	0.26	0.25	0.31	0.33	0.34
Net realized and unrealized gains (losses) . . . . .	(0.08)	(1.04)	(0.22)	(0.23)	0.56	(0.04)
Total from investment operations . . . . .	0.06	(0.78)	0.03	0.08	0.89	0.30
Less distributions from:						
Net investment income . . . . .	(0.14)	(0.26)	(0.25)	(0.30)	(0.34)	(0.34)
Net asset value, end of period . . . . .	\$9.83	\$9.91	\$10.95	\$11.17	\$11.39	\$10.84
Total return <sup>d</sup> . . . . .	0.54%	(7.14)%	0.18%	0.74%	8.36%	2.86%
<b>Ratios to average net assets<sup>e</sup></b>						
Expenses before waiver and payments by affiliates . . . . .	0.69%	0.68%	0.66%	0.67%	0.66%	0.67%
Expenses net of waiver and payments by affiliates <sup>f</sup> . . . . .	0.65%	0.65%	0.66%	0.67%	0.66%	0.67%
Net investment income . . . . .	2.70%	2.59%	2.16%	2.74%	2.95%	3.16%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$19,647	\$18,309	\$19,796	\$15,036	\$11,709	\$8,335
Portfolio turnover rate . . . . .	2.26%	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 is not annualized for periods less than one year.

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

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

## Schedule of Investments (unaudited), August 31, 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	\$487,298
<b>Total Corporate Bonds (Cost \$500,000) . . . . .</b>		<b>487,298</b>
<b>Municipal Bonds 97.9%</b>		
<b>Alabama 89.9%</b>		
Alabama Community College System, Bishop State Community College, Revenue, 2019, BAM Insured, 4%, 1/01/49 . . . . .	2,000,000	1,822,742
Alabama Special Care Facilities Financing Authority-Birmingham, Ascension Health Credit Group, Revenue, 2016 B, Refunding, 5%, 11/15/46 . . . . .	3,000,000	3,023,222
Alabama State University, Revenue, 2022, Refunding, BAM Insured, 5%, 9/01/36 . . . . .	1,500,000	1,613,917
Revenue, 2022, Refunding, BAM Insured, 5%, 9/01/40 . . . . .	1,500,000	1,574,253
Alabaster Board of Education, Special Tax, 2022, BAM Insured, 5%, 9/01/47 . . . . .	1,500,000	1,568,802
Special Tax, 2022, BAM Insured, 5%, 9/01/52 . . . . .	1,500,000	1,559,711
Alexander City Board of Education, Special Tax, 2022, BAM Insured, 4%, 2/01/52 . . .	3,000,000	2,740,610
Auburn University, Revenue, 2015 A, Refunding, 5%, 6/01/33 . . . . .	2,500,000	2,554,648
Bessemer Governmental Utility Services Corp., Water, Revenue, 2017, Refunding, BAM Insured, 5%, 6/01/39 . . . . .	6,000,000	6,139,769
Birmingham Airport Authority, Revenue, 2020, Refunding, BAM Insured, 5%, 7/01/32 . . . . .	300,000	332,101
Revenue, 2020, Refunding, BAM Insured, 5%, 7/01/33 . . . . .	325,000	358,750
Revenue, 2020, Refunding, BAM Insured, 5%, 7/01/34 . . . . .	400,000	440,559
Revenue, 2020, Refunding, BAM Insured, 4%, 7/01/35 . . . . .	350,000	355,372
Revenue, 2020, Refunding, BAM Insured, 4%, 7/01/36 . . . . .	500,000	503,398
Revenue, 2020, Refunding, BAM Insured, 4%, 7/01/37 . . . . .	545,000	543,029
Revenue, 2020, Refunding, BAM Insured, 4%, 7/01/38 . . . . .	400,000	394,477
Revenue, 2020, Refunding, BAM Insured, 4%, 7/01/39 . . . . .	2,540,000	2,493,122
Revenue, 2020, Refunding, BAM Insured, 4%, 7/01/40 . . . . .	705,000	686,616
Birmingham-Jefferson Civic Center Authority, Special Tax, 2018 A, 5%, 7/01/33 . . . .	1,605,000	1,697,930
<sup>b</sup> Black Belt Energy Gas District, Revenue, 2022 A, Mandatory Put, 4%, 12/01/29 . . . . .	1,000,000	960,502
Revenue, 2022 C-1, Mandatory Put, 5.25%, 6/01/29 . . . . .	1,000,000	1,037,254
Revenue, 2023 B-2, Mandatory Put, 5.25%, 12/01/30 . . . . .	3,000,000	3,163,946
Calhoun County Board of Education, Special Tax, 2016, Pre-Refunded, BAM Insured, 5%, 2/01/46 . . . . .	3,000,000	3,124,834
City of Bessemer, Water, Revenue, 2017, Refunding, AGMC Insured, 5%, 1/01/47 . . .	2,590,000	2,612,901
City of Birmingham, GO, 2021 A, 4%, 6/01/50 . . . . .	2,500,000	2,269,857
City of Boaz, Water & Sewer, Revenue, 2021, AGMC Insured, 4%, 9/01/46 . . . . .	1,000,000	939,068
Water & Sewer, Revenue, 2021, AGMC Insured, 4%, 9/01/50 . . . . .	1,500,000	1,379,116
City of Decatur, Water & Sewer, Revenue, 2021 A, 4%, 8/15/50 . . . . .	3,000,000	2,691,118
City of Huntsville, GO, 2018 B, 5%, 5/01/38 . . . . .	4,775,000	5,005,277
City of Lincoln, GO, 2020, BAM Insured, 4%, 6/01/50 . . . . .	2,500,000	2,472,352
City of Madison, GO, 2015 A, Pre-Refunded, 5%, 4/01/37 . . . . .	2,590,000	2,660,109
City of Trussville, GO, 2018 A, 4%, 8/01/41 . . . . .	3,000,000	2,907,183
City of Tuscaloosa, GO, 2020 A, 4%, 10/01/50 . . . . .	4,580,000	4,210,357
<sup>b</sup> Columbia Industrial Development Board, Alabama Power Co., Revenue, 2014 D, Refunding, Mandatory Put, 3.81%, 6/01/28 . . . . .	2,000,000	2,000,000
<sup>c</sup> County of Mobile, Revenue, 144A, 2020, 4%, 11/01/45 . . . . .	2,400,000	2,060,406
DCH Healthcare Authority, Revenue, 2015, Refunding, 5%, 6/01/36 . . . . .	2,000,000	2,018,221
Revenue, 2021 A, 4%, 6/01/46 . . . . .	2,310,000	2,016,301
East Alabama Health Care Authority (The), Revenue, 2018 A, 4%, 9/01/30 . . . . .	1,000,000	992,887

**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	\$3,030,173
Florence City Board of Education, Special Tax, 2022, 4%, 3/01/46 . . . . .	3,000,000	2,734,210
Florence Public Building Authority, City of Florence, Revenue, 2021, 4%, 9/01/35. . . .	500,000	499,712
Health Care Authority for Baptist Health (The),		
Revenue, 2023 A, Refunding, 5%, 11/15/36 . . . . .	1,000,000	1,059,850
Revenue, 2023 A, Refunding, 5%, 11/15/37 . . . . .	875,000	918,807
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	8,903,549
Homewood Educational Building Authority,		
Samford University, Revenue, 2019 A, Refunding, 4%, 12/01/49. . . . .	2,500,000	2,094,506
Samford University, Revenue, 2021 A, 4%, 12/01/51 . . . . .	1,470,000	1,219,738
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	3,012,069
Infirmity Health System Obligated Group, Revenue, 2021 A, Refunding, 4%, 2/01/46	3,000,000	2,599,386
Jacksonville State University,		
Revenue, 2017, Refunding, AGMC Insured, 5%, 12/01/36 . . . . .	5,000,000	5,308,354
Revenue, 2020, Refunding, 4%, 12/01/50. . . . .	5,000,000	4,282,882
Limestone County Water & Sewer Authority, Revenue, 2015 B, Pre-Refunded, BAM Insured, 5%, 12/01/43 . . . . .	5,920,000	5,963,012
<sup>b</sup> Lower Alabama Gas District (The), Revenue, 2020, Mandatory Put, 4%, 12/01/25 . . . .	2,000,000	1,973,313
Madison City Board of Education, Special Tax, 2019, 4%, 2/01/44 . . . . .	3,000,000	2,780,173
Madison Water & Wastewater Board, Revenue, 2017, Refunding, 5%, 12/01/41. . . . .	4,610,000	4,762,871
Mobile County Board of School Commissioners, Special Tax, 2022 B, BAM Insured, 4.25%, 3/01/52 . . . . .	2,000,000	1,924,012
Opelika Utilities Board, Revenue, 2017, Refunding, 4%, 6/01/41 . . . . .	2,000,000	1,864,322
Oxford City Board of Education, Special Tax, 2020 A, Refunding, 4%, 5/01/50 . . . . .	2,500,000	2,243,550
<sup>b</sup> Southeast Energy Authority A Cooperative District,		
Revenue, 2021 A, Mandatory Put, 4%, 10/01/28. . . . .	5,000,000	4,857,688
Revenue, 2022 A-1, Mandatory Put, 5.5%, 12/01/29. . . . .	2,000,000	2,097,982
Revenue, 2023 B, Mandatory Put, 5%, 6/01/30. . . . .	1,000,000	1,037,453
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	3,658,633
Talladega County Board of Education, Special Tax, 2017, Refunding, BAM Insured, 5%, 11/01/39 . . . . .	2,000,000	2,061,111
Troy Public Educational Building Authority, Troy City Board of Education, Revenue, 2011, AGMC Insured, 5.25%, 12/01/40. . . . .	295,000	295,193
Tuscaloosa City Board of Education, Revenue, 2016, Pre-Refunded, 5%, 8/01/41 . . . .	4,000,000	4,202,170
UAB Medicine Finance Authority, UAB Medicine Obligated Group, Revenue, 2016 B, Refunding, 5%, 9/01/29 . . . . .	5,000,000	5,216,385
University of Alabama (The), Revenue, 2018 B-2, 5%, 9/01/48. . . . .	5,000,000	5,212,634
University of Montevallo, Revenue, 2017, Refunding, BAM Insured, 5%, 5/01/42 . . . .	2,500,000	2,611,543
University of South Alabama, Revenue, 2019 A, BAM Insured, 5%, 4/01/49 . . . . .	2,000,000	2,045,790
Water Works Board of the City of Birmingham (The), Revenue, 2016 B, Pre-Refunded, 5%, 1/01/43. . . . .	5,000,000	5,302,997
		170,698,785
<b>California 0.3%</b>		
California Municipal Finance Authority, Revenue, 2022 A-1, 4.25%, 12/01/37 . . . . .	700,000	572,651
<b>Florida 0.7%</b>		
<sup>c</sup> Capital Trust Agency, Inc., SHI - Lake Osborne LLC, Revenue, 144A, 2021 A-1, 3.68%, 1/01/57 . . . . .	500,000	327,366
<sup>c</sup> Leon County Housing Finance Authority, Revenue, 144A, 2022 A, Zero Cpn., 5/01/57	1,150,000	944,437
		1,271,803

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

	Principal Amount	Value
<b>Municipal Bonds</b> (continued)		
<b>Illinois 0.5%</b>		
Metropolitan Pier & Exposition Authority, Revenue, 2022 A, Refunding, 4%, 12/15/42.	\$1,000,000	\$918,991
<b>Kentucky 0.5%</b>		
°Louisville/Jefferson County Metropolitan Government, PSG Vesta Derby Oaks LLC, Revenue, 144A, 2022 A, Zero Cpn., 5/01/52.	1,500,000	977,615
<b>New York 1.5%</b>		
Metropolitan Transportation Authority,		
Revenue, 2021 A-1, 4%, 11/15/46	275,000	250,258
Revenue, 2021 A-2, 4%, 11/15/42	2,700,000	2,509,525
		2,759,783
<b>South Carolina 1.2%</b>		
South Carolina Jobs-Economic Development Authority,		
° Revenue, 144A, 2021 A-1, 3.65%, 12/01/36	500,000	394,057
AHPC Vista Towers 2021 LLC, Revenue, 2021 A-1, 3.65%, 12/01/36	500,000	392,887
° Columbia Portfolio Obligated Group, Revenue, 144A, 2022 A-1, Zero Cpn., 6/01/37	1,485,000	978,862
°South Carolina State Housing Finance & Development Authority, Garden Oaks LP, Revenue, 144A, 2021 A, 4.2%, 12/01/39	750,000	562,402
		2,328,208
<b>Texas 0.5%</b>		
°EP Cimarron Ventanas PFC, Revenue, Senior Lien, 144A, 2021 A, 4%, 12/01/51.	600,000	423,783
°Pecan Public Facility Corp., Revenue, 144A, 2022 A-2, 5%, 12/01/52	800,000	590,965
		1,014,748
<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	394,013
<b>Wisconsin 0.9%</b>		
°Public Finance Authority,		
Revenue, 144A, 2022, B-1, 4%, 12/28/44	500,000	387,001
Gulf Coast Portfolio Obligated Group, Revenue, 144A, 2021, 5.25%, 12/01/23	1,300,000	1,300,663
		1,687,664
<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	995,350
<b>Puerto Rico 1.2%</b>		
Puerto Rico Electric Power Authority,		
Revenue, VV, Refunding, NATL Insured, 5.25%, 7/01/32	500,000	491,519
Revenue, VV, Refunding, NATL Insured, 5.25%, 7/01/34	1,000,000	981,968
Puerto Rico Highway & Transportation Authority,		
Revenue, 2022 A, 5%, 7/01/62	49,844	49,159
Revenue, 2022 B, Zero Cpn., 7/01/32	32,392	20,852
Revenue, 2022 C, Zero Cpn., 7/01/53	55,410	35,116

**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	\$727,804
		2,306,418
<b>Total U.S. Territories</b> . . . . .		3,301,768
<b>Total Municipal Bonds (Cost \$202,298,608)</b> . . . . .		185,926,029
<b>Total Long Term Investments (Cost \$202,798,608)</b> . . . . .		186,413,327
<b>Total Investments (Cost \$202,798,608) 98.2%</b> . . . . .		\$186,413,327
<b>Other Assets, less Liabilities 1.8%</b> . . . . .		3,497,251
<b>Net Assets 100.0%</b> . . . . .		\$189,910,578

See Abbreviations on page 129.

<sup>a</sup> Fair valued using significant unobservable inputs. See Note 10 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 August 31, 2023, the aggregate value of these securities was \$9,341,570, representing 4.9% of net assets.



## Financial Highlights

### Franklin Georgia Tax-Free Income Fund

	Six Months Ended August 31, 2023 (unaudited)	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 period)						
Net asset value, beginning of period . . . . .	\$10.40	\$11.57	\$11.91	\$12.19	\$11.59	\$11.57
Income from investment operations <sup>c</sup> :						
Net investment income <sup>d</sup> . . . . .	0.15	0.28	0.26	0.30	0.32	0.17
Net realized and unrealized gains (losses) . . . . .	(0.09)	(1.17)	(0.34)	(0.29)	0.63	0.02
Total from investment operations . . . . .	0.06	(0.89)	(0.08)	0.01	0.95	0.19
Less distributions from:						
Net investment income . . . . .	(0.14)	(0.28)	(0.26)	(0.29)	(0.35)	(0.17)
Net asset value, end of period . . . . .	\$10.32	\$10.40	\$11.57	\$11.91	\$12.19	\$11.59
Total return <sup>e</sup> . . . . .	0.60%	(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%	0.88%	0.86%	0.85%	0.86%	0.87%
Net investment income . . . . .	2.75%	2.65%	2.20%	2.48%	2.76%	3.10%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$73,197	\$76,312	\$92,129	\$77,256	\$54,945	\$19,705
Portfolio turnover rate . . . . .	4.55%	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)

	<b>Six Months Ended August 31, 2023 (unaudited)</b>	<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 A1</b>						
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$10.40	\$11.57	\$11.91	\$12.19	\$11.59	\$11.65
Income from investment operations <sup>b</sup> :						
Net investment income <sup>c</sup> . . . . .	0.15	0.30	0.28	0.32	0.35	0.38
Net realized and unrealized gains (losses) . . . . .	(0.08)	(1.18)	(0.34)	(0.29)	0.61	(0.06)
Total from investment operations . . . . .	0.07	(0.88)	(0.06)	0.03	0.96	0.32
Less distributions from:						
Net investment income . . . . .	(0.15)	(0.29)	(0.28)	(0.31)	(0.36)	(0.38)
Net asset value, end of period . . . . .	\$10.32	\$10.40	\$11.57	\$11.91	\$12.19	\$11.59
Total return <sup>d</sup> . . . . .	0.67%	(7.57)%	(0.56)%	0.29%	8.44%	2.83%
<b>Ratios to average net assets<sup>e</sup></b>						
Expenses <sup>f</sup> . . . . .	0.73%	0.73%	0.71%	0.71%	0.71%	0.72%
Net investment income . . . . .	2.89%	2.79%	2.36%	2.66%	2.91%	3.25%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$179,020	\$189,496	\$249,763	\$274,232	\$309,436	\$313,940
Portfolio turnover rate . . . . .	4.55%	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, and is not annualized for periods less than one year.

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

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

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

	Six Months Ended August 31, 2023 (unaudited)	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 period)						
Net asset value, beginning of period . . . . .	\$10.56	\$11.75	\$12.09	\$12.38	\$11.77	\$11.83
Income from investment operations <sup>b</sup> :						
Net investment income <sup>c</sup> . . . . .	0.12	0.24	0.22	0.25	0.29	0.32
Net realized and unrealized gains (losses)	(0.08)	(1.20)	(0.35)	(0.29)	0.62	(0.06)
Total from investment operations . . . . .	0.04	(0.96)	(0.13)	(0.04)	0.91	0.26
Less distributions from:						
Net investment income . . . . .	(0.12)	(0.23)	(0.21)	(0.25)	(0.30)	(0.32)
Net asset value, end of period . . . . .	\$10.48	\$10.56	\$11.75	\$12.09	\$12.38	\$11.77
Total return <sup>d</sup> . . . . .	0.38%	(8.14)%	(1.10)%	(0.34)%	7.84%	2.22%
<b>Ratios to average net assets<sup>e</sup></b>						
Expenses <sup>f</sup> . . . . .	1.27%	1.27%	1.25%	1.25%	1.26%	1.27%
Net investment income . . . . .	2.26%	2.19%	1.79%	2.08%	2.36%	2.70%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$15,964	\$19,610	\$28,904	\$45,512	\$62,426	\$72,542
Portfolio turnover rate . . . . .	4.55%	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, and is not annualized for periods less than one year.<sup>e</sup>Ratios are annualized for periods less than one year.<sup>f</sup>Benefit of expense reduction rounds to less than 0.01%.

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

	Six Months Ended August 31, 2023 (unaudited)	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 period)						
Net asset value, beginning of period . . . . .	\$10.40	\$11.57	\$11.91	\$12.20	\$11.59	\$11.66
Income from investment operations <sup>b</sup> :						
Net investment income <sup>c</sup> . . . . .	0.16	0.31	0.30	0.33	0.36	0.39
Net realized and unrealized gains (losses) . . . . .	(0.08)	(1.17)	(0.34)	(0.29)	0.63	(0.06)
Total from investment operations . . . . .	0.08	(0.86)	(0.04)	0.04	0.99	0.33
Less distributions from:						
Net investment income . . . . .	(0.16)	(0.31)	(0.30)	(0.33)	(0.38)	(0.40)
Net asset value, end of period . . . . .	\$10.32	\$10.40	\$11.57	\$11.91	\$12.20	\$11.59
Total return <sup>d</sup> . . . . .	0.74%	(7.44)%	(0.42)%	0.35%	8.67%	2.86%
<b>Ratios to average net assets<sup>e</sup></b>						
Expenses before waiver and payments by affiliates . . . . .	0.59%	0.59%	0.57%	0.58%	0.59%	0.59%
Expenses net of waiver and payments by affiliates <sup>f</sup> . . . . .	0.59% <sup>g</sup>	0.59% <sup>g</sup>	0.57% <sup>g</sup>	0.56%	0.57%	0.57%
Net investment income . . . . .	3.02%	2.92%	2.49%	2.73%	3.05%	3.40%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$10,957	\$10,366	\$17,047	\$13,813	\$4,981	\$3,786
Portfolio turnover rate . . . . .	4.55%	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 is not annualized for periods less than one year.

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

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

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

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

	Six Months Ended August 31, 2023 (unaudited)	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 period)						
Net asset value, beginning of period . . . . .	\$10.40	\$11.57	\$11.92	\$12.20	\$11.59	\$11.66
Income from investment operations <sup>b</sup> :						
Net investment income <sup>c</sup> . . . . .	0.16	0.31	0.29	0.33	0.36	0.39
Net realized and unrealized gains (losses) . . . . .	(0.08)	(1.18)	(0.35)	(0.29)	0.63	(0.07)
Total from investment operations . . . . .	0.08	(0.87)	(0.06)	0.04	0.99	0.32
Less distributions from:						
Net investment income . . . . .	(0.16)	(0.30)	(0.29)	(0.32)	(0.38)	(0.39)
Net asset value, end of period . . . . .	\$10.32	\$10.40	\$11.57	\$11.92	\$12.20	\$11.59
Total return <sup>d</sup> . . . . .	0.72%	(7.48)%	(0.46)%	0.31%	8.63%	2.83%
<b>Ratios to average net assets<sup>e</sup></b>						
Expenses <sup>f</sup> . . . . .	0.63%	0.63%	0.61%	0.61%	0.61%	0.62%
Net investment income . . . . .	3.00%	2.88%	2.46%	2.74%	3.01%	3.35%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$48,097	\$48,473	\$72,069	\$68,009	\$53,789	\$40,142
Portfolio turnover rate . . . . .	4.55%	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 is not annualized for periods less than one year.<sup>e</sup>Ratios are annualized for periods less than one year.<sup>f</sup>Benefit of expense reduction rounds to less than 0.01%.

## Schedule of Investments (unaudited), August 31, 2023

## Franklin Georgia 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 . . . . .	\$900,000	\$877,136
<b>Total Corporate Bonds (Cost \$900,000) . . . . .</b>		<b>877,136</b>
<b>Municipal Bonds 97.8%</b>		
<b>California 0.3%</b>		
California Municipal Finance Authority, Revenue, 2022 A-1, 4.25%, 12/01/37 . . . . .	1,300,000	1,063,495
<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	2,122,231
<sup>b</sup> SHI - Lake Osborne LLC, Revenue, 144A, 2021 A-1, 3.68%, 1/01/57 . . . . .	750,000	491,049
<sup>b</sup> Leon County Housing Finance Authority, Revenue, 144A, 2022 A, Zero Cpn., 5/01/57 . . . . .	2,030,000	1,667,137
		<b>4,280,417</b>
<b>Georgia 87.9%</b>		
Athens Housing Authority, UGAREF East Campus Housing Phase II LLC, Revenue, 2017, Refunding, 4%, 6/15/40 . . . . .	5,000,000	4,777,124
Atlanta Development Authority (The), City of Atlanta Hotel Motel Tax, Revenue, 2015 A-1, 5.25%, 7/01/40 . . . . .	7,750,000	7,884,358
City of Atlanta Hotel Motel Tax, Revenue, 2015 A-1, 5.25%, 7/01/44 . . . . .	3,000,000	3,040,695
Tuff Yamacraw LLC, Revenue, 2005 A, Refunding, AMBAC Insured, 5%, 1/01/26 . . . . .	2,555,000	2,590,011
Auburn Urban Redevelopment Agency, City of Auburn, Revenue, 2020, BAM Insured, 4%, 10/01/45 . . . . .	1,000,000	949,877
City of Auburn, Revenue, 2020, BAM Insured, 4%, 10/01/50 . . . . .	1,000,000	919,292
Bainbridge Public Facilities Authority, County of Decatur, Revenue, 2018, AGMC Insured, 4%, 3/01/43 . . . . .	3,000,000	2,887,632
Bleckley County School District, GO, 2020, 5%, 10/01/42 . . . . .	2,055,000	2,198,739
Brookhaven Development Authority, Children's Healthcare of Atlanta Obligated Group, Revenue, 2019 A, 4%, 7/01/49 . . . . .	3,000,000	2,783,395
Carroll City-County Hospital Authority, Tanner Medical Center Obligated Group, Revenue, 2015, 5%, 7/01/41 . . . . .	2,000,000	2,015,848
Tanner Medical Center Obligated Group, Revenue, 2020, Refunding, 4%, 7/01/50 . . . . .	2,950,000	2,717,475
City of Atlanta, GO, 2022 A-1, 5%, 12/01/38 . . . . .	5,000,000	5,568,624
Airport Passenger Facility Charge, Revenue, 2023 E, 5.25%, 7/01/43 . . . . .	3,000,000	3,192,685
Airport Passenger Facility Charge, Revenue, Sub. Lien, 2019 D, 4%, 7/01/36 . . . . .	4,500,000	4,484,185
BeltLineTAD, Tax Allocation, 2016 B, Refunding, 5%, 1/01/31 . . . . .	1,780,000	1,861,105
Department of Aviation, Revenue, 2021 C, Refunding, 5%, 7/01/37 . . . . .	1,500,000	1,587,011
Water & Wastewater, Revenue, 2001 A, AGMC, NATL RE Insured, 5.5%, 11/01/27 . . . . .	5,000,000	5,173,498
Water & Wastewater, Revenue, 2018 B, Refunding, 5%, 11/01/47 . . . . .	5,000,000	5,166,748
City of Baldwin, Water & Sewerage, Revenue, 2021, Refunding, BAM Insured, 3%, 6/01/46 . . . . .	1,835,000	1,420,979
City of Buford, GO, 2017 C, Pre-Refunded, 4%, 1/01/43 . . . . .	5,000,000	5,146,249
City of Cartersville, Water & Sewer, Revenue, 2018, Refunding, 5%, 6/01/48 . . . . .	4,000,000	4,139,467
City of Dalton, GO, 2018, 5%, 2/01/48 . . . . .	3,000,000	3,111,400
City of Monroe, Combined Utility, Revenue, 2020, AGMC Insured, 4%, 12/01/50 . . . . .	1,500,000	1,378,612
City of Warner Robins, Water & Sewerage, Revenue, 2020, Refunding, 4%, 7/01/45 . . . . .	1,000,000	956,994
Clayton County Development Authority, USG Real Estate Foundation XIII LLC, Revenue, 2022 A, 5%, 6/15/32 . . . . .	1,295,000	1,474,463
USG Real Estate Foundation XIII LLC, Revenue, 2022 A, 5%, 6/15/33 . . . . .	1,210,000	1,390,775
Cobb County Kennestone Hospital Authority, WellStar Health System Obligated Group, Revenue, 2020 B, Refunding, 5%, 4/01/38 . . . . .	375,000	391,349
WellStar Health System Obligated Group, Revenue, 2020 B, Refunding, 4%, 4/01/39 . . . . .	425,000	408,691
WellStar Health System Obligated Group, Revenue, 2020 B, Refunding, 5%, 4/01/40 . . . . .	400,000	413,469
WellStar Health System Obligated Group, Revenue, 2020 B, Refunding, 4%, 4/01/41 . . . . .	375,000	356,886

**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, 2022 A, 4%, 4/01/52 . . . . .	\$3,100,000	\$2,763,958
County of DeKalb, Water & Sewerage, Revenue, 2006 B, Refunding, AGMC Insured, 5%, 10/01/35 . . . . .	4,000,000	4,181,785
County of Fulton, Water & Sewerage, Revenue, 2020 A, 3%, 1/01/45 . . . . .	5,000,000	3,892,875
County of Rockdale, Stormwater System, Revenue, 2021, 4%, 7/01/41 . . . . .	500,000	493,807
Coweta County Water & Sewage Authority, Revenue, 2021 B, 3%, 6/01/43 . . . . .	820,000	651,287
Revenue, 2021 B, 3%, 6/01/46 . . . . .	1,000,000	767,062
Dalton Whitfield County Joint Development Authority, Hamilton Health Care System Obligated Group, Revenue, 2017, 4%, 8/15/41 . . . . .	3,000,000	2,907,824
DeKalb Newton & Gwinnett Counties Joint Development Authority, GGCF Athletic Fields LLC, Revenue, 2012 A, AGMC Insured, 5%, 7/01/39 . . . . .	2,500,000	2,501,297
Development Authority for Fulton County, Georgia Tech Facilities, Inc., Revenue, 2018, 4%, 3/01/43 . . . . .	2,000,000	1,958,754
Piedmont Healthcare, Inc. Obligated Group, Revenue, 2016 A, Refunding, 5%, 7/01/46 . . . . .	5,840,000	5,905,646
Piedmont Healthcare, Inc. Obligated Group, Revenue, 2019 A, 4%, 7/01/49 . . . . .	5,000,000	4,518,252
Tuff/Atlanta Housing LLC, Revenue, 2022, Refunding, 5%, 9/01/29 . . . . .	1,000,000	1,088,684
Tuff/Atlanta Housing LLC, Revenue, 2022, Refunding, 5%, 9/01/30 . . . . .	1,030,000	1,132,557
Tuff/Atlanta Housing LLC, Revenue, 2022, Refunding, 5%, 9/01/31 . . . . .	1,235,000	1,374,734
Tuff/Atlanta Housing LLC, Revenue, 2022, Refunding, 5%, 9/01/32 . . . . .	1,350,000	1,517,005
WellStar Health System Obligated Group, Revenue, 2017, 5%, 4/01/47 . . . . .	1,000,000	1,010,799
WellStar Health System Obligated Group, Revenue, 2020 A, 4%, 4/01/50 . . . . .	3,000,000	2,697,648
Development Authority of Burke County (The), Oglethorpe Power Corp., Revenue, 2017 D, Refunding, 4.125%, 11/01/45 . . . . .	6,000,000	5,167,248
Development Authority of Cobb County (The), Georgia Tech Cobb Research Campus LLC, Revenue, 2017 A, 4%, 6/01/42 . . . . .	1,600,000	1,566,847
Kennesaw State University Real Estate Obligated Group 2015 ABC, Revenue, Senior Lien, 2015 A, Refunding, 5%, 7/15/38 . . . . .	2,000,000	2,027,001
KSU 2020 Housing Real Estate Foundation LLC, Revenue, 2020, 4%, 7/15/52 . . . . .	5,720,000	5,056,310
KSU University II Real Estate Foundation LLC, Revenue, 2021, Refunding, 4%, 7/15/34 . . . . .	1,000,000	1,012,257
University System of Georgia, Revenue, 2020 C, 4%, 7/15/52 . . . . .	2,000,000	1,790,186
Development Authority of Gwinnett County, Gwinnett County School District, COP, 2006, NATL Insured, 5.25%, 1/01/24 . . . . .	2,000,000	2,011,240
<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	3,808,901
Etowah Water & Sewer Authority, Revenue, 2019, Refunding, BAM Insured, 3%, 3/01/44 . . . . .	1,250,000	954,412
Floyd County Hospital Authority, Floyd Obligated Group, Revenue, 2016, Pre- Refunded, 4%, 7/01/43 . . . . .	3,000,000	3,074,222
Fulton County Residential Care Facilities for the Elderly Authority, Lenbrook Square Foundation Obligated Group, Revenue, 2016, Refunding, 5%, 7/01/42 . . . . .	6,000,000	5,590,596
Gainesville & Hall County Hospital Authority, Northeast Georgia Health System Obligated Group, Revenue, 2017 A, Refunding, 5%, 2/15/42 . . . . .	7,000,000	7,117,741
Northeast Georgia Health System Obligated Group, Revenue, 2020 A, Refunding, 4%, 2/15/45 . . . . .	5,000,000	4,525,162
Northeast Georgia Health System Obligated Group, Revenue, 2021 A, 4%, 2/15/51 . . . . .	5,000,000	4,443,500
Gainesville School District, GO, 2020, 4%, 11/01/42 . . . . .	1,000,000	989,406
Georgia Higher Education Facilities Authority, USG Real Estate Foundation III LLC, Revenue, 2020, Refunding, 4%, 6/15/41 . . . . .	2,305,000	2,177,229
Georgia Housing & Finance Authority, Revenue, 2013 A, 3.8%, 12/01/37 . . . . .	1,655,000	1,636,515
Revenue, 2018 A, 3.85%, 12/01/38 . . . . .	1,170,000	1,119,337
Revenue, 2018 A, 3.95%, 12/01/43 . . . . .	1,210,000	1,180,798

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

	Principal Amount	Value
<b>Municipal Bonds</b> (continued)		
<b>Georgia</b> (continued)		
Georgia Housing & Finance Authority, (continued)		
Revenue, 2019 A, Refunding, 3.7%, 6/01/49 . . . . .	\$4,565,000	\$3,990,770
Georgia Ports Authority,		
Revenue, 2021, 4%, 7/01/51 . . . . .	4,395,000	4,191,982
Revenue, 2022, 5%, 7/01/47 . . . . .	2,500,000	2,688,555
Revenue, 2022, 5.25%, 7/01/52 . . . . .	2,000,000	2,175,261
Glynn-Brunswick Memorial Hospital Authority, Southeast Georgia Health System		
Obligated Group, Revenue, 2017, 5%, 8/01/47 . . . . .	5,000,000	4,511,431
Henry County School District, GO, 2016, Pre-Refunded, 4%, 8/01/33 . . . . .	5,000,000	5,121,972
Hogansville Ga Combined Public Utility System, Revenue, 1993, AGMC Insured, ETM,		
6%, 10/01/23 . . . . .	505,000	505,919
Main Street Natural Gas, Inc.,		
Revenue, 2007 A, 5.5%, 9/15/25 . . . . .	2,500,000	2,543,868
Revenue, 2007 A, 5.5%, 9/15/27 . . . . .	5,000,000	5,193,294
Revenue, 2019 A, 5%, 5/15/37 . . . . .	1,975,000	1,985,281
Revenue, 2019 A, 5%, 5/15/38 . . . . .	1,000,000	1,003,545
<sup>c</sup> Revenue, 2022 B, Mandatory Put, 5%, 6/01/29 . . . . .	5,000,000	5,115,326
<sup>b,c</sup> Revenue, 144A, 2022 C, Mandatory Put, 4%, 11/01/27 . . . . .	8,000,000	7,657,120
<sup>c</sup> Revenue, 2023 B, Mandatory Put, 5%, 3/01/30 . . . . .	2,000,000	2,075,047
Metropolitan Atlanta Rapid Transit Authority, Revenue, 2015 B, 5%, 7/01/45 . . . . .	5,000,000	5,123,108
Monroe County Public Facilities Authority, County of Monroe, Revenue, 2020, 4%,		
6/01/42 . . . . .	1,000,000	917,502
Moultrie-Colquitt Counties Development Authority, Philadelphia College of Osteopathic		
Medicine Obligated Group, Revenue, 2018, 5%, 12/01/43 . . . . .	4,815,000	5,081,637
Municipal Electric Authority of Georgia,		
Revenue, 2019 A, AGMC Insured, 4%, 1/01/44 . . . . .	5,000,000	4,685,626
Revenue, 2020 A, Refunding, 5%, 1/01/50 . . . . .	3,500,000	3,583,443
Revenue, 2021 A, Refunding, 4%, 1/01/46 . . . . .	330,000	299,861
Revenue, 2021 A, Refunding, 4%, 1/01/51 . . . . .	425,000	376,760
Revenue, 2021 A, Refunding, 5%, 1/01/56 . . . . .	750,000	749,901
Revenue, 2023 A, 5.5%, 7/01/64 . . . . .	2,000,000	2,073,578
Private Colleges & Universities Authority,		
Emory University, Revenue, 2013 A, 5%, 10/01/43 . . . . .	5,000,000	4,897,224
Emory University, Revenue, 2019 B, Refunding, 5%, 9/01/48 . . . . .	4,000,000	4,202,473
Mercer University, Revenue, 2021, Refunding, 4%, 10/01/50 . . . . .	5,400,000	4,816,646
Mercer University, Revenue, 2022, Refunding, 5.25%, 10/01/51 . . . . .	4,500,000	4,726,199
Pulaski County School District, GO, 2020, 4%, 10/01/42 . . . . .	1,000,000	989,455
Richmond County Hospital Authority, Piedmont Healthcare, Inc. Obligated Group,		
Revenue, 2016, Refunding, 4%, 1/01/35 . . . . .	5,000,000	4,979,816
Savannah Hospital Authority, St. Joseph's/Candler Health System Obligated Group,		
Revenue, 2019 A, Refunding, 4%, 7/01/43 . . . . .	10,000,000	9,162,149
Sinclair Water Authority, Revenue, 2019, Refunding, AGMC Insured, 5%, 4/01/48 . . .	2,000,000	2,085,779
Worth County School District, GO, 2017, 5%, 12/01/42 . . . . .	5,000,000	5,187,589
		<hr/> 287,698,635
<b>Illinois 1.0%</b>		
State of Illinois,		
GO, 2021 A, 5%, 3/01/32 . . . . .	250,000	272,597
GO, 2021 B, 4%, 12/01/38 . . . . .	3,000,000	2,860,028
		<hr/> 3,132,625
<b>New Jersey 0.4%</b>		
New Jersey Transportation Trust Fund Authority, Revenue, 2018 A, Refunding, 5%,		
12/15/35 . . . . .	1,200,000	1,271,572



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

	Principal Amount	Value
<b>Municipal Bonds</b> (continued)		
<b>New York 0.8%</b>		
Metropolitan Transportation Authority,		
Revenue, 2020 A-1, 4%, 11/15/53 . . . . .	\$100,000	\$88,162
Revenue, 2020 D, 4%, 11/15/47 . . . . .	600,000	542,812
Revenue, 2021 A-2, 4%, 11/15/42 . . . . .	2,300,000	2,137,743
		<u>2,768,717</u>
<b>South Carolina 0.6%</b>		
South Carolina Jobs-Economic Development Authority,		
<sup>b</sup> Revenue, 144A, 2021 A-1, 3.65%, 12/01/36 . . . . .	900,000	709,303
AHPC Vista Towers 2021 LLC, Revenue, 2021 A-1, 3.65%, 12/01/36 . . . . .	900,000	707,196
<sup>b</sup> South Carolina State Housing Finance & Development Authority, Garden Oaks LP,		
Revenue, 144A, 2021 A, 4.2%, 12/01/39 . . . . .	500,000	374,935
		<u>1,791,434</u>
<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	847,566
<sup>b</sup> Pecan Public Facility Corp., Revenue, 144A, 2022 A-2, 5%, 12/01/52 . . . . .	1,500,000	1,108,060
		<u>1,955,626</u>
<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	709,224
<b>Wisconsin 1.3%</b>		
<sup>b</sup> Public Finance Authority,		
Revenue, 144A, 2022, B-1, 4%, 12/28/44 . . . . .	900,000	696,601
AL-FL Portfolio Obligated Group, Revenue, 144A, 2021 A, 3.4%, 12/01/36 . . . . .	1,500,000	1,182,256
Gulf Coast Portfolio Obligated Group, Revenue, 144A, 2021, 5.25%, 12/01/23 . . . .	2,300,000	2,301,173
		<u>4,180,030</u>
<b>U.S. Territories 3.4%</b>		
<b>Puerto Rico 3.4%</b>		
HTA HRRB Custodial Trust, Revenue, 2007 CC, 5.25%, 7/01/32 . . . . .	4,800,000	4,819,784
HTA TRRB Custodial Trust, Revenue, 2005 L, 5.25%, 7/01/41 . . . . .	1,100,000	1,096,640
Puerto Rico Electric Power Authority,		
<sup>a,d</sup> Revenue, 6%, 7/01/41 . . . . .	255,064	255,064
<sup>a,d</sup> Revenue, 7.125%, 7/01/59 . . . . .	1,238,735	1,238,735
Revenue, VV, Refunding, NATL Insured, 5.25%, 7/01/32 . . . . .	560,000	550,502
<sup>e</sup> Revenue, XX, 5.25%, 7/01/40 . . . . .	2,270,000	624,250
Puerto Rico Highway & Transportation Authority,		
Revenue, 2022 A, 5%, 7/01/62 . . . . .	136,367	134,492
Revenue, 2022 B, Zero Cpn., 7/01/32 . . . . .	88,620	57,049
Revenue, 2022 C, Zero Cpn., 7/01/53 . . . . .	151,593	96,072
Puerto Rico Sales Tax Financing Corp., Sales Tax, Revenue, A-1, 5%, 7/01/58 . . . .	2,480,000	2,406,605
		<u>11,279,193</u>
<b>Total U.S. Territories</b> . . . . .		<u>11,279,193</u>
<b>Total Municipal Bonds (Cost \$349,146,762)</b> . . . . .		<u>320,130,968</u>

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

	Shares	Value
<b>Escrows and Litigation Trusts 0.0%<sup>†</sup></b>		
<sup>a,†</sup> Puerto Rico Electric Power Authority . . . . .	115,316	\$92,253
<b>Total Escrows and Litigation Trusts (Cost \$—) . . . . .</b>		<b>92,253</b>
<b>Total Long Term Investments (Cost \$350,046,762) . . . . .</b>		<b>321,100,357</b>
<b>Short Term Investments 0.3%</b>		
	<u>Principal Amount</u>	
<b>Municipal Bonds 0.3%</b>		
<b>Georgia 0.3%</b>		
<sup>g</sup> Development Authority of Monroe County (The), Florida Power & Light Co., Revenue, 2002, Refunding, Daily VRDN and Put, 4.15%, 9/01/37 . . . . .	\$1,000,000	1,000,000
<b>Total Municipal Bonds (Cost \$1,000,000) . . . . .</b>		<b>1,000,000</b>
<b>Total Short Term Investments (Cost \$1,000,000) . . . . .</b>		<b>1,000,000</b>
<b>Total Investments (Cost \$351,046,762) 98.4% . . . . .</b>		<b>\$322,100,357</b>
<b>Other Assets, less Liabilities 1.6% . . . . .</b>		<b>5,134,515</b>
<b>Net Assets 100.0% . . . . .</b>		<b>\$327,234,872</b>

See Abbreviations on page 129.

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

<sup>a</sup>Fair valued using significant unobservable inputs. See Note 10 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 August 31, 2023, the aggregate value of these securities was \$21,553,325, representing 6.6% of net assets.

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

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

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

<sup>f</sup>Non-income producing.

<sup>g</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

	Six Months Ended August 31, 2023 (unaudited)	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 period)						
Net asset value, beginning of period . . . . .	\$9.96	\$11.03	\$11.28	\$11.55	\$10.93	\$10.85
Income from investment operations <sup>c</sup> :						
Net investment income <sup>d</sup> . . . . .	0.13	0.25	0.24	0.28	0.30	0.16
Net realized and unrealized gains (losses)	(0.06)	(1.08)	(0.25)	(0.27)	0.64	0.08
Total from investment operations . . . . .	0.07	(0.83)	(0.01)	0.01	0.94	0.24
Less distributions from:						
Net investment income . . . . .	(0.13)	(0.24)	(0.24)	(0.28)	(0.32)	(0.16)
Net asset value, end of period . . . . .	\$9.90	\$9.96	\$11.03	\$11.28	\$11.55	\$10.93
Total return <sup>e</sup> . . . . .	0.73%	(7.49)%	(0.17)%	0.09%	8.68%	2.22%
<b>Ratios to average net assets<sup>f</sup></b>						
Expenses <sup>g</sup> . . . . .	0.90%	0.89%	0.87%	0.87%	0.86%	0.88%
Net investment income . . . . .	2.66%	2.42%	2.07%	2.49%	2.70%	3.06%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$60,758	\$60,153	\$69,773	\$56,810	\$48,032	\$18,110
Portfolio turnover rate . . . . .	2.44%	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)

	Six Months Ended August 31, 2023 (unaudited)	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 period)						
Net asset value, beginning of period . . . . .	\$9.95	\$11.03	\$11.28	\$11.55	\$10.92	\$10.90
Income from investment operations <sup>b</sup> :						
Net investment income <sup>c</sup> . . . . .	0.14	0.26	0.25	0.30	0.32	0.35
Net realized and unrealized gains (losses) . . . . .	(0.06)	(1.08)	(0.25)	(0.28)	0.64	0.02
Total from investment operations . . . . .	0.08	(0.82)	—	0.02	0.96	0.37
Less distributions from:						
Net investment income . . . . .	(0.14)	(0.26)	(0.25)	(0.29)	(0.33)	(0.35)
Net asset value, end of period . . . . .	\$9.89	\$9.95	\$11.03	\$11.28	\$11.55	\$10.92
Total return <sup>d</sup> . . . . .	0.81%	(7.45)%	(0.02)%	0.24%	8.94%	3.45%
<b>Ratios to average net assets<sup>e</sup></b>						
Expenses <sup>f</sup> . . . . .	0.75%	0.74%	0.72%	0.72%	0.71%	0.73%
Net investment income . . . . .	2.81%	2.57%	2.22%	2.66%	2.85%	3.21%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$163,878	\$175,906	\$234,499	\$250,576	\$289,744	\$284,259
Portfolio turnover rate . . . . .	2.44%	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, and is not annualized for periods less than one year.

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

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

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

	Six Months Ended August 31, 2023 (unaudited)	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 period)						
Net asset value, beginning of period . . . . .	\$10.12	\$11.21	\$11.46	\$11.74	\$11.10	\$11.07
Income from investment operations <sup>b</sup> :						
Net investment income <sup>c</sup> . . . . .	0.11	0.20	0.19	0.24	0.26	0.29
Net realized and unrealized gains (losses)	(0.06)	(1.09)	(0.25)	(0.29)	0.65	0.03
Total from investment operations . . . . .	0.05	(0.89)	(0.06)	(0.05)	0.91	0.32
Less distributions from:						
Net investment income . . . . .	(0.11)	(0.20)	(0.19)	(0.23)	(0.27)	(0.29)
Net asset value, end of period . . . . .	\$10.06	\$10.12	\$11.21	\$11.46	\$11.74	\$11.10
Total return <sup>d</sup> . . . . .	0.52%	(7.92)%	(0.57)%	(0.39)%	8.34%	2.92%
<b>Ratios to average net assets<sup>e</sup></b>						
Expenses <sup>f</sup> . . . . .	1.29%	1.28%	1.26%	1.26%	1.26%	1.28%
Net investment income . . . . .	2.21%	1.97%	1.64%	2.08%	2.30%	2.66%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$10,802	\$12,724	\$19,991	\$29,441	\$38,066	\$42,188
Portfolio turnover rate . . . . .	2.44%	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, and is not annualized for periods less than one year.<sup>e</sup>Ratios are annualized for periods less than one year.<sup>f</sup>Benefit of expense reduction rounds to less than 0.01%.

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

	Six Months Ended August 31, 2023 (unaudited)	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 period)						
Net asset value, beginning of period . . . . .	\$9.96	\$11.03	\$11.28	\$11.55	\$10.93	\$10.90
Income from investment operations <sup>b</sup> :						
Net investment income <sup>c</sup> . . . . .	0.15	0.28	0.27	0.31	0.33	0.36
Net realized and unrealized gains (losses) . . . . .	(0.07)	(1.08)	(0.25)	(0.27)	0.64	0.03
Total from investment operations . . . . .	0.08	(0.80)	0.02	0.04	0.97	0.39
Less distributions from:						
Net investment income . . . . .	(0.15)	(0.27)	(0.27)	(0.31)	(0.35)	(0.36)
Net asset value, end of period . . . . .	\$9.89	\$9.96	\$11.03	\$11.28	\$11.55	\$10.93
Total return <sup>d</sup> . . . . .	0.78%	(7.22)%	0.12%	0.38%	8.99%	3.67%
<b>Ratios to average net assets<sup>e</sup></b>						
Expenses before waiver and payments by affiliates . . . . .	0.61%	0.61%	0.59%	0.60%	0.60%	0.61%
Expenses net of waiver and payments by affiliates <sup>f</sup> . . . . .	0.61% <sup>g</sup>	0.60%	0.58%	0.58%	0.58%	0.59%
Net investment income . . . . .	2.95%	2.72%	2.36%	2.78%	2.98%	3.35%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$6,032	\$6,306	\$8,031	\$6,076	\$5,383	\$3,865
Portfolio turnover rate . . . . .	2.44%	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 is not annualized for periods less than one year.

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

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

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

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

	Six Months Ended August 31, 2023 (unaudited)	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 period)						
Net asset value, beginning of period . . . . .	\$9.96	\$11.03	\$11.28	\$11.55	\$10.93	\$10.90
Income from investment operations <sup>b</sup> :						
Net investment income <sup>c</sup> . . . . .	0.15	0.27	0.26	0.31	0.33	0.36
Net realized and unrealized gains (losses)	(0.06)	(1.07)	(0.24)	(0.28)	0.63	0.03
Total from investment operations . . . . .	0.09	(0.80)	0.02	0.03	0.96	0.39
Less distributions from:						
Net investment income . . . . .	(0.15)	(0.27)	(0.27)	(0.30)	(0.34)	(0.36)
Net asset value, end of period . . . . .	\$9.90	\$9.96	\$11.03	\$11.28	\$11.55	\$10.93
Total return <sup>d</sup> . . . . .	0.86%	(7.26)%	0.08%	0.34%	8.95%	3.65%
<b>Ratios to average net assets<sup>e</sup></b>						
Expenses <sup>f</sup> . . . . .	0.65%	0.65%	0.62%	0.62%	0.61%	0.63%
Net investment income . . . . .	2.91%	2.67%	2.32%	2.73%	2.95%	3.31%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$36,510	\$36,351	\$42,264	\$37,329	\$27,945	\$19,580
Portfolio turnover rate . . . . .	2.44%	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 is not annualized for periods less than one year.<sup>e</sup>Ratios are annualized for periods less than one year.<sup>f</sup>Benefit of expense reduction rounds to less than 0.01%.

## Schedule of Investments (unaudited), August 31, 2023

## Franklin Louisiana Tax-Free Income Fund

	Principal Amount	Value
<b>Municipal Bonds 97.8%</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	\$327,366
<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	967,027
<b>Louisiana 92.2%</b>		
Ascension Parish School Board, GO, 2020, 4%, 3/01/40 .....	1,000,000	977,653
Caddo Parish Parishwide School District, GO, 2021, AGMC Insured, 3%, 3/01/36 ..	505,000	451,169
Calcasieu Parish School District No. 23, GO, 2019, BAM Insured, 4%, 9/01/36 .....	670,000	675,016
Calcasieu Parish School District No. 31, GO, 2018, BAM Insured, 5%, 3/01/36 .....	1,000,000	1,075,036
GO, 2018, BAM Insured, 5%, 3/01/38 .....	1,000,000	1,059,844
GO, 2019, BAM Insured, 4%, 3/01/37 .....	1,000,000	1,003,771
Central Community School System, GO, 2020, 4%, 3/01/39 .....	1,125,000	1,106,777
GO, 2020, 4%, 3/01/40 .....	1,190,000	1,163,406
City of Bossier City, Utilities, Revenue, 2014, Pre-Refunded, 5%, 10/01/37 .....	1,280,000	1,303,599
City of Lafayette, Sales & Use Tax, Revenue, 2019 A, 5%, 5/01/44 .....	4,350,000	4,610,826
Sales & Use Tax, Revenue, 2020 B, 4%, 3/01/45 .....	5,000,000	4,791,453
City of New Orleans, GO, 2021 A, 5%, 12/01/39 .....	6,000,000	6,361,130
Sewerage Service, Revenue, 2020 B, 5%, 6/01/45 .....	1,700,000	1,753,064
Sewerage Service, Revenue, 2020 B, 4%, 6/01/50 .....	1,300,000	1,125,664
City of Ruston, Sales Tax, Revenue, 2016, AGMC Insured, 5%, 6/01/35 .....	1,085,000	1,120,455
City of Shreveport, Water & Sewer, Revenue, 2016 B, 5%, 12/01/41 .....	4,000,000	4,062,356
Water & Sewer, Revenue, 2020 B, Refunding, 3%, 12/01/50 .....	5,070,000	3,502,797
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	2,205,874
East Baton Rouge Sewerage Commission, Revenue, 2014 B, Pre-Refunded, 5%, 2/01/39 .....	5,000,000	5,120,457
Revenue, 2019 A, Refunding, 4%, 2/01/45 .....	5,000,000	4,700,166
Revenue, 2020 A, Refunding, 5%, 2/01/31 .....	750,000	837,081
Greater New Orleans Expressway Commission, Revenue, 2017, AGMC Insured, 5%, 11/01/47 .....	4,000,000	4,044,526
Jefferson Parish Consolidated Sewerage District No. 1, Revenue, 2022, BAM Insured, 4%, 2/01/38 .....	1,000,000	991,997
Jefferson Parish Consolidated Waterworks District No. 2, Revenue, 2022, Refunding, BAM Insured, 4%, 2/01/40 .....	5,000,000	4,877,307
Jefferson Sales Tax District, Revenue, 2017 B, AGMC Insured, 5%, 12/01/42 .....	2,250,000	2,309,513
Lafayette Consolidated Government, GO, 2020, Refunding, 3%, 3/01/34 .....	250,000	232,432
GO, 2020, Refunding, 3%, 3/01/35 .....	200,000	182,219
Lafayette Parish School Board, Sales Tax, Revenue, 2023, 4%, 4/01/53 .....	2,500,000	2,333,413
Livingston Parish School Board, Sales & Use Tax, Revenue, 2021 A, Refunding, 4%, 5/01/30 .....	500,000	520,653
Sales & Use Tax, Revenue, 2021 A, Refunding, 4%, 5/01/31 .....	1,300,000	1,354,138
Louisiana Correctional Facilities Corp., State of Louisiana Office of Juvenile Justice, Revenue, 2021, 4%, 10/01/37 .....	875,000	828,658
State of Louisiana Office of Juvenile Justice, Revenue, 2021, 4%, 10/01/40 .....	1,305,000	1,200,360
Louisiana Housing Corp., Revenue, 2021 B, GNMA Insured, 2.05%, 6/01/36 .....	615,000	466,415
Revenue, 2021 B, GNMA Insured, 2.2%, 6/01/41 .....	1,965,000	1,446,509



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

	Principal Amount	Value
<b>Municipal Bonds (continued)</b>		
<b>Louisiana (continued)</b>		
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	\$1,729,840
East Ascension Parish Gravity Drainage District No. 1, Revenue, 2015, Refunding, BAM Insured, 5%, 12/01/40 . . . . .	2,925,000	2,994,428
Entergy Louisiana LLC, Revenue, 2021 A, Refunding, 2%, 6/01/30 . . . . .	1,500,000	1,291,840
Entergy Louisiana LLC, Revenue, 2021 B, Refunding, 2.5%, 4/01/36 . . . . .	3,000,000	2,386,336
Innovative Student Facilities, Inc., Revenue, 2016 A, AGMC Insured, 4%, 10/01/33 .	800,000	804,984
Innovative Student Facilities, Inc., Revenue, 2016 A, AGMC Insured, 4%, 10/01/34 .	620,000	622,562
<sup>a</sup> Invest in Americas Veterans Foundation Louisiana, Inc., Revenue, 144A, 2020 A, Refunding, 4.25%, 12/01/50 . . . . .	8,000,000	5,993,283
<sup>a</sup> Parish of Assumption, Revenue, 144A, 2021, 3.875%, 11/01/45 . . . . .	1,000,000	841,980
<sup>a</sup> Parish of St. Bernard, Revenue, 144A, 2021, 4%, 11/01/45 . . . . .	1,225,000	1,066,422
<sup>a</sup> Parish of St. Charles, Revenue, 144A, 2022, 4.5%, 11/01/47 . . . . .	2,000,000	1,860,547
<sup>a</sup> Parish of St. Tammany LA GOMESA, Revenue, 144A, 2020, 3.875%, 11/01/45 . . .	2,900,000	2,441,743
<sup>a</sup> Patriot Services Group Obligated Group, Revenue, 144A, 2021 A, 4%, 10/01/43 . .	250,000	185,285
<sup>a</sup> Patriot Services Group Obligated Group, Revenue, 144A, 2021 A, 4.25%, 10/01/48	221,200	159,272
<sup>a</sup> Patriot Services Group Obligated Group, Revenue, 144A, 2021 A, 4.5%, 10/01/53 .	309,471	223,035
<sup>a</sup> Patriot Services Group Obligated Group, Revenue, 144A, 2021 A, 5%, 10/01/61 . .	249,529	189,824
Ragin Cajun Facilities, Inc., Revenue, 2017, Refunding, AGMC Insured, 5%, 10/01/39 . . . . .	2,680,000	2,735,767
University of Louisiana at Lafayette, Revenue, 2018, AGMC Insured, 5%, 10/01/48	3,500,000	3,528,085
University of Louisiana System, Revenue, 2019, Refunding, AGMC Insured, 4%, 8/01/34 . . . . .	1,000,000	1,006,287
University of Louisiana System Board of Supervisors, Revenue, 2021, Refunding, AGMC Insured, 4%, 10/01/39 . . . . .	1,060,000	1,000,452
University of Louisiana System Board of Supervisors, Revenue, 2021, Refunding, AGMC Insured, 4%, 10/01/41 . . . . .	500,000	471,690
University of Louisiana System Board of Supervisors, Revenue, 2021, Refunding, AGMC Insured, 4%, 10/01/43 . . . . .	500,000	461,062
University of Louisiana System Board of Supervisors, Revenue, 2022, Refunding, 4%, 5/01/30 . . . . .	1,020,000	1,039,496
University of Louisiana System Board of Supervisors, Revenue, 2022, Refunding, 4%, 5/01/31 . . . . .	1,065,000	1,085,551
University of Louisiana System Board of Supervisors, Revenue, 2022, Refunding, 4%, 5/01/32 . . . . .	1,100,000	1,106,063
University of Louisiana System Board of Supervisors, Revenue, 2022, Refunding, 4%, 5/01/33 . . . . .	1,155,000	1,160,528
Woman's Hospital Foundation, Revenue, 2017 A, Refunding, 5%, 10/01/44 . . . . .	5,000,000	5,031,702
Louisiana Public Facilities Authority,		
CHRISTUS Health Obligated Group, Revenue, 2018 E, 5%, 7/01/48 . . . . .	5,000,000	5,120,142
Franciscan Missionaries of Our Lady Health System Obligated Group, Revenue, 2015 A, 5%, 7/01/35 . . . . .	4,965,000	5,012,210
Franciscan Missionaries of Our Lady Health System Obligated Group, Revenue, 2015 A, Pre-Refunded, 5%, 7/01/35 . . . . .	35,000	36,073
Louisiana Children's Medical Center Obligated Group, Revenue, 2015 A-1, 5%, 6/01/45 . . . . .	10,000,000	10,079,991
Louisiana Children's Medical Center Obligated Group, Revenue, 2020 A, 4%, 6/01/50	5,000,000	4,442,706
Louisiana State University & Agricultural & Mechanical College Auxiliary, Revenue, 2016 A, 5%, 7/01/46 . . . . .	6,500,000	6,515,985
Louisiana State University & Agricultural & Mechanical College Auxiliary, Revenue, 2017, 5%, 7/01/52 . . . . .	2,310,000	2,303,684
Loyola University New Orleans, Revenue, 2021, Refunding, 4%, 10/01/37 . . . . .	2,020,000	1,916,827
Loyola University New Orleans, Revenue, 2021, Refunding, 4%, 10/01/39 . . . . .	3,460,000	3,214,715
Loyola University New Orleans, Revenue, 2021, Refunding, 4%, 10/01/41 . . . . .	2,850,000	2,596,362
Ochsner Clinic Foundation Obligated Group, Revenue, 2016, Pre-Refunded, 5%, 5/15/34 . . . . .	30,000	31,263

**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%, 5/15/47 . . . . .	\$20,000	\$20,842
Ochsner Clinic Foundation Obligated Group, Revenue, 2017, Refunding, 5%, 5/15/46	12,000,000	12,065,400
<sup>a</sup> Provident Group - HSC Properties, Inc., Revenue, 144A, 2020 A-1, 5.5%, 1/01/50 .	2,000,000	1,838,648
Roman Catholic Church of the Archdiocese of New Orleans, Revenue, 2017, Refunding, 5%, 7/01/37 . . . . .	3,750,000	3,112,500
Tulane University, Revenue, 2016 A, Refunding, 5%, 12/15/41 . . . . .	3,000,000	3,083,380
Tulane University, Revenue, 2017 A, 4%, 12/15/50 . . . . .	1,940,000	1,756,505
Tulane University, Revenue, 2017 A, Pre-Refunded, 4%, 12/15/50 . . . . .	60,000	62,083
Tulane University, Revenue, 2020 A, Refunding, 5%, 4/01/45 . . . . .	1,000,000	1,037,240
Louisiana Stadium & Exposition District, Revenue, Senior Lien, 2023 A, Refunding, 5.25%, 7/01/53 . . . . .	1,750,000	1,869,172
Louisiana State University & Agricultural & Mechanical College, Auxiliary, Revenue, 2016 A, Pre-Refunded, 5%, 7/01/40 . . . . .	4,500,000	4,725,825
Natchitoches Parish School District No. 9, GO, 2018, AGMC Insured, 5%, 3/01/38 . .	1,440,000	1,533,243
New Orleans Aviation Board, Louis Armstrong New Orleans International Airport, Revenue, 2017 A, 5%, 1/01/48 . . . . .	10,000,000	10,139,799
Parish of East Baton Rouge Capital Improvements District, MovEBR Sales Tax, Revenue, 2019, 4%, 8/01/44 . . . . .	2,055,000	1,976,020
MovEBR Sales Tax, Revenue, 2019, 5%, 8/01/48 . . . . .	2,500,000	2,581,365
Parish of Terrebonne, Sales & Use Tax, Revenue, 2020 A, 4%, 3/01/35 . . . . .	1,015,000	1,012,702
Sales & Use Tax, Revenue, 2020 A, 4%, 3/01/41 . . . . .	2,660,000	2,515,867
Port New Orleans Board of Commissioners, Revenue, 2018 A, AGMC Insured, 5%, 4/01/48 . . . . .	2,750,000	2,800,420
Revenue, 2018 B, Refunding, AGMC Insured, 5%, 4/01/43 . . . . .	2,000,000	2,021,022
Revenue, 2020 D, 5%, 4/01/50 . . . . .	6,000,000	6,108,882
Rapides Parish Consolidated School District No. 62, GO, 2022, AGMC Insured, 5%, 3/01/42 . . . . .	1,100,000	1,159,937
Rapides Parish School District No. 11 Rigolette, GO, 2023, AGMC Insured, 4%, 3/01/41 . . . . .	1,000,000	971,401
St. John the Baptist, Parish School District No. 1, GO, 2023, 5.25%, 3/01/43 . . . . .	3,300,000	3,353,549
St. Tammany Parish Hospital Service District No. 1, Revenue, 2018 A, Refunding, 5%, 7/01/48 . . . . .	5,500,000	5,433,254
State of Louisiana, GO, 2016 A, 5%, 9/01/36 . . . . .	3,000,000	3,122,102
GO, 2019 A, 5%, 3/01/37 . . . . .	3,000,000	3,231,041
Gasoline & Fuels Tax, Revenue, First Lien, 2015 A, Pre-Refunded, 5%, 5/01/41 . . .	3,000,000	3,075,870
Gasoline & Fuels Tax, Revenue, Second Lien, 2017 C, Refunding, 5%, 5/01/40 . . .	5,000,000	5,191,644
Gasoline & Fuels Tax, Revenue, Second Lien, 2017 C, Refunding, 5%, 5/01/45 . . .	10,000,000	10,284,413
Tangipahoa Parish Hospital Service District No. 1, Revenue, 2021, Refunding, 4%, 2/01/35 . . . . .	2,250,000	2,218,944
Revenue, 2021, Refunding, 4%, 2/01/38 . . . . .	2,000,000	1,857,522
Terrebonne Levee & Conservation District, Sales Tax, Revenue, 2020 B, Refunding, 4%, 6/01/41 . . . . .	1,000,000	928,402
West Feliciana Parish Parishwide Consolidated School District No. 1, GO, 2020, 4%, 3/01/50 . . . . .	3,000,000	2,659,457
		<u>256,232,207</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 . . . . .	600,000	472,868
AHPC Vista Towers 2021 LLC, Revenue, 2021 A-1, 3.65%, 12/01/36 . . . . .	700,000	550,042
		<u>1,022,910</u>

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

	Principal Amount	Value
<b>Municipal Bonds (continued)</b>		
<b>Texas 0.7%</b>		
City of Dallas, DHFC - Briscoe Apartments LLC (The), Revenue, Senior Lien, 2022 A, 6%, 12/01/62 . . . . .	\$450,000	\$453,555
<sup>a</sup> EP Cimarron Ventanas PFC, Revenue, Senior Lien, 144A, 2021 A, 4%, 12/01/51. . . . .	900,000	635,674
<sup>a</sup> Pecan Public Facility Corp., Revenue, 144A, 2022 A-2, 5%, 12/01/52 . . . . .	1,250,000	923,383
		<u>2,012,612</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	551,619
<b>Wisconsin 1.4%</b>		
<sup>a</sup> Public Finance Authority, Revenue, 144A, 2022, B-1, 4%, 12/28/44 . . . . .	800,000	619,201
AL-FL Portfolio Obligated Group, Revenue, 144A, 2021 A, 3.4%, 12/01/36 . . . . .	1,225,000	965,509
Gulf Coast Portfolio Obligated Group, Revenue, 144A, 2021, 5.25%, 12/01/23 . . . . .	1,800,000	1,800,918
Pine Forest 2022 Obligated Group, Revenue, 144A, 2022 A, 6.5%, 12/01/52 . . . . .	500,000	482,223
		<u>3,867,851</u>
<b>U.S. Territories 2.5%</b>		
<b>Puerto Rico 2.5%</b>		
Puerto Rico Electric Power Authority, Revenue, 6%, 7/01/41 . . . . .	96,071	96,071
<sup>b,c</sup> Revenue, 7.125%, 7/01/59 . . . . .	466,572	466,572
Revenue, VV, Refunding, NATL Insured, 5.25%, 7/01/32 . . . . .	500,000	491,519
<sup>d</sup> Revenue, WW, 5.25%, 7/01/33 . . . . .	855,000	235,125
Puerto Rico Highway & Transportation Authority, Revenue, 2022 A, 5%, 7/01/62 . . . . .	585,911	577,855
Revenue, 2022 B, Zero Cpn., 7/01/32 . . . . .	380,763	245,116
Revenue, 2022 C, Zero Cpn., 7/01/53 . . . . .	651,329	412,780
Puerto Rico Sales Tax Financing Corp., Sales Tax, Revenue, A-1, 4.75%, 7/01/53 . . . . .	3,500,000	3,281,179
Sales Tax, Revenue, A-1, 5%, 7/01/58 . . . . .	1,196,000	1,160,605
		<u>6,966,822</u>
<b>Total U.S. Territories . . . . .</b>		<u>6,966,822</u>
<b>Total Municipal Bonds (Cost \$296,073,062) . . . . .</b>		<u><b>271,948,414</b></u>
	<b>Shares</b>	
<b>Escrows and Litigation Trusts 0.0%<sup>†</sup></b>		
<sup>b,e</sup> Puerto Rico Electric Power Authority . . . . .	43,434	34,747
<b>Total Escrows and Litigation Trusts (Cost \$-) . . . . .</b>		<u><b>34,747</b></u>
<b>Total Long Term Investments (Cost \$296,073,062) . . . . .</b>		<u><b>271,983,161</b></u>

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

**Short Term Investments 1.4%**

	Principal Amount	Value
<b>Municipal Bonds 1.4%</b>		
<b>Louisiana 1.4%</b>		
<sup>†</sup> State of Louisiana, Gasoline & Fuels Tax, Revenue, Second Lien, 2023 A-1, Refunding, LOC Toronto Dominion Bank (The), Daily VRDN and Put, 3.93%, 5/01/43	\$3,900,000	\$3,900,000
<b>Total Municipal Bonds (Cost \$3,900,000)</b> .....		<b>3,900,000</b>
<b>Total Short Term Investments (Cost \$3,900,000)</b> .....		<b>3,900,000</b>
<b>Total Investments (Cost \$299,973,062) 99.2%</b> .....		<b>\$275,883,161</b>
<b>Other Assets, less Liabilities 0.8%</b> .....		<b>2,097,053</b>
<b>Net Assets 100.0%</b> .....		<b>\$277,980,214</b>

See Abbreviations on page 129.

<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 August 31, 2023, the aggregate value of these securities was \$24,275,667, representing 8.7% of net assets.

<sup>b</sup> Fair valued using significant unobservable inputs. See Note 10 regarding fair value measurements.

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

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

<sup>e</sup> Non-income producing.

<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 Maryland Tax-Free Income Fund

	Six Months Ended August 31, 2023 (unaudited)	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 period)						
Net asset value, beginning of period . . . . .	\$9.75	\$10.71	\$10.97	\$11.35	\$10.80	\$10.76
Income from investment operations <sup>c</sup> :						
Net investment income <sup>d</sup> . . . . .	0.15	0.26	0.23	0.28	0.29	0.15
Net realized and unrealized gains (losses) . . . . .	(0.05)	(0.96)	(0.26)	(0.38)	0.57	0.04
Total from investment operations . . . . .	0.10	(0.70)	(0.03)	(0.10)	0.86	0.19
Less distributions from:						
Net investment income . . . . .	(0.15)	(0.26)	(0.23)	(0.28)	(0.31)	(0.15)
Net asset value, end of period . . . . .	\$9.70	\$9.75	\$10.71	\$10.97	\$11.35	\$10.80
Total return <sup>e</sup> . . . . .	1.04%	(6.56)%	(0.30)%	(0.84)%	8.11%	1.84%
<b>Ratios to average net assets<sup>f</sup></b>						
Expenses <sup>g</sup> . . . . .	0.90%	0.89%	0.87%	0.87%	0.88%	0.88%
Net investment income . . . . .	3.11%	2.62%	2.10%	2.55%	2.65%	2.95%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$85,969	\$80,313	\$90,950	\$78,374	\$60,104	\$26,572
Portfolio turnover rate . . . . .	7.69%	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)

	<b>Six Months Ended August 31, 2023 (unaudited)</b>	<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 A1</b>						
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$9.75	\$10.71	\$10.97	\$11.36	\$10.80	\$10.76
Income from investment operations <sup>b</sup> :						
Net investment income <sup>c</sup> . . . . .	0.16	0.27	0.25	0.30	0.31	0.33
Net realized and unrealized gains (losses) . . . . .	(0.05)	(0.96)	(0.26)	(0.39)	0.58	0.05
Total from investment operations . . . . .	0.11	(0.69)	(0.01)	(0.09)	0.89	0.38
Less distributions from:						
Net investment income . . . . .	(0.16)	(0.27)	(0.25)	(0.30)	(0.33)	(0.34)
Net asset value, end of period . . . . .	\$9.70	\$9.75	\$10.71	\$10.97	\$11.36	\$10.80
Total return <sup>d</sup> . . . . .	1.12%	(6.42)%	(0.15)%	(0.69)%	8.27%	3.59%
<b>Ratios to average net assets<sup>e</sup></b>						
Expenses <sup>f</sup> . . . . .	0.75%	0.74%	0.72%	0.72%	0.73%	0.73%
Net investment income . . . . .	3.24%	2.76%	2.25%	2.72%	2.80%	3.10%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$154,795	\$162,447	\$214,264	\$240,637	\$270,309	\$279,750
Portfolio turnover rate . . . . .	7.69%	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, and is not annualized for periods less than one year.

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

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

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

	Six Months Ended August 31, 2023 (unaudited)	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 period)						
Net asset value, beginning of period . . . . .	\$9.95	\$10.94	\$11.20	\$11.59	\$11.02	\$10.98
Income from investment operations <sup>b</sup> :						
Net investment income <sup>c</sup> . . . . .	0.13	0.22	0.19	0.24	0.25	0.28
Net realized and unrealized gains (losses)	(0.04)	(0.99)	(0.26)	(0.39)	0.59	0.04
Total from investment operations . . . . .	0.09	(0.77)	(0.07)	(0.15)	0.84	0.32
Less distributions from:						
Net investment income . . . . .	(0.13)	(0.22)	(0.19)	(0.24)	(0.27)	(0.28)
Net asset value, end of period . . . . .	\$9.91	\$9.95	\$10.94	\$11.20	\$11.59	\$11.02
Total return <sup>d</sup> . . . . .	0.92%	(7.08)%	(0.70)%	(1.30)%	7.75%	2.94%
<b>Ratios to average net assets<sup>e</sup></b>						
Expenses <sup>f</sup> . . . . .	1.29%	1.28%	1.26%	1.26%	1.28%	1.28%
Net investment income . . . . .	2.60%	2.15%	1.65%	2.13%	2.25%	2.55%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$15,363	\$17,531	\$24,227	\$34,896	\$45,502	\$56,323
Portfolio turnover rate . . . . .	7.69%	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, and is not annualized for periods less than one year.<sup>e</sup>Ratios are annualized for periods less than one year.<sup>f</sup>Benefit of expense reduction rounds to less than 0.01%.

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

	Six Months Ended August 31, 2023 (unaudited)	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 period)						
Net asset value, beginning of period . . . . .	\$9.77	\$10.73	\$10.99	\$11.37	\$10.82	\$10.78
Income from investment operations <sup>b</sup> :						
Net investment income <sup>c</sup> . . . . .	0.17	0.29	0.26	0.31	0.32	0.35
Net realized and unrealized gains (losses) . . . . .	(0.05)	(0.96)	(0.25)	(0.37)	0.58	0.04
Total from investment operations . . . . .	0.12	(0.67)	0.01	(0.06)	0.90	0.39
Less distributions from:						
Net investment income . . . . .	(0.17)	(0.29)	(0.27)	(0.32)	(0.35)	(0.35)
Net asset value, end of period . . . . .	\$9.72	\$9.77	\$10.73	\$10.99	\$11.37	\$10.82
Total return <sup>d</sup> . . . . .	1.19%	(6.27)%	—% <sup>e</sup>	(0.55)%	8.41%	3.71%
<b>Ratios to average net assets<sup>f</sup></b>						
Expenses before waiver and payments by affiliates . . . . .	0.60%	0.60%	0.57%	0.59%	0.60%	0.61%
Expenses net of waiver and payments by affiliates <sup>g</sup> . . . . .	0.60%	0.60%	0.57% <sup>h</sup>	0.57%	0.58%	0.58%
Net investment income . . . . .	3.40%	2.91%	2.39%	2.81%	2.95%	3.25%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$13,135	\$11,709	\$13,771	\$8,033	\$3,642	\$1,753
Portfolio turnover rate . . . . .	7.69%	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 is not annualized for periods less than one year.

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

<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%.

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



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

	Six Months Ended August 31, 2023 (unaudited)	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 period)						
Net asset value, beginning of period . . . . .	\$9.76	\$10.73	\$10.98	\$11.37	\$10.81	\$10.77
Income from investment operations <sup>b</sup> :						
Net investment income <sup>c</sup> . . . . .	0.17	0.28	0.26	0.31	0.32	0.34
Net realized and unrealized gains (losses)	(0.04)	(0.97)	(0.25)	(0.39)	0.58	0.05
Total from investment operations . . . . .	0.13	(0.69)	0.01	(0.08)	0.90	0.39
Less distributions from:						
Net investment income . . . . .	(0.17)	(0.28)	(0.26)	(0.31)	(0.34)	(0.35)
Net asset value, end of period . . . . .	\$9.72	\$9.76	\$10.73	\$10.98	\$11.37	\$10.81
Total return <sup>d</sup> . . . . .	1.27%	(6.41)%	0.04%	(0.68)%	8.47%	3.68%
<b>Ratios to average net assets<sup>e</sup></b>						
Expenses <sup>f</sup> . . . . .	0.65%	0.64%	0.62%	0.62%	0.63%	0.63%
Net investment income . . . . .	3.34%	2.87%	2.35%	2.81%	2.90%	3.20%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$45,727	\$45,667	\$55,284	\$57,854	\$54,079	\$44,264
Portfolio turnover rate . . . . .	7.69%	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 is not annualized for periods less than one year.<sup>e</sup>Ratios are annualized for periods less than one year.<sup>f</sup>Benefit of expense reduction rounds to less than 0.01%.

## Schedule of Investments (unaudited), August 31, 2023

## Franklin Maryland Tax-Free Income Fund

	Principal Amount	Value
<b>Municipal Bonds 98.5%</b>		
<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 . . . . .	\$1,325,000	\$1,045,968
<b>Maryland 86.5%</b>		
City of Baltimore, Harbor Point Special Taxing District, Revenue, 2016, Refunding, 5.125%, 6/01/43 . . . . .	3,000,000	2,939,562
Wastewater Utility Fund, Revenue, 2017 A, 5%, 7/01/46 . . . . .	2,000,000	2,052,575
Wastewater Utility Fund, Revenue, 2022 A, 5%, 7/01/38 . . . . .	1,415,000	1,565,217
Wastewater Utility Fund, Revenue, 2022 A, 5%, 7/01/39 . . . . .	1,495,000	1,641,261
City of Gaithersburg, Asbury Maryland Obligated Group, Revenue, 2022, 4.5%, 1/01/42 . . . . .	1,500,000	1,274,086
<sup>b</sup> County of Anne Arundel, Glenview Housing LP, Revenue, 2009, Mandatory Put, 5%, 1/01/27 . . . . .	1,800,000	1,801,981
County of Baltimore, GO, 2023, 5%, 3/01/53 . . . . .	6,000,000	6,469,680
<sup>a</sup> County of Frederick, Urbana Community Development Authority, Special Tax, 144A, 2020 C, 4%, 7/01/50 . . . . .	3,995,000	3,445,785
County of Harford, Beechtree Estates Development District, Tax Allocation, 2021, Refunding, 4%, 7/01/31 . . . . .	150,000	154,925
Beechtree Estates Development District, Tax Allocation, 2021, Refunding, 4%, 7/01/36 . . . . .	750,000	749,599
Beechtree Estates Development District, Tax Allocation, 2021, Refunding, 4%, 7/01/40 . . . . .	675,000	624,237
County of Prince George's, GO, 2018 A, 4%, 7/15/35 . . . . .	5,000,000	5,108,889
GO, 2020 A, 5%, 7/15/40 . . . . .	900,000	947,582
Howard County Housing Commission, Revenue, 2013, 5%, 10/01/28 . . . . .	10,000,000	10,010,925
Revenue, 2016, 4%, 6/01/46 . . . . .	2,000,000	1,775,794
Revenue, 2017, 5%, 12/01/46 . . . . .	5,000,000	5,122,474
Maryland Community Development Administration, Housing, Revenue, 2019 D, 3%, 7/01/39 . . . . .	1,500,000	1,241,803
Housing, Revenue, 2019 D, 3.2%, 7/01/44 . . . . .	1,000,000	816,397
Maryland Community Development Administration Local Government Infrastructure, Revenue, 2017 A-1, 4%, 6/01/47 . . . . .	2,300,000	2,215,373
Revenue, 2018 A-1, 5%, 6/01/48 . . . . .	1,310,000	1,359,098
Revenue, Senior Lien, 2019 B-1, 4%, 6/01/49 . . . . .	3,000,000	2,866,498
Maryland Economic Development Corp., Annapolis Parking System, Revenue, Senior Lien, 2022 A, 5.25%, 6/30/53 . . . . .	5,000,000	5,105,645
Frostburg State University Project, Revenue, Senior Lien, 2013, Refunding, 5%, 10/01/33 . . . . .	5,000,000	4,956,920
Morgan View & Thurgood Marshall Student Housing, Revenue, 2020, 4%, 7/01/40 . . . . .	1,000,000	942,502
Morgan View & Thurgood Marshall Student Housing, Revenue, 2020, 5%, 7/01/50 . . . . .	1,250,000	1,271,589
Morgan View & Thurgood Marshall Student Housing, Revenue, 2022 A, 6%, 7/01/58 . . . . .	4,620,000	5,059,795
Purple Line Transit Partners LLC, Revenue, 2022 B, 5.25%, 6/30/47 . . . . .	5,000,000	5,053,350
Purple Line Transit Partners LLC, Revenue, 2022 B, 5.25%, 6/30/52 . . . . .	5,000,000	5,021,480
University of Maryland College Park, Revenue, 2016, Refunding, AGMC Insured, 5%, 6/01/35 . . . . .	4,225,000	4,363,196
University of Maryland College Park, Revenue, 2016, Refunding, AGMC Insured, 5%, 6/01/43 . . . . .	3,305,000	3,348,150
University Park Phase I & II at Salisbury University, Revenue, 2013, Refunding, 5%, 6/01/34 . . . . .	2,040,000	2,009,881
University Village at Sheppard Pratt, Revenue, 2012, Refunding, 5%, 7/01/27 . . . . .	1,500,000	1,500,249
University Village at Sheppard Pratt, Revenue, 2012, Refunding, 5%, 7/01/33 . . . . .	2,495,000	2,491,410
West Village & Millennium Hall Student Housing at Towson University, Revenue, Senior Lien, 2012, 5%, 7/01/27 . . . . .	940,000	940,439
Maryland Health & Higher Educational Facilities Authority, Adventist Healthcare Obligated Group, Revenue, 2016 A, 5.5%, 1/01/46 . . . . .	9,750,000	9,824,711

**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, (continued)		
Adventist Healthcare Obligated Group, Revenue, 2020, Refunding, 4%, 1/01/38 . . .	\$865,000	\$763,279
Adventist Healthcare Obligated Group, Revenue, 2021 B, 4%, 1/01/51 . . . . .	2,000,000	1,625,648
Charlestown Community, Inc., Revenue, 2016 A, Refunding, 5%, 1/01/45 . . . . .	4,170,000	4,199,628
Frederick Health, Inc. Obligated Group, Revenue, 2020, Refunding, 4%, 7/01/50 . .	1,715,000	1,515,872
Frederick Health, Inc. Obligated Group, Revenue, 2023, Refunding, 5.25%, 7/01/53	1,500,000	1,560,567
Goucher College, Revenue, 2017 A, Refunding, 5%, 7/01/44 . . . . .	7,470,000	7,564,592
Johns Hopkins Medical Institutions Parking System, Revenue, 2001, AMBAC Insured, 5%, 7/01/27 . . . . .	655,000	659,263
Johns Hopkins Medical Institutions Parking System, Revenue, 2004, AMBAC Insured, 5%, 7/01/34 . . . . .	5,000,000	5,032,838
LifeBridge Health Obligated Group, Revenue, 2016, Refunding, 5%, 7/01/47 . . . . .	4,000,000	4,032,871
LifeBridge Health Obligated Group, Revenue, 2017, Refunding, 5%, 7/01/44 . . . . .	2,000,000	2,018,665
Loyola University Maryland, Inc., Revenue, 2014, Refunding, 5%, 10/01/45 . . . . .	2,250,000	2,266,073
Loyola University Maryland, Inc., Revenue, 2019 A, Refunding, 5%, 10/01/49 . . . . .	2,000,000	2,060,255
Maryland Institute College of Art, Revenue, 2012, 5%, 6/01/29 . . . . .	1,000,000	1,000,592
Maryland Institute College of Art, Revenue, 2016, Refunding, 4%, 6/01/42 . . . . .	5,325,000	4,771,682
MedStar Health Obligated Group, Revenue, 1997, AMBAC Insured, ETM, 5%, 7/01/27 . . . . .	5,935,000	6,148,881
MedStar Health Obligated Group, Revenue, 2013 A, 5%, 8/15/38 . . . . .	5,000,000	5,001,433
MedStar Health Obligated Group, Revenue, 2015, Refunding, 5%, 8/15/38 . . . . .	2,100,000	2,124,376
MedStar Health Obligated Group, Revenue, 2017 A, 5%, 5/15/45 . . . . .	5,000,000	5,081,161
Meritus Medical Center Obligated Group, Revenue, 2015, Refunding, 5%, 7/01/40 .	8,535,000	8,590,859
Stevenson University, Inc., Revenue, 2021 A, Refunding, 5%, 6/01/28 . . . . .	630,000	664,164
Stevenson University, Inc., Revenue, 2021 A, Refunding, 5%, 6/01/30 . . . . .	1,125,000	1,205,795
Stevenson University, Inc., Revenue, 2021 A, Refunding, 5%, 6/01/32 . . . . .	800,000	861,744
Stevenson University, Inc., Revenue, 2021 A, Refunding, 4%, 6/01/34 . . . . .	350,000	349,619
Stevenson University, Inc., Revenue, 2021 A, Refunding, 4%, 6/01/36 . . . . .	1,125,000	1,096,085
Stevenson University, Inc., Revenue, 2021 A, Refunding, 4%, 6/01/40 . . . . .	1,850,000	1,713,615
Stevenson University, Inc., Revenue, 2021 A, Refunding, 4%, 6/01/46 . . . . .	1,000,000	880,738
Stevenson University, Inc., Revenue, 2021 A, Refunding, 4%, 6/01/55 . . . . .	3,250,000	2,730,673
University of Maryland Medical System Obligated Group, Revenue, 2017 B, Refunding, 5%, 7/01/39 . . . . .	10,000,000	10,222,141
University of Maryland Medical System Obligated Group, Revenue, 2017 D, 4%, 7/01/48 . . . . .	5,000,000	4,588,929
Maryland Industrial Development Financing Authority,		
McDonogh School, Inc., Revenue, 2019, Refunding, 4%, 9/01/43 . . . . .	1,100,000	1,018,208
McDonogh School, Inc., Revenue, 2019, Refunding, 4%, 9/01/48 . . . . .	610,000	546,358
Maryland Stadium Authority,		
Baltimore City Public School Construction Financing Fund, Revenue, 2016, Pre- Refunded, 5%, 5/01/46 . . . . .	4,085,000	4,275,782
Baltimore City Public School Construction Financing Fund, Revenue, 2020 A, 5%, 5/01/50 . . . . .	12,225,000	13,085,472
Built to Learn, Revenue, 2021, 4%, 6/01/35 . . . . .	1,590,000	1,618,515
Built to Learn, Revenue, 2022 A, 4%, 6/01/47 . . . . .	5,000,000	4,772,793
Maryland State Transportation Authority,		
Revenue, 2020, 4%, 7/01/45 . . . . .	4,000,000	3,888,704
Revenue, 2021 A, Refunding, 5%, 7/01/46 . . . . .	4,900,000	5,214,903
State of Maryland, GO, 2022 A, 5%, 6/01/37 . . . . .	10,000,000	11,230,570
State of Maryland Department of Transportation,		
Maryland Aviation Administration, Revenue, 2021 B, 5%, 8/01/46 . . . . .	3,000,000	3,084,064
Maryland Aviation Administration, Revenue, 2021 B, 4%, 8/01/51 . . . . .	3,500,000	3,073,997
Town of Chestertown,		
Washington College, Revenue, 2021 A, Refunding, 4%, 3/01/36 . . . . .	2,700,000	2,504,275
Washington College, Revenue, 2021 A, Refunding, 4%, 3/01/37 . . . . .	3,095,000	2,817,293

**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%, 4/01/51 . . . . .	\$5,260,000	\$4,860,228
Washington Suburban Sanitary Commission, Revenue, 2023, 4%, 6/01/49 . . . . .	9,500,000	9,192,440
Revenue, Second Series, 2016, 4%, 6/01/43 . . . . .	5,000,000	4,915,645
		<u>272,504,343</u>
<b>New Jersey 0.8%</b>		
New Jersey Transportation Trust Fund Authority, Revenue, 2022 BB, 4%, 6/15/39 . . .	2,500,000	<u>2,457,040</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	551,680
AHPC Vista Towers 2021 LLC, Revenue, 2021 A-1, 3.65%, 12/01/36 . . . . .	700,000	550,041
<sup>a</sup> Columbia Portfolio Obligated Group, Revenue, 144A, 2022 A-2, Zero Cpn., 6/01/52	1,350,000	843,558
		<u>1,945,279</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	554,344
<sup>a</sup> EP Cimarron Ventanas PFC, Revenue, Senior Lien, 144A, 2021 A, 4%, 12/01/51 . . . .	1,000,000	706,305
<sup>a</sup> Pecan Public Facility Corp., Revenue, 144A, 2022 A-2, 5%, 12/01/52 . . . . .	1,300,000	960,319
		<u>2,220,968</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>551,619</u>
<b>Wisconsin 1.0%</b>		
<sup>a</sup> Public Finance Authority, Revenue, 144A, 2022, B-1, 4%, 12/28/44 . . . . .	800,000	619,201
Gulf Coast Portfolio Obligated Group, Revenue, 144A, 2021, 5.25%, 12/01/23 . . . .	2,000,000	2,001,020
Pine Forest 2022 Obligated Group, Revenue, 144A, 2022 A, 6.5%, 12/01/52 . . . . .	500,000	482,223
		<u>3,102,444</u>
<b>U.S. Territories 8.3%</b>		
<b>District of Columbia 4.0%</b>		
Washington Metropolitan Area Transit Authority, Dedicated, Revenue, 2020 A, 5%, 7/15/45 . . . . .	2,500,000	2,651,437
Dedicated, Revenue, 2021 A, 4%, 7/15/43 . . . . .	1,750,000	1,702,578
Dedicated, Revenue, 2021 A, 5%, 7/15/46 . . . . .	3,000,000	3,179,817
Dedicated, Revenue, 2023 A, 5%, 7/15/43 . . . . .	2,500,000	2,719,934
Dedicated, Revenue, 2023 A, 4.125%, 7/15/47 . . . . .	2,500,000	2,404,594
		<u>12,658,360</u>
<b>Puerto Rico 4.3%</b>		
HTA HRRB Custodial Trust, Revenue, 2007 CC, 5.25%, 7/01/33 . . . . .	1,805,000	1,809,257
HTA TRRB Custodial Trust, Revenue, 2005 L, 5.25%, 7/01/41 . . . . .	2,550,000	2,542,211
Puerto Rico Electric Power Authority, <sup>c,d</sup> Revenue, 6%, 7/01/41 . . . . .	222,188	222,188
<sup>c,d</sup> Revenue, 7.125%, 7/01/59 . . . . .	1,079,067	1,079,067
Revenue, VV, Refunding, NATL Insured, 5.25%, 7/01/32 . . . . .	2,000,000	1,966,077
<sup>e</sup> Revenue, WW, 5.5%, 7/01/38 . . . . .	1,975,000	543,125
Puerto Rico Highway & Transportation Authority, Revenue, 2022 A, 5%, 7/01/62 . . . . .	94,046	92,753
Revenue, 2022 B, Zero Cpn., 7/01/32 . . . . .	61,117	39,344
Revenue, 2022 C, Zero Cpn., 7/01/53 . . . . .	104,547	66,257

**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.,		
Sales Tax, Revenue, A-1, 4.75%, 7/01/53 . . . . .	\$3,600,000	\$3,374,927
Sales Tax, Revenue, A-1, 5%, 7/01/58 . . . . .	1,900,000	1,843,770
		13,578,976
<b>Total U.S. Territories</b> . . . . .		26,237,336
<b>Total Municipal Bonds (Cost \$328,767,434)</b> . . . . .		<b>310,064,997</b>
	<b>Shares</b>	
<b>Escrows and Litigation Trusts 0.0%<sup>†</sup></b>		
<sup>c,f</sup> Puerto Rico Electric Power Authority . . . . .	100,330	80,264
<b>Total Escrows and Litigation Trusts (Cost \$—)</b> . . . . .		<b>80,264</b>
<b>Total Long Term Investments (Cost \$328,767,434)</b> . . . . .		<b>310,145,261</b>
<b>Short Term Investments 1.1%</b>		
	<b>Principal Amount</b>	
<b>Municipal Bonds 1.1%</b>		
<b>Maryland 1.1%</b>		
<sup>a</sup> County of Montgomery, GO, 2017 E, SPA US Bank NA, Daily VRDN and Put, 4.05%, 11/01/37 . . . . .	2,300,000	2,300,000
<sup>a</sup> Montgomery County Housing Opportunities Commission, Revenue, 2023 A, Refunding, FHA, FNMA Insured, LOC TD Bank NA, Daily VRDN and Put, 3.93%, 1/01/63 . . . .	1,030,000	1,030,000
		3,330,000
<b>Total Municipal Bonds (Cost \$3,330,000)</b> . . . . .		<b>3,330,000</b>
<b>Total Short Term Investments (Cost \$3,330,000)</b> . . . . .		<b>3,330,000</b>
<b>Total Investments (Cost \$332,097,434) 99.6%</b> . . . . .		<b>\$313,475,261</b>
<b>Other Assets, less Liabilities 0.4%</b> . . . . .		<b>1,514,892</b>
<b>Net Assets 100.0%</b> . . . . .		<b>\$314,990,153</b>

See Abbreviations on page 129.

<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 August 31, 2023, the aggregate value of these securities was \$11,207,678, representing 3.6% of net assets.

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

<sup>c</sup>Fair valued using significant unobservable inputs. See Note 10 regarding fair value measurements.

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

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

<sup>f</sup>Non-income producing.

<sup>g</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

	Six Months Ended August 31, 2023 (unaudited)	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 period)						
Net asset value, beginning of period . . . . .	\$10.27	\$11.48	\$11.85	\$12.09	\$11.47	\$11.41
Income from investment operations <sup>c</sup> :						
Net investment income <sup>d</sup> . . . . .	0.17	0.31	0.28	0.29	0.31	0.16
Net realized and unrealized gains (losses) . . . . .	(0.07)	(1.22)	(0.37)	(0.24)	0.63	0.06
Total from investment operations . . . . .	0.10	(0.91)	(0.09)	0.05	0.94	0.22
Less distributions from:						
Net investment income . . . . .	(0.17)	(0.30)	(0.28)	(0.29)	(0.32)	(0.16)
Net asset value, end of period . . . . .	\$10.20	\$10.27	\$11.48	\$11.85	\$12.09	\$11.47
Total return <sup>e</sup> . . . . .	0.93%	(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%	0.82%	0.81%	0.81%	0.81%	0.84%
Net investment income . . . . .	3.24%	2.90%	2.33%	2.42%	2.62%	2.96%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$172,493	\$166,355	\$208,059	\$169,677	\$122,845	\$63,400
Portfolio turnover rate . . . . .	6.09%	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)

	Six Months Ended August 31, 2023 (unaudited)	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 period)						
Net asset value, beginning of period . . . . .	\$10.27	\$11.48	\$11.84	\$12.09	\$11.46	\$11.38
Income from investment operations <sup>b</sup> :						
Net investment income <sup>c</sup> . . . . .	0.18	0.32	0.30	0.31	0.33	0.35
Net realized and unrealized gains (losses) . . . . .	(0.09)	(1.21)	(0.36)	(0.26)	0.64	0.09
Total from investment operations . . . . .	0.09	(0.89)	(0.06)	0.05	0.97	0.44
Less distributions from:						
Net investment income . . . . .	(0.17)	(0.32)	(0.30)	(0.30)	(0.34)	(0.36)
Net asset value, end of period . . . . .	\$10.19	\$10.27	\$11.48	\$11.84	\$12.09	\$11.46
Total return <sup>d</sup> . . . . .	0.91%	(7.78)%	(0.60)%	0.48%	8.58%	3.90%
<b>Ratios to average net assets<sup>e</sup></b>						
Expenses <sup>f</sup> . . . . .	0.67%	0.67%	0.66%	0.66%	0.66%	0.69%
Net investment income . . . . .	3.39%	3.05%	2.49%	2.58%	2.77%	3.11%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$414,549	\$439,718	\$588,698	\$647,517	\$708,399	\$700,839
Portfolio turnover rate . . . . .	6.09%	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, and is not annualized for periods less than one year.<sup>e</sup>Ratios are annualized for periods less than one year.<sup>f</sup>Benefit of expense reduction rounds to less than 0.01%.

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

	Six Months Ended August 31, 2023 (unaudited)	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 period)						
Net asset value, beginning of period . . . . .	\$10.37	\$11.60	\$11.97	\$12.21	\$11.58	\$11.49
Income from investment operations <sup>b</sup> :						
Net investment income <sup>c</sup> . . . . .	0.15	0.26	0.23	0.24	0.26	0.29
Net realized and unrealized gains (losses) . . . . .	(0.07)	(1.23)	(0.37)	(0.24)	0.65	0.09
Total from investment operations . . . . .	0.08	(0.97)	(0.14)	—	0.91	0.38
Less distributions from:						
Net investment income . . . . .	(0.15)	(0.26)	(0.23)	(0.24)	(0.28)	(0.29)
Net asset value, end of period . . . . .	\$10.30	\$10.37	\$11.60	\$11.97	\$12.21	\$11.58
Total return <sup>d</sup> . . . . .	0.72%	(8.38)%	(1.23)%	0.01%	7.92%	3.37%
<b>Ratios to average net assets<sup>e</sup></b>						
Expenses <sup>f</sup> . . . . .	1.22%	1.22%	1.20%	1.21%	1.21%	1.24%
Net investment income . . . . .	2.76%	2.45%	1.91%	2.01%	2.22%	2.56%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$27,309	\$33,334	\$52,654	\$74,779	\$104,721	\$108,739
Portfolio turnover rate . . . . .	6.09%	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, and is not annualized for periods less than one year.

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

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



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

	Six Months Ended August 31, 2023 (unaudited)	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 period)						
Net asset value, beginning of period . . . . .	\$10.28	\$11.49	\$11.85	\$12.10	\$11.47	\$11.38
Income from investment operations <sup>b</sup> :						
Net investment income <sup>c</sup> . . . . .	0.18	0.34	0.31	0.32	0.34	0.37
Net realized and unrealized gains (losses)	(0.08)	(1.22)	(0.36)	(0.25)	0.65	0.09
Total from investment operations . . . . .	0.10	(0.88)	(0.05)	0.07	0.99	0.46
Less distributions from:						
Net investment income . . . . .	(0.18)	(0.33)	(0.31)	(0.32)	(0.36)	(0.37)
Net asset value, end of period . . . . .	\$10.20	\$10.28	\$11.49	\$11.85	\$12.10	\$11.47
Total return <sup>d</sup> . . . . .	0.98%	(7.65)%	(0.47)%	0.61%	8.71%	4.12%
<b>Ratios to average net assets<sup>e</sup></b>						
Expenses before waiver and payments by affiliates . . . . .	0.55%	0.54%	0.53%	0.53%	0.54%	0.55%
Expenses net of waiver and payments by affiliates <sup>f</sup> . . . . .	0.54%	0.54% <sup>g</sup>	0.52%	0.53% <sup>g</sup>	0.53%	0.54%
Net investment income . . . . .	3.52%	3.17%	2.61%	2.70%	2.90%	3.26%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$22,174	\$20,620	\$33,747	\$30,329	\$23,700	\$18,929
Portfolio turnover rate . . . . .	6.09%	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 is not annualized for periods less than one year.<sup>e</sup>Ratios are annualized for periods less than one year.<sup>f</sup>Benefit of expense reduction rounds to less than 0.01%.<sup>g</sup>Benefit of waiver and payments by affiliates rounds to less than 0.01%.

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

	<b>Six Months Ended August 31, 2023 (unaudited)</b>	<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>Advisor Class</b>						
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$10.27	\$11.49	\$11.85	\$12.09	\$11.47	\$11.38
Income from investment operations <sup>b</sup> :						
Net investment income <sup>c</sup> . . . . .	0.18	0.33	0.31	0.32	0.34	0.37
Net realized and unrealized gains (losses) . . . . .	(0.07)	(1.22)	(0.36)	(0.24)	0.63	0.09
Total from investment operations . . . . .	0.11	(0.89)	(0.05)	0.08	0.97	0.46
Less distributions from:						
Net investment income . . . . .	(0.18)	(0.33)	(0.31)	(0.32)	(0.35)	(0.37)
Net asset value, end of period . . . . .	\$10.20	\$10.27	\$11.49	\$11.85	\$12.09	\$11.47
Total return <sup>d</sup> . . . . .	1.06%	(7.77)%	(0.50)%	0.66%	8.59%	4.09%
<b>Ratios to average net assets<sup>e</sup></b>						
Expenses <sup>f</sup> . . . . .	0.57%	0.57%	0.56%	0.56%	0.56%	0.59%
Net investment income . . . . .	3.48%	3.15%	2.59%	2.68%	2.87%	3.21%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$68,819	\$70,684	\$86,643	\$85,456	\$82,970	\$60,117
Portfolio turnover rate . . . . .	6.09%	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 is not annualized for periods less than one year.

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

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

## Schedule of Investments (unaudited), August 31, 2023

## Franklin Missouri Tax-Free Income Fund

	Principal Amount	Value
<b>Municipal Bonds 98.9%</b>		
<b>California 0.1%</b>		
Santa Barbara Secondary High School District, GO, 2011 A, Zero Cpn., 8/01/40 . . . .	\$1,790,000	\$813,466
<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	4,539,216
<sup>a</sup> SHI - Lake Osborne LLC, Revenue, 144A, 2021 A-1, 3.68%, 1/01/57 . . . . .	850,000	556,522
		5,095,738
<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	2,565,581
<b>Missouri 89.3%</b>		
Affton School District No. 101, GO, 2017 A, Refunding, 5%, 3/01/32 . . . . .	1,500,000	1,592,678
GO, 2017 A, Refunding, 5%, 3/01/33 . . . . .	1,595,000	1,693,108
GO, 2017 A, Refunding, 5%, 3/01/34 . . . . .	1,700,000	1,805,392
GO, 2017 A, Refunding, 5%, 3/01/35 . . . . .	1,810,000	1,916,143
GO, 2017 A, Refunding, 5%, 3/01/36 . . . . .	1,920,000	2,024,629
Bi-State Development Agency of the Missouri-Illinois Metropolitan District, Revenue, 2020 A, Refunding, 4%, 10/01/44 . . . . .	6,000,000	5,771,660
Cape Girardeau County Industrial Development Authority, Procter & Gamble Co. (The), Revenue, 1998, 5.3%, 5/15/28 . . . . .	6,875,000	6,885,616
SoutheastHEALTH Obligated Group, Revenue, 2021, 4%, 3/01/41 . . . . .	3,010,000	2,652,717
SoutheastHEALTH Obligated Group, Revenue, 2021, 3%, 3/01/46 . . . . .	3,000,000	2,111,091
SoutheastHEALTH Obligated Group, Revenue, 2021, 4%, 3/01/46 . . . . .	8,730,000	7,492,465
St. Francis Obligated Group, Revenue, 2016, Refunding, 5%, 6/01/39 . . . . .	7,110,000	7,166,630
Cape Girardeau County School District No. R-2, GO, 2018, 5%, 3/01/38 . . . . .	2,195,000	2,336,670
City of Bridgeton, Sales Tax, Revenue, 2021 A, Refunding, 2%, 12/01/32 . . . . .	500,000	408,154
Sales Tax, Revenue, 2021 A, Refunding, 2.125%, 12/01/33 . . . . .	1,170,000	952,799
City of Harrisonville, COP, 2023 A, Refunding, 4.375%, 3/01/43 . . . . .	1,000,000	956,012
COP, 2023 A, Refunding, 4.5%, 3/01/48 . . . . .	2,000,000	1,900,688
COP, 2023 A, Refunding, 4.625%, 3/01/53 . . . . .	2,000,000	1,907,471
City of Kansas City, Sanitary Sewer System, Revenue, 2018 A, 4%, 1/01/35 . . . . .	1,500,000	1,526,306
Sanitary Sewer System, Revenue, 2023 A, 4%, 1/01/48 . . . . .	5,000,000	4,764,119
Water, Revenue, 2017 A, 4%, 12/01/41 . . . . .	4,970,000	4,836,977
Water, Revenue, 2023 A, 4%, 12/01/47 . . . . .	2,120,000	2,014,627
City of Marshfield, Waterworks & Sewer System, Revenue, 2020 B, AGMC Insured, 5%, 2/01/47 . . . . .	1,775,000	1,836,025
City of Republic, Revenue, 2022, 3%, 5/01/47 . . . . .	5,000,000	3,501,475
Revenue, 2023, 4.5%, 5/01/41 . . . . .	1,000,000	976,737
Revenue, 2023, 4.5%, 5/01/44 . . . . .	1,000,000	965,937
City of Springfield, Revenue, 2023, 4.375%, 11/01/42 . . . . .	500,000	503,681
City of St. Charles, COP, 2020 B, Refunding, 3%, 2/01/38 . . . . .	1,200,000	1,017,730
COP, 2020 B, Refunding, 3%, 2/01/39 . . . . .	1,500,000	1,257,845
City of St. Louis, Airport, Revenue, 2005, Refunding, NATL Insured, 5.5%, 7/01/29 . . . . .	13,070,000	14,680,900
Airport, Revenue, 2017 A, Refunding, AGMC Insured, 5%, 7/01/25 . . . . .	5,000,000	5,136,282
Airport, Revenue, 2017 D, Refunding, AGMC Insured, 5%, 7/01/35 . . . . .	1,000,000	1,035,699
Airport, Revenue, 2017 D, Refunding, AGMC Insured, 5%, 7/01/36 . . . . .	2,125,000	2,190,014
Airport, Revenue, 2019 C, Refunding, 5%, 7/01/27 . . . . .	1,705,000	1,810,613

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

	Principal Amount	Value
<b>Municipal Bonds</b> (continued)		
<b>Missouri</b> (continued)		
Clay County Reorganized School District No. R-1,		
GO, 2017, 3%, 3/01/36 .....	\$1,540,000	\$1,395,206
GO, 2017, 3.125%, 3/01/37 .....	1,855,000	1,646,850
Community College District of Central Southwest Missouri,		
COP, 2021, 3%, 3/01/40 .....	575,000	473,972
COP, 2021, 3%, 3/01/41 .....	400,000	323,965
County of Jackson,		
Revenue, 2023 A, 4.25%, 12/01/53 .....	2,660,000	2,471,554
Revenue, 2023 A, 5.25%, 12/01/58 .....	2,500,000	2,620,832
Ferguson Reorganized School District No. R-2,		
GO, 2018, 4%, 5/01/32 .....	1,000,000	1,012,566
GO, 2018, 5%, 5/01/38 .....	2,250,000	2,359,318
Hannibal Board of Public Works,		
COP, 2022, 3.625%, 4/01/44 .....	1,000,000	798,705
COP, 2022, 3.75%, 4/01/47 .....	1,000,000	799,353
Health & Educational Facilities Authority of the State of Missouri,		
Bethesda Health Group, Inc. Obligated Group, Revenue, 2015, 5%, 8/01/40 .....	1,650,000	1,556,390
Bethesda Health Group, Inc. Obligated Group, Revenue, 2015, 5%, 8/01/45 .....	1,300,000	1,177,844
BJC Healthcare Obligated Group, Revenue, 2021 A, Refunding, 3%, 7/01/51 .....	13,000,000	9,136,136
CoxHealth Obligated Group, Revenue, 2013 A, 5%, 11/15/44 .....	2,760,000	2,759,833
CoxHealth Obligated Group, Revenue, 2015 A, Refunding, 5%, 11/15/34 .....	3,200,000	3,257,010
CoxHealth Obligated Group, Revenue, 2015 A, Refunding, 5%, 11/15/39 .....	6,690,000	6,736,468
CoxHealth Obligated Group, Revenue, 2019 A, 4%, 11/15/44 .....	5,000,000	4,654,214
Kansas City University, Revenue, 2017 A, 5%, 6/01/42 .....	2,800,000	2,937,366
Kansas City University, Revenue, 2017 A, 5%, 6/01/47 .....	4,875,000	5,093,917
Lake Regional Health System Obligated Group, Revenue, 2021, Refunding, 3%, 2/15/40 .....	2,060,000	1,475,596
Lake Regional Health System Obligated Group, Revenue, 2021, Refunding, 3%, 2/15/41 .....	2,120,000	1,496,876
Lake Regional Health System Obligated Group, Revenue, 2021, Refunding, 3%, 2/15/46 .....	5,590,000	3,644,066
Lutheran Senior Services Obligated Group, Revenue, 2016 A, 5%, 2/01/46 .....	4,000,000	3,719,657
Lutheran Senior Services Obligated Group, Revenue, 2016 B, Refunding, 5%, 2/01/46 .....	11,575,000	10,763,757
Lutheran Senior Services Obligated Group, Revenue, 2019 A, 5%, 2/01/34 .....	2,000,000	2,004,606
Lutheran Senior Services Obligated Group, Revenue, 2019 A, 5%, 2/01/42 .....	1,750,000	1,672,829
Lutheran Senior Services Obligated Group, Revenue, 2019 C, Refunding, 4%, 2/01/33 .....	1,730,000	1,602,608
Lutheran Senior Services Obligated Group, Revenue, 2019 C, Refunding, 4%, 2/01/48 .....	485,000	379,702
Lutheran Senior Services Obligated Group, Revenue, 2021, 4%, 2/01/30 .....	2,035,000	1,938,499
Lutheran Senior Services Obligated Group, Revenue, 2021, 4%, 2/01/42 .....	9,900,000	8,264,970
Maryville University of St. Louis, Revenue, 2015, 5%, 6/15/44 .....	5,000,000	4,884,157
Maryville University of St. Louis, Revenue, 2019 A, 5%, 6/15/45 .....	4,000,000	3,893,306
Maryville University of St. Louis, Revenue, 2020 A, Refunding, 4%, 6/15/34 .....	4,345,000	4,134,450
Maryville University of St. Louis, Revenue, 2020 A, Refunding, 4%, 6/15/38 .....	4,885,000	4,324,653
Maryville University of St. Louis, Revenue, 2022 A, Refunding, 3.125%, 6/15/38 ..	2,300,000	1,788,711
Maryville University of St. Louis, Revenue, 2022 A, Refunding, 3.375%, 6/15/45 ..	1,000,000	720,395
Mercy Health, Revenue, 2012, 4%, 11/15/42 .....	8,000,000	7,518,555
Mercy Health, Revenue, 2014 F, 5%, 11/15/45 .....	25,000,000	25,098,433
Mercy Health, Revenue, 2015 B, Refunding, 5%, 2/01/45 .....	6,870,000	6,915,986
Mercy Health, Revenue, 2017 C, Refunding, 5%, 11/15/42 .....	9,720,000	9,867,875
Mercy Health, Revenue, 2017 C, Refunding, 4%, 11/15/47 .....	10,000,000	9,112,826
Mercy Health, Revenue, 2020, 4%, 6/01/53 .....	2,000,000	1,777,649
Mosaic Health System Obligated Group, Revenue, 2019 A, Refunding, 4%, 2/15/54	4,000,000	3,519,367
SSM Health Care Obligated Group, Revenue, 2018 A, 5%, 6/01/48 .....	13,500,000	13,638,321
St. Louis University, Revenue, 2015 A, 5%, 10/01/38 .....	5,500,000	5,626,916

**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. Louis University, Revenue, 2017 A, 5%, 10/01/42	\$9,200,000	\$9,499,138
St. Louis University, Revenue, 2017 A, 5%, 10/01/47	5,800,000	5,960,165
St. Louis University, Revenue, 2019 A, 5%, 10/01/46	5,775,000	6,029,668
St. Luke's Health System Obligated Group, Revenue, 2016, Refunding, 5%, 11/15/35	3,950,000	4,056,622
St. Luke's Health System Obligated Group, Revenue, 2018 A, Refunding, 5%, 11/15/43	2,000,000	2,039,120
St. Luke's Health System Obligated Group, Revenue, 2020, Refunding, 4%, 11/15/50	2,500,000	2,238,253
University of Central Missouri, Revenue, 2013 C-2, 5%, 10/01/34	5,000,000	5,002,090
Howard Bend Levee District,		
Special Tax, 2021, 2.75%, 3/01/31	400,000	343,897
Special Tax, 2021, 3%, 3/01/36	500,000	405,498
Special Tax, 2021, 3.125%, 3/01/41	1,000,000	764,240
Special Tax, 2022, 3.375%, 3/01/32	75,000	66,151
Special Tax, 2022, 3.5%, 3/01/37	175,000	146,262
Special Tax, 2022, 3.625%, 3/01/42	200,000	159,506
Jefferson City School District, GO, 2018, 5%, 3/01/38	2,070,000	2,154,147
Jefferson County School District No. R-VI,		
Festus, COP, 2021 B, 3%, 4/01/42	500,000	381,448
Festus, COP, 2021 B, 3%, 4/01/44	1,500,000	1,103,794
Festus, COP, 2021 B, 2.375%, 4/01/46	2,000,000	1,328,758
Kansas City Industrial Development Authority,		
Revenue, 2011 A, Refunding, 5.5%, 9/01/29	5,000,000	5,007,989
Revenue, 2011 A, Refunding, 5.5%, 9/01/30	12,000,000	12,019,705
Revenue, 2011 A, Refunding, 5%, 9/01/32	3,000,000	3,004,125
City of Kansas City Airport, Revenue, 2019 B, 5%, 3/01/46	9,000,000	9,149,710
City of Kansas City Airport, Revenue, 2019 B, AGMC Insured, 5%, 3/01/49	3,000,000	3,043,545
City of Kansas City Airport, Revenue, 2019 B, 5%, 3/01/54	31,770,000	32,133,738
City of Kansas City Airport, Revenue, 2020 A, AGMC Insured, 4%, 3/01/57	10,900,000	9,535,556
City of Kansas City Airport, Revenue, 2020 A, AGMC Insured, 5%, 3/01/57	100,000	101,379
Liberty Public School District No. 53, GO, 2018, 4%, 3/01/37	4,500,000	4,508,667
Metropolitan St. Louis Sewer District,		
Revenue, 2016 C, Refunding, 5%, 5/01/46	24,700,000	25,503,088
Revenue, 2017 A, Refunding, 5%, 5/01/47	15,000,000	15,549,858
Missouri Development Finance Board,		
City of Independence, Revenue, 2021, Refunding, 5%, 3/01/30	930,000	957,202
City of Independence, Revenue, 2021, Refunding, 4%, 3/01/36	1,140,000	1,067,575
City of Independence, Revenue, 2021, Refunding, 4%, 3/01/37	500,000	456,523
City of Independence, Revenue, 2021, Refunding, 4%, 3/01/41	515,000	446,813
City of Independence, Revenue, 2021, Refunding, 3%, 3/01/46	2,640,000	1,791,035
City of Independence, Revenue, 2021, Refunding, 4%, 3/01/51	9,445,000	7,636,784
Procter & Gamble Co. (The), Revenue, 1999, 5.2%, 3/15/29	3,000,000	3,279,989
Zoological Subdistrict of the Metropolitan Zoo Park & Museum District of St. Louis, Revenue, 2022, 5.25%, 5/01/55	2,500,000	2,632,970
Missouri Housing Development Commission,		
Revenue, 2018 B, GNMA Insured, 4%, 11/01/38	820,000	809,919
Revenue, 2019 C, GNMA Insured, 3%, 11/01/44	3,045,000	2,605,211
Revenue, 2020 C, GNMA Insured, 2.4%, 11/01/45	2,010,000	1,497,525
Revenue, 2020 D, GNMA Insured, 2.55%, 11/01/50	2,715,000	2,082,371
Revenue, 2021 B, GNMA Insured, 2.2%, 11/01/46	1,160,000	839,644
Revenue, 2021 B, GNMA Insured, 2.3%, 11/01/51	7,220,000	5,239,355
Revenue, 2022 A, GNMA Insured, 3%, 11/01/37	1,295,000	1,123,249
Revenue, 2022 A, GNMA Insured, 3.125%, 11/01/42	3,425,000	2,780,156
Revenue, 2022 C, GNMA Insured, 4.3%, 11/01/47	1,995,000	1,905,066
Revenue, 2022 C, GNMA Insured, 4.35%, 11/01/52	2,490,000	2,293,090
Missouri Joint Municipal Electric Utility Commission,		
Iatan 2 Project, Revenue, 2015 A, Refunding, 5%, 12/01/35	7,335,000	7,453,834

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

	Principal Amount	Value
<b>Municipal Bonds</b> (continued)		
<b>Missouri</b> (continued)		
Missouri Joint Municipal Electric Utility Commission, (continued)		
MoPEP 1 Pool Fund, Revenue, 2018, 5%, 12/01/43 . . . . .	\$2,000,000	\$2,036,519
Plum Point Project, Revenue, 2014 A, Refunding, 5%, 1/01/33 . . . . .	5,500,000	5,564,403
Prairie State Project, Revenue, 2016 A, Refunding, 5%, 12/01/40 . . . . .	27,950,000	28,283,519
Monarch-Chesterfield Levee District, Special Tax, 2015, Refunding, 5%, 3/01/40 . . . .	4,395,000	4,423,634
Move Rolla Transportation Development District, Revenue, 2017, 4.75%, 6/01/47 . . .	5,050,000	4,521,847
Normandy Schools Collaborative,		
GO, 2021 B, 2%, 3/01/40 . . . . .	2,050,000	1,430,808
GO, 2021 B, 2%, 3/01/41 . . . . .	1,700,000	1,152,239
Poplar Bluff Regional Transportation Development District,		
Sales Tax, Revenue, 2023 B, Refunding, 3.375%, 12/01/31 . . . . .	2,000,000	1,894,741
Sales Tax, Revenue, 2023 B, Refunding, 4%, 12/01/37 . . . . .	2,600,000	2,437,591
Republic School District No. R-3, GO, 2023, 4%, 3/01/43 . . . . .	1,470,000	1,421,107
Riverside-Quindaro Bend Levee District of Platte County, Special Assessment, 2017, Refunding, 5%, 3/01/29 . . . . .	2,585,000	2,633,257
Southeast Missouri State University, Revenue, 2020, Refunding, 4%, 4/01/40 . . . . .	5,075,000	4,720,159
Springfield School District No. R-12, GO, 2023, 4%, 3/01/43 . . . . .	2,000,000	1,930,905
St. Charles County Public Water Supply District No. 2, COP, 2022, 4%, 12/01/44 . . . .	5,000,000	4,784,764
St. Charles County School District No. R-IV Wentzville, GO, 2018, Refunding, 4%, 3/01/38 . . . . .	15,400,000	15,364,560
St. Louis County Industrial Development Authority,		
Friendship Village St. Louis Obligated Group, Revenue, 2013 A, 5.875%, 9/01/43 . .	7,000,000	7,000,212
Friendship Village St. Louis Obligated Group, Revenue, 2017, Refunding, 5%, 9/01/48 . . . . .	7,095,000	6,076,323
St. Louis Land Clearance for Redevelopment Authority,		
Revenue, 2021, 2.125%, 7/15/39 . . . . .	3,680,000	2,528,282
Revenue, 2021, 2.25%, 7/15/41 . . . . .	3,845,000	2,611,453
Revenue, 2021 A, Refunding, 2.125%, 4/01/39 . . . . .	6,385,000	4,394,600
City of St. Louis, Revenue, 2022 C, 5%, 6/01/36 . . . . .	2,025,000	2,078,061
City of St. Louis, Revenue, 2022 C, 5%, 6/01/41 . . . . .	2,000,000	1,988,624
City of St. Louis, Revenue, 2022 C, 5.125%, 6/01/46 . . . . .	2,600,000	2,590,112
St. Louis Municipal Finance Corp.,		
City of St. Louis, Revenue, 2020, AGMC Insured, 5%, 10/01/45 . . . . .	2,685,000	2,767,440
City of St. Louis, Revenue, 2020, AGMC Insured, 5%, 10/01/49 . . . . .	5,175,000	5,267,915
St. Louis Municipal Library District, COP, 2020, Refunding, BAM Insured, 4%, 3/15/48	2,800,000	2,617,075
St. Louis School District, GO, 2023, AGMC Insured, 4%, 4/01/43 . . . . .	7,000,000	6,719,484
Strafford Reorganized School District No. R-VI, GO, 2023, 4%, 3/01/43 . . . . .	4,000,000	3,815,888
Washington Industrial Development Authority, Revenue, 2021, Refunding, 2.5%, 11/01/29 . . . . .	300,000	273,829
		630,088,934
<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	1,364,679
<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	1,497,417
AHPC Vista Towers 2021 LLC, Revenue, 2021 A-1, 3.65%, 12/01/36 . . . . .	1,900,000	1,492,970
<sup>a</sup> Columbia Portfolio Obligated Group, Revenue, 144A, 2022 A-2, Zero Cpn., 6/01/52	3,200,000	1,999,544
		4,989,931

**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	\$2,015,798
<sup>a</sup> EP Cimarron Ventanas PFC, Revenue, Senior Lien, 144A, 2021 A, 4%, 12/01/51 . . . . .	2,500,000	1,765,762
Lake Houston Redevelopment Authority, City of Houston Reinvestment Zone No. 10, Revenue, 2021, Refunding, 2.5%, 9/01/41 . . . . .	525,000	349,388
City of Houston Reinvestment Zone No. 10, Revenue, 2021, Refunding, 3%, 9/01/44 . . . . .	700,000	480,799
<sup>a</sup> Pecan Public Facility Corp., Revenue, 144A, 2022 A-2, 5%, 12/01/52 . . . . .	3,200,000	2,363,861
		6,975,608
<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	1,497,251
<b>Wisconsin 1.7%</b>		
<sup>a</sup> Public Finance Authority, Revenue, 144A, 2022, B-1, 4%, 12/28/44 . . . . .	1,900,000	1,470,603
AL-FL Portfolio Obligated Group, Revenue, 144A, 2021 A, 3.4%, 12/01/36 . . . . .	3,250,000	2,561,555
FAH Tree House LLC, Revenue, 144A, 2023 A, 6.5%, 8/01/53 . . . . .	1,500,000	1,457,573
Gulf Coast Portfolio Obligated Group, Revenue, 144A, 2021, 5.25%, 12/01/23 . . . . .	4,900,000	4,902,499
Pine Forest 2022 Obligated Group, Revenue, 144A, 2022 A, 6.5%, 12/01/52 . . . . .	1,500,000	1,446,668
		11,838,898
<b>U.S. Territories 4.6%</b>		
<b>Guam 0.8%</b>		
Guam Government Waterworks Authority, Revenue, 2020 A, 5%, 1/01/50 . . . . .	5,790,000	5,763,073
<b>Puerto Rico 3.8%</b>		
HTA HRRB Custodial Trust, Revenue, 2007 CC, 5.25%, 7/01/33 . . . . .	1,000,000	1,002,359
Revenue, 2007 CC, 5.25%, 7/01/36 . . . . .	6,200,000	6,248,284
HTA TRRB Custodial Trust, Revenue, 2005 L, 5.25%, 7/01/41 . . . . .	5,205,000	5,189,100
Revenue, 2007 N, 5.25%, 7/01/36 . . . . .	500,000	503,894
Puerto Rico Electric Power Authority, <sup>b,c</sup> Revenue, 6%, 7/01/41 . . . . .	527,626	527,626
<sup>b,c</sup> Revenue, 7.125%, 7/01/59 . . . . .	2,562,442	2,562,442
Revenue, VV, Refunding, NATL Insured, 5.25%, 7/01/32 . . . . .	1,750,000	1,720,318
<sup>d</sup> Revenue, WW, 5.5%, 7/01/38 . . . . .	4,690,000	1,289,750
Puerto Rico Highway & Transportation Authority, Revenue, 2022 A, 5%, 7/01/62 . . . . .	165,992	163,710
Revenue, 2022 B, Zero Cpn., 7/01/32 . . . . .	107,872	69,442
Revenue, 2022 C, Zero Cpn., 7/01/53 . . . . .	184,525	116,943
Puerto Rico Sales Tax Financing Corp., Sales Tax, Revenue, A-1, 4.75%, 7/01/53 . . . . .	1,404,000	1,316,221
Sales Tax, Revenue, A-1, 5%, 7/01/58 . . . . .	6,000,000	5,822,433
		26,532,522
<b>Total U.S. Territories</b> . . . . .		32,295,595
<b>Total Municipal Bonds (Cost \$750,774,369)</b> . . . . .		697,525,681

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

	Shares	Value
<b>Escrows and Litigation Trusts 0.0%<sup>†</sup></b>		
<sup>b,e</sup> Puerto Rico Electric Power Authority . . . . .	238,252	\$190,602
<b>Total Escrows and Litigation Trusts (Cost \$—)</b> . . . . .		<b>190,602</b>
<b>Total Long Term Investments (Cost \$750,774,369)</b> . . . . .		<b>697,716,283</b>
<b>Short Term Investments 0.3%</b>		
	<u>Principal Amount</u>	
<b>Municipal Bonds 0.3%</b>		
<b>Missouri 0.3%</b>		
<sup>f</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, 4%, 3/01/40 . . . . .	\$1,900,000	1,900,000
<b>Total Municipal Bonds (Cost \$1,900,000)</b> . . . . .		<b>1,900,000</b>
<b>Total Short Term Investments (Cost \$1,900,000)</b> . . . . .		<b>1,900,000</b>
<b>Total Investments (Cost \$752,674,369) 99.2%</b> . . . . .		<b>\$699,616,283</b>
<b>Other Assets, less Liabilities 0.8%</b> . . . . .		<b>5,727,236</b>
<b>Net Assets 100.0%</b> . . . . .		<b>\$705,343,519</b>

See Abbreviations on page 129.

<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 August 31, 2023, the aggregate value of these securities was \$25,449,515, representing 3.6% of net assets.

<sup>b</sup>Fair valued using significant unobservable inputs. See Note 10 regarding fair value measurements.

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

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

<sup>e</sup>Non-income producing.

<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 North Carolina Tax-Free Income Fund

	Six Months Ended August 31, 2023 (unaudited)	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 period)						
Net asset value, beginning of period . . . . .	\$10.25	\$11.31	\$11.62	\$11.84	\$11.30	\$11.26
Income from investment operations <sup>c</sup> :						
Net investment income <sup>d</sup> . . . . .	0.13	0.24	0.21	0.27	0.28	0.15
Net realized and unrealized gains (losses) . . . . .	(0.04)	(1.07)	(0.31)	(0.23)	0.56	0.04
Total from investment operations . . . . .	0.09	(0.83)	(0.10)	0.04	0.84	0.19
Less distributions from:						
Net investment income . . . . .	(0.13)	(0.23)	(0.21)	(0.26)	(0.30)	(0.15)
Net asset value, end of period . . . . .	\$10.21	\$10.25	\$11.31	\$11.62	\$11.84	\$11.30
Total return <sup>e</sup> . . . . .	0.87%	(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%	0.84%	0.82%	0.81%	0.82%	0.83%
Net investment income . . . . .	2.52%	2.26%	1.81%	2.27%	2.48%	2.86%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$133,094	\$133,789	\$167,474	\$145,847	\$101,981	\$49,192
Portfolio turnover rate . . . . .	7.02%	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)

	Six Months Ended August 31, 2023 (unaudited)	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 period)						
Net asset value, beginning of period . . . . .	\$10.25	\$11.31	\$11.62	\$11.84	\$11.30	\$11.28
Income from investment operations <sup>b</sup> :						
Net investment income <sup>c</sup> . . . . .	0.14	0.25	0.23	0.29	0.30	0.34
Net realized and unrealized gains (losses) . . . . .	(0.05)	(1.06)	(0.31)	(0.23)	0.56	0.03
Total from investment operations . . . . .	0.09	(0.81)	(0.08)	0.06	0.86	0.37
Less distributions from:						
Net investment income . . . . .	(0.14)	(0.25)	(0.23)	(0.28)	(0.32)	(0.35)
Net asset value, end of period . . . . .	\$10.20	\$10.25	\$11.31	\$11.62	\$11.84	\$11.30
Total return <sup>d</sup> . . . . .	0.85%	(7.17)%	(0.65)%	0.44%	7.66%	3.32%
<b>Ratios to average net assets<sup>e</sup></b>						
Expenses <sup>f</sup> . . . . .	0.69%	0.69%	0.67%	0.67%	0.67%	0.68%
Net investment income . . . . .	2.66%	2.41%	1.97%	2.44%	2.63%	3.01%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$312,748	\$339,756	\$462,916	\$521,406	\$567,825	\$577,052
Portfolio turnover rate . . . . .	7.02%	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, and is not annualized for periods less than one year.

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

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

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

	Six Months Ended August 31, 2023 (unaudited)	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 period)						
Net asset value, beginning of period . . . . .	\$10.42	\$11.49	\$11.81	\$12.04	\$11.49	\$11.46
Income from investment operations <sup>b</sup> :						
Net investment income <sup>c</sup> . . . . .	0.11	0.19	0.17	0.22	0.24	0.28
Net realized and unrealized gains (losses) . . . . .	(0.05)	(1.07)	(0.33)	(0.23)	0.56	0.03
Total from investment operations . . . . .	0.06	(0.88)	(0.16)	(0.01)	0.80	0.31
Less distributions from:						
Net investment income . . . . .	(0.11)	(0.19)	(0.16)	(0.22)	(0.25)	(0.28)
Net asset value, end of period . . . . .	\$10.37	\$10.42	\$11.49	\$11.81	\$12.04	\$11.49
Total return <sup>d</sup> . . . . .	0.55%	(7.66)%	(1.36)%	(0.11)%	7.07%	2.78%
<b>Ratios to average net assets<sup>e</sup></b>						
Expenses <sup>f</sup> . . . . .	1.23%	1.23%	1.21%	1.21%	1.22%	1.23%
Net investment income . . . . .	2.06%	1.81%	1.40%	1.87%	2.08%	2.46%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$23,697	\$27,303	\$42,794	\$63,485	\$90,244	\$105,371
Portfolio turnover rate . . . . .	7.02%	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, and is not annualized for periods less than one year.<sup>e</sup>Ratios are annualized for periods less than one year.<sup>f</sup>Benefit of expense reduction rounds to less than 0.01%.

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

	Six Months Ended August 31, 2023 (unaudited)	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 period)						
Net asset value, beginning of period . . . . .	\$10.24	\$11.30	\$11.61	\$11.84	\$11.29	\$11.27
Income from investment operations <sup>b</sup> :						
Net investment income <sup>c</sup> . . . . .	0.15	0.27	0.25	0.30	0.32	0.35
Net realized and unrealized gains (losses) . . . . .	(0.04)	(1.07)	(0.31)	(0.23)	0.56	0.03
Total from investment operations . . . . .	0.11	(0.80)	(0.06)	0.07	0.88	0.38
Less distributions from:						
Net investment income . . . . .	(0.15)	(0.26)	(0.25)	(0.30)	(0.33)	(0.36)
Net asset value, end of period . . . . .	\$10.20	\$10.24	\$11.30	\$11.61	\$11.84	\$11.29
Total return <sup>d</sup> . . . . .	1.02%	(7.05)%	(0.60)%	0.57%	7.90%	3.45%
<b>Ratios to average net assets<sup>e</sup></b>						
Expenses before waiver and payments by affiliates . . . . .	0.55%	0.56%	0.54%	0.54%	0.55%	0.56%
Expenses net of waiver and payments by affiliates <sup>f</sup> . . . . .	0.55% <sup>g</sup>	0.55%	0.53%	0.53%	0.54%	0.54%
Net investment income . . . . .	2.81%	2.56%	2.10%	2.56%	2.76%	3.15%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$19,484	\$20,233	\$23,000	\$17,426	\$10,948	\$7,776
Portfolio turnover rate . . . . .	7.02%	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 is not annualized for periods less than one year.

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

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

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

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

	Six Months Ended August 31, 2023 (unaudited)	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 period)						
Net asset value, beginning of period . . . . .	\$10.25	\$11.31	\$11.62	\$11.84	\$11.30	\$11.28
Income from investment operations <sup>b</sup> :						
Net investment income <sup>c</sup> . . . . .	0.14	0.26	0.24	0.30	0.31	0.35
Net realized and unrealized gains (losses) . . . . .	(0.04)	(1.06)	(0.31)	(0.23)	0.56	0.03
Total from investment operations . . . . .	0.10	(0.80)	(0.07)	0.07	0.87	0.38
Less distributions from:						
Net investment income . . . . .	(0.14)	(0.26)	(0.24)	(0.29)	(0.33)	(0.36)
Net asset value, end of period . . . . .	\$10.21	\$10.25	\$11.31	\$11.62	\$11.84	\$11.30
Total return <sup>d</sup> . . . . .	1.00%	(7.08)%	(0.64)%	0.63%	7.77%	3.42%
<b>Ratios to average net assets<sup>e</sup></b>						
Expenses <sup>f</sup> . . . . .	0.59%	0.59%	0.57%	0.57%	0.57%	0.58%
Net investment income . . . . .	2.77%	2.52%	2.06%	2.53%	2.73%	3.11%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$111,045	\$115,439	\$132,919	\$121,041	\$105,851	\$84,506
Portfolio turnover rate . . . . .	7.02%	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 is not annualized for periods less than one year.<sup>e</sup>Ratios are annualized for periods less than one year.<sup>f</sup>Benefit of expense reduction rounds to less than 0.01%.

## Schedule of Investments (unaudited), August 31, 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	\$1,559,353
<b>Total Corporate Bonds (Cost \$1,600,000)</b> . . . . .		<b>1,559,353</b>
<b>Municipal Bonds 97.6%</b>		
<b>California 0.3%</b>		
California Municipal Finance Authority, Revenue, 2022 A-1, 4.25%, 12/01/37 . . . . .	2,300,000	1,881,569
<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	3,831,806
<sup>b</sup> SHI - Lake Osborne LLC, Revenue, 144A, 2021 A-1, 3.68%, 1/01/57 . . . . .	1,500,000	982,097
<sup>b</sup> Leon County Housing Finance Authority, Revenue, 144A, 2022 A, Zero Cpn., 5/01/57	3,750,000	3,079,688
		<b>7,893,591</b>
<b>Illinois 0.6%</b>		
Metropolitan Pier & Exposition Authority, Revenue, 2020 A, Refunding, 5%, 6/15/50 . .	500,000	501,523
State of Illinois, GO, 2016, 5%, 11/01/34 . . . . .	1,100,000	1,120,055
GO, 2021 A, 5%, 3/01/33 . . . . .	2,000,000	2,169,887
		<b>3,791,465</b>
<b>Kentucky 0.6%</b>		
<sup>b</sup> Louisville/Jefferson County Metropolitan Government, PSG Vesta Derby Oaks LLC, Revenue, 144A, 2022 A, Zero Cpn., 5/01/52 . . . . .	5,600,000	3,649,762
<b>New Jersey 1.1%</b>		
New Jersey Economic Development Authority, Revenue, 2021 QQQ, 4%, 6/15/41 . . .	1,000,000	973,354
New Jersey Transportation Trust Fund Authority, Revenue, 2019 BB, 5%, 6/15/44 . . . . .	2,900,000	2,990,368
Revenue, 2020 AA, 3%, 6/15/50 . . . . .	500,000	364,921
Revenue, 2020 AA, 5%, 6/15/50 . . . . .	1,290,000	1,336,729
Revenue, 2022 BB, 4%, 6/15/46 . . . . .	1,000,000	938,466
		<b>6,603,838</b>
<b>New York 1.5%</b>		
Metropolitan Transportation Authority, Revenue, 2020 E, Refunding, 4%, 11/15/45 . . . . .	1,595,000	1,460,630
Revenue, 2021 A-1, 4%, 11/15/48 . . . . .	5,325,000	4,790,070
Revenue, 2021 A-2, 4%, 11/15/41 . . . . .	3,000,000	2,806,420
		<b>9,057,120</b>
<b>North Carolina 84.8%</b>		
Cape Fear Public Utility Authority, Revenue, 2019 A, Refunding, 4%, 8/01/44 . . . . .	3,070,000	3,021,653
Charlotte-Mecklenburg Hospital Authority (The), Atrium Health Obligated Group, Revenue, 2016 A, Refunding, 5%, 1/15/40 . . . . .	20,000,000	20,309,348
Atrium Health Obligated Group, Revenue, 2018 A, Refunding, 5%, 1/15/36 . . . . .	5,000,000	5,307,470
Atrium Health Obligated Group, Revenue, 2022 A, Refunding, 4%, 1/15/43 . . . . .	2,000,000	1,911,591
City of Charlotte, COP, 2019 A, Refunding, 5%, 6/01/44 . . . . .	8,250,000	8,680,572
Airport, Revenue, 2019 A, 5%, 7/01/49 . . . . .	4,460,000	4,629,080
Airport, Revenue, 2019 B, 4%, 7/01/44 . . . . .	5,515,000	5,163,826
Airport, Revenue, 2021 A, Refunding, 4%, 7/01/36 . . . . .	1,790,000	1,809,730
Airport, Revenue, 2021 A, Refunding, 4%, 7/01/39 . . . . .	6,000,000	5,944,190
Airport, Revenue, 2021 A, Refunding, 4%, 7/01/40 . . . . .	9,030,000	8,880,049
Airport, Revenue, 2021 A, Refunding, 4%, 7/01/41 . . . . .	2,410,000	2,353,312
Water & Sewer System, Revenue, 2018, Refunding, 4%, 7/01/38 . . . . .	4,150,000	4,152,515

**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, 2020, Refunding, 2%, 7/01/41 .....	\$500,000	\$339,024
City of Fayetteville, Public Works Commission, Revenue, 2018, Refunding, 4%, 3/01/41 .....	4,015,000	3,966,076
City of Greensboro, Combined Water & Sewer System, Revenue, 2020 A, Refunding, 4%, 6/01/45 .....	4,500,000	4,419,180
City of Raleigh,		
GO, 2023 A, Refunding, 5%, 4/01/41 .....	1,775,000	1,974,930
Combined Enterprise System, Revenue, 2016 A, 4%, 3/01/46 .....	3,000,000	2,946,245
Combined Enterprise System, Revenue, 2016 B, Refunding, 4%, 3/01/34 .....	1,000,000	1,019,548
Combined Enterprise System, Revenue, 2023, Refunding, 4%, 9/01/53 .....	9,305,000	8,942,614
City of Salisbury, Combined Enterprise System, Revenue, 2020, Refunding, 5%, 2/01/45 .....	1,000,000	1,055,658
City of Winston-Salem,		
Water & Sewer System, Revenue, 2016 A, Refunding, 4%, 6/01/34 .....	1,350,000	1,367,002
Water & Sewer System, Revenue, 2017, 4%, 6/01/47 .....	10,000,000	9,734,258
County of Brunswick, GO, 2022, 4%, 8/01/39 .....	1,550,000	1,551,109
County of Catawba, Revenue, 2023, 4%, 4/01/43 .....	400,000	391,719
County of Dare,		
Revenue, 2021 A, 3%, 6/01/38 .....	375,000	320,944
Revenue, 2021 A, 3%, 6/01/39 .....	585,000	492,638
Revenue, 2021 A, 3%, 6/01/40 .....	250,000	207,315
Revenue, 2021 A, 3%, 6/01/41 .....	450,000	367,795
County of Durham,		
GO, 2019, 4%, 6/01/36 .....	500,000	512,796
GO, 2019, 4%, 6/01/37 .....	450,000	457,778
GO, 2019, 4%, 6/01/39 .....	700,000	700,323
GO, 2021, Refunding, 5%, 6/01/31 .....	750,000	862,579
GO, 2021, Refunding, 5%, 6/01/32 .....	625,000	718,316
County of Forsyth, GO, 2023 A, 4%, 6/01/42 .....	1,000,000	996,042
County of Guilford, GO, 2017 B, 4%, 5/01/33 .....	5,000,000	5,106,211
County of Johnston, Water & Sewer System, Revenue, 2023, 4%, 4/01/53 .....	1,150,000	1,088,782
County of Lincoln,		
Enterprise System, Revenue, 2020, Refunding, 3%, 8/01/38 .....	400,000	341,475
Enterprise System, Revenue, 2020, Refunding, 3%, 8/01/41 .....	480,000	391,276
County of Mecklenburg, GO, 2017 A, 4%, 4/01/30 .....	5,000,000	5,155,369
County of New Hanover,		
GO, 2021 A, Refunding, 4%, 8/01/29 .....	760,000	805,745
GO, 2021 A, Refunding, 4%, 8/01/30 .....	605,000	647,568
Revenue, 2021, Refunding, 5%, 8/01/30 .....	3,375,000	3,802,245
New Hanover Regional Medical Center, Revenue, 2017, Pre-Refunded, 5%, 10/01/42 .....	5,000,000	5,373,040
New Hanover Regional Medical Center, Revenue, 2017, Pre-Refunded, 5%, 10/01/47 .....	13,565,000	14,577,058
County of Union, Enterprise System, Revenue, 2021, 4%, 6/01/32 .....	1,050,000	1,113,281
County of Wake,		
GO, 2019 A, 5%, 3/01/32 .....	7,870,000	8,702,150
Revenue, 2021, 3%, 3/01/35 .....	5,535,000	5,115,149
Revenue, 2021, 3%, 3/01/36 .....	6,000,000	5,416,581
Greater Asheville Regional Airport Authority, Revenue, 2023, AGMC Insured, 5.25%, 7/01/53 .....	2,500,000	2,606,934
North Carolina Capital Facilities Finance Agency,		
Campbell University, Inc., Revenue, 2021 A, Refunding, 5%, 10/01/25 .....	1,700,000	1,724,073
Campbell University, Inc., Revenue, 2021 A, Refunding, 5%, 10/01/27 .....	400,000	413,246
Campbell University, Inc., Revenue, 2021 A, Refunding, 5%, 10/01/28 .....	500,000	520,855
Campbell University, Inc., Revenue, 2021 A, Refunding, 5%, 10/01/29 .....	550,000	576,599
Campbell University, Inc., Revenue, 2021 A, Refunding, 5%, 10/01/30 .....	500,000	526,847

**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, 5%, 10/01/31	\$1,855,000	\$1,964,238
Campbell University, Inc., Revenue, 2021 A, Refunding, 5%, 10/01/32	1,000,000	1,055,500
Campbell University, Inc., Revenue, 2021 A, Refunding, 5%, 10/01/33	1,670,000	1,756,820
Campbell University, Inc., Revenue, 2021 A, Refunding, 4%, 10/01/34	740,000	715,185
Campbell University, Inc., Revenue, 2021 A, Refunding, 4%, 10/01/35	360,000	342,463
Duke University, Revenue, 2015 B, Pre-Refunded, 5%, 10/01/41	13,585,000	14,063,745
Duke University, Revenue, 2016 B, Refunding, 5%, 10/01/40	2,500,000	2,602,525
Duke University, Revenue, 2016 B, Refunding, 5%, 7/01/42	7,500,000	7,783,226
Duke University, Revenue, 2016 B, Refunding, 4%, 10/01/44	5,085,000	4,961,125
Duke University, Revenue, 2016 B, Refunding, 5%, 10/01/44	11,000,000	11,395,978
High Point University, Revenue, 2021, Refunding, 4%, 5/01/32	2,000,000	2,030,884
High Point University, Revenue, 2021, Refunding, 4%, 5/01/33	1,000,000	1,012,714
High Point University, Revenue, 2021, Refunding, 4%, 5/01/34	2,270,000	2,291,051
Wake Forest University, Revenue, 2016, Refunding, 4%, 1/01/35	5,000,000	5,053,780
Wake Forest University, Revenue, 2016, Refunding, 4%, 1/01/38	5,500,000	5,405,722
Wake Forest University, Revenue, 2016, Refunding, 4%, 1/01/39	5,250,000	5,139,629
Wake Forest University, Revenue, 2018, 4%, 1/01/48	10,000,000	9,284,164
Wake Forest University, Revenue, 2018, 5%, 1/01/48	13,500,000	14,049,373
North Carolina Central University,		
Revenue, 2019, AGMC Insured, 5%, 4/01/44	1,575,000	1,644,344
Revenue, 2019, 4%, 4/01/49	1,000,000	866,366
North Carolina Housing Finance Agency,		
Revenue, 41, GNMA Insured, 3.55%, 7/01/44	4,195,000	3,857,888
Revenue, 41, GNMA Insured, 3.625%, 7/01/49	6,435,000	5,967,046
Revenue, 42, GNMA Insured, 2.45%, 7/01/34	750,000	600,345
Revenue, 42, GNMA Insured, 2.625%, 7/01/39	3,035,000	2,410,561
Revenue, 42, GNMA Insured, 2.85%, 1/01/43	2,660,000	2,101,650
Revenue, 43, GNMA Insured, 2.8%, 1/01/40	4,715,000	3,938,558
Revenue, 43, GNMA Insured, 2.95%, 7/01/43	2,170,000	1,687,114
Revenue, 44, 3%, 7/01/46	2,740,000	2,083,023
Revenue, 45, Refunding, GNMA Insured, 2.2%, 7/01/40	1,805,000	1,256,224
Revenue, 46-A, GNMA Insured, 1.55%, 1/01/30	2,100,000	1,799,267
Revenue, 46-A, GNMA Insured, 1.75%, 1/01/31	975,000	827,811
North Carolina Medical Care Commission,		
Caromont Health Obligated Group, Revenue, 2021 A, 4%, 2/01/36	1,675,000	1,680,489
Duke University Health System, Inc., Revenue, 2016 D, Refunding, 4%, 6/01/42	7,000,000	6,592,533
EveryAge Obligated Group, Revenue, 2021 A, Refunding, 4%, 9/01/47	2,935,000	2,277,369
EveryAge Obligated Group, Revenue, 2021 A, Refunding, 4%, 9/01/51	960,000	723,274
Forest at Duke, Inc. Obligated Group, Revenue, 2021, 4%, 9/01/33	180,000	170,597
Forest at Duke, Inc. Obligated Group, Revenue, 2021, 4%, 9/01/34	185,000	173,832
Forest at Duke, Inc. Obligated Group, Revenue, 2021, 4%, 9/01/41	920,000	773,878
Forest at Duke, Inc. Obligated Group, Revenue, 2021, 4%, 9/01/46	1,665,000	1,333,932
Forest at Duke, Inc. Obligated Group, Revenue, 2021, 4%, 9/01/51	1,670,000	1,288,703
Friends Homes Obligated Group, Revenue, 2020 A, 4%, 9/01/50	3,000,000	2,190,083
Novant Health Obligated Group, Revenue, 2013 A, Refunding, 5%, 11/01/46	20,000,000	20,003,796
Novant Health Obligated Group, Revenue, 2019 A, 4%, 11/01/49	6,115,000	5,764,739
Novant Health Obligated Group, Revenue, 2019 A, 4%, 11/01/52	6,640,000	6,166,555
Pines at Davidson, Inc. Obligated Group, Revenue, 2019 A, 5%, 1/01/34	2,050,000	2,060,134
Pines at Davidson, Inc. Obligated Group, Revenue, 2019 A, 5%, 1/01/49	5,000,000	4,615,233
Plantation Village, Inc. Obligated Group, Revenue, 2021 A, Refunding, 4%, 1/01/41	1,020,000	818,083
Plantation Village, Inc. Obligated Group, Revenue, 2021 A, Refunding, 4%, 1/01/52	3,510,000	2,518,054
Presbyterian Homes Obligated Group, Revenue, 2016 C, Refunding, 5%, 10/01/31	5,000,000	5,075,118
Presbyterian Homes Obligated Group, Revenue, 2020 A, 4%, 10/01/45	1,000,000	821,806
Presbyterian Homes Obligated Group, Revenue, 2020 A, 5%, 10/01/45	4,220,000	4,115,201
Presbyterian Homes Obligated Group, Revenue, 2020 A, 4%, 10/01/50	1,350,000	1,066,523
Presbyterian Homes Obligated Group, Revenue, 2020 A, 5%, 10/01/50	1,400,000	1,339,927



**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)		
Rex Hospital, Inc. Obligated Group, Revenue, 2020 A, 4%, 7/01/49	\$4,000,000	\$3,568,441
United Methodist Retirement Homes, Inc. Obligated Group (The), Revenue, 2017 A, Pre-Refunded, 5%, 10/01/37	200,000	206,212
Vidant Health Obligated Group, Revenue, 2015, Refunding, 5%, 6/01/40	5,000,000	4,999,958
Wake Forest Baptist Obligated Group, Revenue, 2019 A, 5%, 12/01/33	1,000,000	1,068,467
North Carolina Municipal Power Agency No. 1, Revenue, 2015 A, Refunding, 5%, 1/01/32	4,200,000	4,319,374
North Carolina State Education Assistance Authority,		
Revenue, Senior Lien, 2020 A, 5%, 6/01/25	125,000	127,289
Revenue, Senior Lien, 2020 A, 5%, 6/01/26	300,000	309,035
Revenue, Senior Lien, 2020 A, 5%, 6/01/27	450,000	469,414
Revenue, Senior Lien, 2020 A, 5%, 6/01/28	500,000	527,114
Revenue, Senior Lien, 2020 A, 5%, 6/01/29	350,000	372,100
Revenue, Senior Lien, 2020 A, 3.125%, 6/01/39	835,000	779,953
North Carolina Turnpike Authority,		
Revenue, 2016 A, Refunding, 5%, 7/01/47	2,500,000	2,518,969
Revenue, 2018 A, Refunding, 4%, 1/01/36	9,875,000	10,006,272
Revenue, 2018 A, Refunding, 4%, 1/01/39	9,815,000	9,725,775
Revenue, 2021, Refunding, 5%, 7/01/35	1,300,000	1,464,357
Revenue, 2021, Refunding, 5%, 7/01/36	1,750,000	1,952,923
Revenue, 2021, Refunding, 5%, 7/01/37	1,770,000	1,957,370
Revenue, 2021, Refunding, 5%, 7/01/38	1,250,000	1,373,235
Revenue, 2021, Refunding, 5%, 7/01/39	1,500,000	1,640,917
Revenue, 2021, Refunding, 5%, 7/01/40	1,270,000	1,384,102
Revenue, 2021, Refunding, 5%, 7/01/41	2,000,000	2,172,511
Revenue, Senior Lien, 2017, Refunding, AGMC Insured, 5%, 1/01/31	1,000,000	1,051,012
Revenue, Senior Lien, 2019, AGMC Insured, 5%, 1/01/49	15,430,000	15,801,008
Revenue, Senior Lien, 2019, 4%, 1/01/55	5,000,000	4,496,555
Raleigh Durham Airport Authority,		
Revenue, 2015 A, Refunding, 5%, 5/01/27	350,000	358,926
Revenue, 2015 A, Refunding, 5%, 5/01/30	550,000	564,714
Revenue, 2020 A, Refunding, 5%, 5/01/36	2,580,000	2,733,783
State of North Carolina,		
GO, 2019 B, 5%, 6/01/29	2,500,000	2,784,677
GO, 2020 A, 5%, 6/01/31	2,500,000	2,834,503
Highway Trust Fund, Revenue, 2020 B, 4%, 5/01/35	2,750,000	2,849,353
Town of Cary, Combined Utility Systems, Revenue, 2017 B, Refunding, 4%, 12/01/42	8,000,000	7,914,950
Town of Oak Island, Enterprise System, Revenue, 2017, Refunding, AGMC Insured, 5%, 6/01/33	1,000,000	1,061,930
University of North Carolina at Chapel Hill,		
Revenue, 2021 B, Refunding, 5%, 12/01/34	1,225,000	1,403,912
Revenue, 2021 B, Refunding, 5%, 12/01/37	2,180,000	2,429,279
Hospitals at Chapel Hill, Revenue, 2016, 5%, 2/01/46	4,265,000	4,334,251
Hospitals at Chapel Hill, Revenue, 2019, 5%, 2/01/49	2,850,000	3,061,246
University of North Carolina Hospitals at Chapel Hill, Revenue, 2019, 5%, 2/01/45	4,010,000	4,343,838
University of North Carolina at Charlotte (The),		
Revenue, 2014, Pre-Refunded, 5%, 4/01/43	5,000,000	5,049,056
Revenue, 2017, 5%, 10/01/47	7,500,000	7,770,730
Revenue, 2017 A, Refunding, 4%, 10/01/40	2,250,000	2,232,895
Revenue, 2020 A, Refunding, 4%, 10/01/40	290,000	287,795
University of North Carolina at Greensboro,		
Revenue, 2017, Refunding, 4%, 4/01/35	1,205,000	1,216,598
Revenue, 2017, Refunding, 4%, 4/01/36	1,000,000	1,004,919
Revenue, 2018, 5%, 4/01/43	2,500,000	2,623,610

**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 Wilmington, Revenue, 2015, Refunding, 5%, 6/01/37 . . . . .	\$3,000,000	\$3,041,539
University of North Carolina System, Appalachian State University, Revenue, 2008 A, AGMC Insured, 5%, 10/01/33 . . . . .	160,000	160,027
Western Carolina University, Revenue, 2020 B, 3%, 4/01/36 . . . . .	1,000,000	902,062
Revenue, 2020 B, 4%, 4/01/50 . . . . .	5,000,000	4,729,202
		<u>509,016,045</u>
<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	1,260,983
AHPC Vista Towers 2021 LLC, Revenue, 2021 A-1, 3.65%, 12/01/36 . . . . .	1,600,000	1,257,238
<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	1,874,674
		<u>4,392,895</u>
<b>Texas 0.7%</b>		
<sup>b</sup> EP Cimarron Ventanas PFC, Revenue, Senior Lien, 144A, 2021 A, 4%, 12/01/51 . . . . .	2,100,000	1,483,240
Lake Houston Redevelopment Authority, City of Houston Reinvestment Zone No. 10, Revenue, 2021, Refunding, 4%, 9/01/32 . . . . .	200,000	189,665
City of Houston Reinvestment Zone No. 10, Revenue, 2021, Refunding, 4%, 9/01/33 . . . . .	200,000	188,653
<sup>b</sup> Pecan Public Facility Corp., Revenue, 144A, 2022 A-2, 5%, 12/01/52 . . . . .	2,800,000	2,068,379
		<u>3,929,937</u>
<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	1,260,843
<b>Wisconsin 0.9%</b>		
<sup>b</sup> Public Finance Authority, Revenue, 144A, 2022, B-1, 4%, 12/28/44 . . . . .	1,600,000	1,238,403
Gulf Coast Portfolio Obligated Group, Revenue, 144A, 2021, 5.25%, 12/01/23 . . . . .	4,200,000	4,202,142
		<u>5,440,545</u>
<b>U.S. Territories 4.9%</b>		
<b>Guam 0.8%</b>		
Antonio B Won Pat International Airport Authority, Revenue, 2023 A, Refunding, 5.25%, 10/01/30 . . . . .	750,000	758,947
Revenue, 2023 A, Refunding, 5.125%, 10/01/34 . . . . .	390,000	387,052
Revenue, 2023 A, Refunding, 5.25%, 10/01/35 . . . . .	265,000	262,238
Guam Government Waterworks Authority, Revenue, 2020 A, 5%, 1/01/50 . . . . .	3,205,000	3,190,095
		<u>4,598,332</u>
<b>Puerto Rico 4.1%</b>		
Commonwealth of Puerto Rico, <sup>c</sup> GO, FRN, Zero Cpn., 11/01/43 . . . . .	110,346	56,966
GO, 2022 A-1, 5.625%, 7/01/27 . . . . .	25,850	26,960
GO, 2022 A-1, 5.625%, 7/01/29 . . . . .	25,431	26,907
GO, 2022 A-1, 5.75%, 7/01/31 . . . . .	24,701	26,716
GO, 2022 A-1, 4%, 7/01/33 . . . . .	23,423	21,933
GO, 2022 A-1, 4%, 7/01/35 . . . . .	21,054	19,350
GO, 2022 A-1, 4%, 7/01/37 . . . . .	18,070	16,258
GO, 2022 A-1, 4%, 7/01/41 . . . . .	24,568	21,245
GO, 2022 A-1, 4%, 7/01/46 . . . . .	25,551	21,271
GO, 2022 A-1, Zero Cpn., 7/01/24 . . . . .	3,797	3,659
GO, 2022 A-1, Zero Cpn., 7/01/33 . . . . .	30,143	18,366

**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)		
HTA TRRB Custodial Trust,		
Revenue, 2005 L, 5.25%, 7/01/41 .....	\$2,000,000	\$1,993,891
Revenue, 2007 N, 5.25%, 7/01/36 .....	300,000	302,336
Puerto Rico Electric Power Authority,		
<sup>a,d</sup> Revenue, 6%, 7/01/41 .....	462,937	462,937
<sup>a,d</sup> Revenue, 7.125%, 7/01/59 .....	2,248,276	2,248,276
Revenue, VV, Refunding, NATL Insured, 5.25%, 7/01/32 .....	1,500,000	1,474,558
<sup>e</sup> Revenue, XX, 5.25%, 7/01/40 .....	4,120,000	1,133,000
Puerto Rico Highway & Transportation Authority,		
Revenue, 2022 A, 5%, 7/01/62 .....	596,256	588,058
Revenue, 2022 B, Zero Cpn., 7/01/32 .....	387,485	249,443
Revenue, 2022 C, Zero Cpn., 7/01/53 .....	662,828	420,067
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	471,493
Hospital Auxilio Mutuo Obligated Group, Revenue, 2021, Refunding, 4%, 7/01/41 ..	220,000	193,802
Puerto Rico Sales Tax Financing Corp.,		
Sales Tax, Revenue, A-1, 5%, 7/01/58 .....	12,890,000	12,508,527
Sales Tax, Revenue, A-2, 4.329%, 7/01/40 .....	2,000,000	1,899,211
		24,205,230
<b>Total U.S. Territories</b> .....		28,803,562
<b>Total Municipal Bonds (Cost \$629,964,232)</b> .....		<b>585,721,172</b>
	<b>Shares</b>	
<b>Escrows and Litigation Trusts 0.0%<sup>†</sup></b>		
<sup>a,f</sup> Puerto Rico Electric Power Authority .....	209,296	167,437
<b>Total Escrows and Litigation Trusts (Cost \$—)</b> .....		<b>167,437</b>
<b>Total Long Term Investments (Cost \$631,564,232)</b> .....		<b>587,447,962</b>
<b>Short Term Investments 1.0%</b>		
	<b>Principal Amount</b>	
<b>Municipal Bonds 1.0%</b>		
<b>North Carolina 1.0%</b>		
<sup>g</sup> Charlotte-Mecklenburg Hospital Authority (The),		
Atrium Health Obligated Group, Revenue, 2007 C, Refunding, SPA JPMorgan Chase Bank NA, Daily VRDN and Put, 4%, 1/15/37 .....	800,000	800,000
Atrium Health Obligated Group, Revenue, 2018 H, SPA JPMorgan Chase Bank NA, Daily VRDN and Put, 4%, 1/15/48 .....	5,400,000	5,400,000
		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 \$637,764,232) 98.9%</b> .....		<b>\$593,647,962</b>
<b>Other Assets, less Liabilities 1.1%</b> .....		<b>6,419,118</b>
<b>Net Assets 100.0%</b> .....		<b>\$600,067,080</b>

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

See Abbreviations on page 129.

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

<sup>a</sup> Fair valued using significant unobservable inputs. See Note 10 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 August 31, 2023, the aggregate value of these securities was \$21,100,211, representing 3.5% of net assets.

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

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

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

<sup>f</sup> Non-income producing.

<sup>g</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

	Six Months Ended August 31, 2023 (unaudited)	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 period)						
Net asset value, beginning of period . . . . .	\$9.72	\$10.79	\$11.13	\$11.42	\$10.92	\$10.87
Income from investment operations <sup>c</sup> :						
Net investment income <sup>d</sup> . . . . .	0.13	0.23	0.19	0.22	0.28	0.15
Net realized and unrealized gains (losses) . . . . .	(0.05)	(1.08)	(0.34)	(0.29)	0.52	0.05
Total from investment operations . . . . .	0.08	(0.85)	(0.15)	(0.07)	0.80	0.20
Less distributions from:						
Net investment income . . . . .	(0.13)	(0.22)	(0.19)	(0.22)	(0.30)	(0.15)
Net asset value, end of period . . . . .	\$9.67	\$9.72	\$10.79	\$11.13	\$11.42	\$10.92
Total return <sup>e</sup> . . . . .	0.79%	(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%	0.86%	0.84%	0.84%	0.84%	0.84%
Net investment income . . . . .	2.59%	2.28%	1.71%	1.97%	2.54%	3.01%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$83,408	\$87,137	\$108,135	\$107,395	\$77,058	\$39,565
Portfolio turnover rate . . . . .	6.63%	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)

	Six Months Ended August 31, 2023 (unaudited)	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 period)						
Net asset value, beginning of period . . . . .	\$9.72	\$10.79	\$11.12	\$11.42	\$10.91	\$10.91
Income from investment operations <sup>b</sup> :						
Net investment income <sup>c</sup> . . . . .	0.14	0.24	0.21	0.24	0.30	0.34
Net realized and unrealized gains (losses) . . . . .	(0.05)	(1.07)	(0.33)	(0.30)	0.52	— <sup>d</sup>
Total from investment operations . . . . .	0.09	(0.83)	(0.12)	(0.06)	0.82	0.34
Less distributions from:						
Net investment income . . . . .	(0.14)	(0.24)	(0.21)	(0.24)	(0.31)	(0.34)
Net asset value, end of period . . . . .	\$9.67	\$9.72	\$10.79	\$11.12	\$11.42	\$10.91
Total return <sup>e</sup> . . . . .	0.87%	(7.71)%	(1.15)%	(0.52)%	7.66%	3.22%
<b>Ratios to average net assets<sup>f</sup></b>						
Expenses <sup>g</sup> . . . . .	0.71%	0.71%	0.69%	0.69%	0.69%	0.69%
Net investment income . . . . .	2.74%	2.42%	1.86%	2.15%	2.69%	3.16%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$221,182	\$235,354	\$316,275	\$353,874	\$398,547	\$402,739
Portfolio turnover rate . . . . .	6.63%	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, 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)

	Six Months Ended August 31, 2023 (unaudited)	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 period)						
Net asset value, beginning of period . . . . .	\$9.89	\$10.98	\$11.32	\$11.62	\$11.10	\$11.09
Income from investment operations <sup>b</sup> :						
Net investment income <sup>c</sup> . . . . .	0.11	0.18	0.15	0.18	0.24	0.29
Net realized and unrealized gains (losses)	(0.05)	(1.09)	(0.34)	(0.30)	0.54	— <sup>d</sup>
Total from investment operations . . . . .	0.06	(0.91)	(0.19)	(0.12)	0.78	0.29
Less distributions from:						
Net investment income . . . . .	(0.11)	(0.18)	(0.15)	(0.18)	(0.26)	(0.28)
Net asset value, end of period . . . . .	\$9.84	\$9.89	\$10.98	\$11.32	\$11.62	\$11.10
Total return <sup>e</sup> . . . . .	0.57%	(8.27)%	(1.76)%	(1.05)%	7.07%	2.68%
<b>Ratios to average net assets<sup>f</sup></b>						
Expenses <sup>g</sup> . . . . .	1.25%	1.25%	1.23%	1.24%	1.24%	1.24%
Net investment income . . . . .	2.13%	1.80%	1.27%	1.58%	2.14%	2.61%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$10,541	\$12,400	\$20,687	\$38,151	\$52,357	\$62,041
Portfolio turnover rate . . . . .	6.63%	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, 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)

	Six Months Ended August 31, 2023 (unaudited)	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 period)						
Net asset value, beginning of period . . . . .	\$9.72	\$10.80	\$11.13	\$11.43	\$10.92	\$10.91
Income from investment operations <sup>b</sup> :						
Net investment income <sup>c</sup> . . . . .	0.14	0.26	0.22	0.25	0.32	0.36
Net realized and unrealized gains (losses) . . . . .	(0.05)	(1.09)	(0.32)	(0.29)	0.52	0.01
Total from investment operations . . . . .	0.09	(0.83)	(0.10)	(0.04)	0.84	0.37
Less distributions from:						
Net investment income . . . . .	(0.14)	(0.25)	(0.23)	(0.26)	(0.33)	(0.36)
Net asset value, end of period . . . . .	\$9.67	\$9.72	\$10.80	\$11.13	\$11.43	\$10.92
Total return <sup>d</sup> . . . . .	0.94%	(7.66)%	(1.00)%	(0.38)%	7.80%	3.44%
<b>Ratios to average net assets<sup>e</sup></b>						
Expenses before waiver and payments by affiliates . . . . .	0.57%	0.58%	0.56%	0.57%	0.56%	0.57%
Expenses net of waiver and payments by affiliates <sup>f</sup> . . . . .	0.57% <sup>g</sup>	0.56%	0.55%	0.55%	0.55%	0.55%
Net investment income . . . . .	2.88%	2.61%	2.00%	2.27%	2.83%	3.30%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$9,450	\$6,243	\$7,778	\$6,812	\$5,829	\$4,947
Portfolio turnover rate . . . . .	6.63%	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>Total return is not annualized for periods less than one year.

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

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

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



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

	Six Months Ended August 31, 2023 (unaudited)	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 period)						
Net asset value, beginning of period . . . . .	\$9.73	\$10.80	\$11.13	\$11.43	\$10.92	\$10.92
Income from investment operations <sup>b</sup> :						
Net investment income <sup>c</sup> . . . . .	0.14	0.25	0.22	0.25	0.31	0.35
Net realized and unrealized gains (losses)	(0.05)	(1.07)	(0.33)	(0.30)	0.53	0.01
Total from investment operations . . . . .	0.09	(0.82)	(0.11)	(0.05)	0.84	0.36
Less distributions from:						
Net investment income . . . . .	(0.14)	(0.25)	(0.22)	(0.25)	(0.33)	(0.36)
Net asset value, end of period . . . . .	\$9.68	\$9.73	\$10.80	\$11.13	\$11.43	\$10.92
Total return <sup>d</sup> . . . . .	0.92%	(7.61)%	(1.05)%	(0.42)%	7.76%	3.32%
<b>Ratios to average net assets<sup>e</sup></b>						
Expenses <sup>f</sup> . . . . .	0.61%	0.61%	0.59%	0.59%	0.59%	0.59%
Net investment income . . . . .	2.84%	2.54%	1.96%	2.23%	2.79%	3.26%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$109,146	\$111,733	\$138,033	\$128,837	\$109,844	\$84,880
Portfolio turnover rate . . . . .	6.63%	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>Total return is not annualized for periods less than one year.<sup>e</sup>Ratios are annualized for periods less than one year.<sup>f</sup>Benefit of expense reduction rounds to less than 0.01%.

## Schedule of Investments (unaudited), August 31, 2023

## Franklin Virginia Tax-Free Income Fund

	Principal Amount	Value
<b>Municipal Bonds 98.1%</b>		
<b>California 0.2%</b>		
California Municipal Finance Authority, Revenue, 2022 A-1, 4.25%, 12/01/37 . . . . .	\$1,000,000	\$818,073
<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	2,829,641
<sup>a</sup> SHI - Lake Osborne LLC, Revenue, 144A, 2021 A-1, 3.68%, 1/01/57 . . . . .	1,100,000	720,205
		3,549,846
<b>Illinois 0.6%</b>		
Metropolitan Pier & Exposition Authority, Revenue, 2020 A, Refunding, 5%, 6/15/50 . .	1,500,000	1,504,568
State of Illinois, GO, 2017 D, 5%, 11/01/26 . . . . .	1,000,000	1,039,504
		2,544,072
<b>New Jersey 1.1%</b>		
New Jersey Transportation Trust Fund Authority, Revenue, 2018 A, Refunding, 5%, 12/15/32 . . . . .	3,460,000	3,702,060
Revenue, 2022 A, 4%, 6/15/41 . . . . .	1,000,000	967,270
		4,669,330
<b>New York 0.3%</b>		
Metropolitan Transportation Authority, Revenue, 2021 A-1, 4%, 11/15/46 . . . . .	1,350,000	1,228,539
<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	945,737
AHPC Vista Towers 2021 LLC, Revenue, 2021 A-1, 3.65%, 12/01/36 . . . . .	1,200,000	942,928
<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	1,499,740
		3,388,405
<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	1,130,088
Lake Houston Redevelopment Authority, City of Houston Reinvestment Zone No. 10, Revenue, 2021, Refunding, 5%, 9/01/28	225,000	228,356
City of Houston Reinvestment Zone No. 10, Revenue, 2021, Refunding, 5%, 9/01/29	250,000	253,573
<sup>a</sup> Pecan Public Facility Corp., Revenue, 144A, 2022 A-2, 5%, 12/01/52 . . . . .	2,100,000	1,551,284
		3,163,301
<b>Virginia 81.1%</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	1,098,537
Westminster Canterbury of the Blue Ridge Obligated Group, Revenue, 2022 A, Refunding, 4%, 6/01/31 . . . . .	1,165,000	1,137,638
Westminster Canterbury of the Blue Ridge Obligated Group, Revenue, 2022 A, Refunding, 4%, 6/01/32 . . . . .	1,105,000	1,074,722
Westminster Canterbury of the Blue Ridge Obligated Group, Revenue, 2022 A, Refunding, 4%, 6/01/33 . . . . .	1,260,000	1,221,329
Westminster Canterbury of the Blue Ridge Obligated Group, Revenue, 2022 A, Refunding, 4%, 6/01/42 . . . . .	2,725,000	2,404,954
Westminster Canterbury of the Blue Ridge Obligated Group, Revenue, 2022 A, Refunding, 4%, 6/01/49 . . . . .	2,800,000	2,339,987
Westminster Canterbury of the Blue Ridge Obligated Group, Revenue, 2022 B, Refunding, 4%, 6/01/54 . . . . .	5,215,000	4,218,674
Alexandria Industrial Development Authority, Goodwin House, Inc. Obligated Group, Revenue, 2015, Pre-Refunded, 5%, 10/01/45	975,000	1,008,369

**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	\$2,247,477
Arlington County Industrial Development Authority, Virginia Hospital Center Arlington Health System, Revenue, 2020, Refunding, 4%, 7/01/45 . . . . .	2,000,000	1,840,852
Virginia Hospital Center Arlington Health System, Revenue, 2020, Refunding, 3.75%, 7/01/50 . . . . .	10,350,000	8,917,028
Chesapeake Hospital Authority, Chesapeake Hospital Authority Obligated Group, Revenue, 2019, Refunding, 4%, 7/01/39 . . . . .	1,000,000	932,964
Chesapeake Hospital Authority Obligated Group, Revenue, 2019, Refunding, 4%, 7/01/43 . . . . .	4,000,000	3,654,665
City of Hopewell, Sewer System, Revenue, 2011 A, Refunding, 5%, 7/15/42 . . . . .	4,850,000	4,705,686
City of Norfolk, Water, Revenue, 2018, 5%, 11/01/43 . . . . .	6,920,000	7,238,335
Water, Revenue, 2018, 5%, 11/01/47 . . . . .	6,925,000	7,208,604
City of Richmond, Public Utility, Revenue, 2016 A, Refunding, 5%, 1/15/33 . . . . .	10,000,000	10,369,888
Commonwealth of Virginia, GO, 2020 A, 4%, 6/01/31 . . . . .	2,710,000	2,882,404
GO, 2022 A, 5%, 6/01/52 . . . . .	2,445,000	2,652,857
County of Arlington, GO, 2019, 4%, 6/15/34 . . . . .	2,000,000	2,090,633
County of Fairfax, GO, 2023 A, 4%, 10/01/40 . . . . .	3,000,000	2,991,525
Sewer, Revenue, 2017, 5%, 7/15/37 . . . . .	2,760,000	2,922,564
Sewer, Revenue, 2021 A, 5%, 7/15/46 . . . . .	2,500,000	2,702,181
Fairfax County Economic Development Authority, Revenue, 2017, 5%, 4/01/42 . . . . .	5,085,000	5,254,518
Goodwin House, Inc. Obligated Group, Revenue, 2016 A, Pre-Refunded, 5%, 10/01/36 . . . . .	4,865,000	5,025,120
Fairfax County Industrial Development Authority, Inova Health System Obligated Group, Revenue, 2014 A, 5%, 5/15/44 . . . . .	2,500,000	2,511,813
Fairfax County Water Authority, Revenue, 2017, Refunding, 5%, 4/01/43 . . . . .	3,510,000	3,655,437
Revenue, 2017, Refunding, 5%, 4/01/46 . . . . .	5,000,000	5,184,706
Farmville Industrial Development Authority, Elwood Place LLC, Revenue, 2021, AGMC Insured, 5.375%, 7/01/53 . . . . .	5,000,000	5,191,779
Longwood Housing Foundation LLC, Revenue, 2018 A, Refunding, 5%, 1/01/48 . . . . .	5,000,000	4,505,650
Hampton Roads Sanitation District, Revenue, 2016 A, Pre-Refunded, 5%, 8/01/33 . . . . .	5,115,000	5,380,793
Revenue, 2016 A, Pre-Refunded, 5%, 8/01/43 . . . . .	11,840,000	12,455,248
Hampton Roads Transportation Accountability Commission, Revenue, Senior Lien, 2018 A, 5%, 7/01/48 . . . . .	9,495,000	9,888,553
Revenue, Senior Lien, 2018 A, Pre-Refunded, 5%, 7/01/48 . . . . .	5,505,000	5,955,038
Revenue, Senior Lien, 2020 A, 5%, 7/01/50 . . . . .	4,000,000	4,236,750
Revenue, Senior Lien, 2020 A, 5%, 7/01/60 . . . . .	4,885,000	5,146,921
Henrico County Economic Development Authority, Westminster-Canterbury Corp. Obligated Group, Revenue, 2020, Refunding, 4%, 10/01/40 . . . . .	500,000	449,537
Westminster-Canterbury Corp. Obligated Group, Revenue, 2020, Refunding, 4%, 10/01/45 . . . . .	725,000	629,115
Westminster-Canterbury Corp. Obligated Group, Revenue, 2020, Refunding, 4%, 10/01/50 . . . . .	1,500,000	1,260,813
Westminster-Canterbury Corp. Obligated Group, Revenue, 2022 A, 5%, 10/01/42 . . . . .	1,125,000	1,141,358
Westminster-Canterbury Corp. Obligated Group, Revenue, 2022 A, 5%, 10/01/52 . . . . .	5,000,000	4,971,290

**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	\$595,746
Lexington Retirement Community Obligated Group, Revenue, 2022, Refunding, 4%, 1/01/42 . . . . .	1,120,000	921,859
Lexington Retirement Community Obligated Group, Revenue, 2022, Refunding, 4%, 1/01/48 . . . . .	2,315,000	1,795,318
Washington & Lee University (The), Revenue, 2018 A, Refunding, 5%, 1/01/35 . . .	1,105,000	1,187,220
Washington & Lee University (The), Revenue, 2018 A, Refunding, 5%, 1/01/48 . . .	1,500,000	1,556,212
Lynchburg Economic Development Authority,		
Centra Health Obligated Group, Revenue, 2017 A, Refunding, 5%, 1/01/47 . . . . .	4,500,000	4,521,928
Centra Health Obligated Group, Revenue, 2021, Refunding, 4%, 1/01/47 . . . . .	2,350,000	2,073,553
Centra Health Obligated Group, Revenue, 2021, Refunding, 3%, 1/01/51 . . . . .	2,000,000	1,337,461
Centra Health Obligated Group, Revenue, 2021, Refunding, 4%, 1/01/55 . . . . .	6,305,000	5,311,795
Montgomery County Economic Development Authority,		
Virginia Tech Foundation, Inc., Revenue, 2019 A, 4%, 6/01/36 . . . . .	1,200,000	1,217,284
Virginia Tech Foundation, Inc., Revenue, 2019 A, 4%, 6/01/37 . . . . .	500,000	502,015
Virginia Tech Foundation, Inc., Revenue, 2019 A, 4%, 6/01/39 . . . . .	1,750,000	1,725,479
Norfolk Airport Authority,		
Revenue, 2019, 5%, 7/01/39 . . . . .	800,000	837,757
Revenue, 2019, 5%, 7/01/43 . . . . .	5,600,000	5,815,635
Northern Virginia Transportation Commission, Commuter Rail Operating & Capital Fund, Revenue, 2022, 5%, 6/01/47 . . . . .	1,750,000	1,882,067
Prince Edward County Industrial Development Authority, President and Trustees of Hampden-Sydney College, Revenue, 2018, 5%, 9/01/48 . . . . .	2,050,000	2,071,621
Riverside Regional Jail Authority, Revenue, 2015, Refunding, 5%, 7/01/31 . . . . .	6,215,000	6,373,305
Salem Economic Development Authority, Roanoke College, Revenue, 2020, Refunding, 5%, 4/01/49 . . . . .	925,000	898,094
Stafford County & Staunton Industrial Development Authority, Revenue, 2007 E, AGMC Insured, 5%, 8/01/37 . . . . .	960,000	960,373
Upper Occoquan Sewage Authority, Revenue, 2016 B, Refunding, 4%, 7/01/35 . . . . .	6,165,000	6,257,029
Virginia Beach Development Authority,		
Westminster-Canterbury on Chesapeake Bay Obligated Group, Revenue, 2018, Refunding, 5%, 9/01/40 . . . . .	1,750,000	1,607,078
Westminster-Canterbury on Chesapeake Bay Obligated Group, Revenue, 2018, Refunding, 5%, 9/01/44 . . . . .	2,215,000	1,974,367
Virginia College Building Authority,		
Revenue, 2016 A, 5%, 9/01/27 . . . . .	3,925,000	4,130,286
Revenue, 2016 A, Pre-Refunded, 5%, 9/01/27 . . . . .	75,000	78,923
Revenue, 2016 A, Refunding, 4%, 2/01/30 . . . . .	7,000,000	7,143,790
Revenue, 2023 B, Refunding, 5%, 2/01/32 . . . . .	6,000,000	6,890,099
Randolph-Macon College, Revenue, 2021 A, Refunding, 3%, 1/15/39 . . . . .	795,000	631,698
Randolph-Macon College, Revenue, 2021 A, Refunding, 2.25%, 1/15/40 . . . . .	450,000	305,772
Randolph-Macon College, Revenue, 2021 A, Refunding, 3%, 1/15/41 . . . . .	500,000	384,167
Randolph-Macon College, Revenue, 2021 A, Refunding, 3%, 1/15/46 . . . . .	1,100,000	772,787
Randolph-Macon College, Revenue, 2021 A, Refunding, 3%, 1/15/51 . . . . .	1,750,000	1,167,678
Regent University, Revenue, 2021, Refunding, 4%, 6/01/36 . . . . .	2,750,000	2,581,225
Regent University, Revenue, 2021, Refunding, 3%, 6/01/41 . . . . .	4,800,000	3,559,269
Regent University, Revenue, 2021, Refunding, 4%, 6/01/46 . . . . .	3,725,000	3,105,186
Virginia Commonwealth Transportation Board,		
Revenue, 2016, 5%, 9/15/30 . . . . .	2,260,000	2,375,146
Revenue, 2016, 5%, 9/15/31 . . . . .	4,000,000	4,193,192
Revenue, 2022, Refunding, 4%, 5/15/36 . . . . .	5,000,000	5,144,876
Virginia Housing Development Authority, Revenue, 2018 D, 3.8%, 10/01/43 . . . . .	3,805,000	3,323,194
Virginia Public Building Authority, Revenue, 2019 A, 4%, 8/01/35 . . . . .	1,250,000	1,279,527
Virginia Public School Authority,		
Revenue, 2018 B, 5%, 8/01/30 . . . . .	5,280,000	5,759,046

**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	\$6,024,221
Virginia Resources Authority,		
Revenue, Pre-Refunded, 5%, 11/01/38 . . . . .	3,195,000	3,309,362
Revenue, 2015 B, Refunding, 5%, 11/01/45 . . . . .	2,255,000	2,286,042
Revenue, 2018 C, Refunding, 5%, 11/01/48 . . . . .	7,655,000	8,072,720
Virginia Small Business Financing Authority,		
95 Express Lanes LLC, Revenue, Senior Lien, 2022, Refunding, 4%, 1/01/48 . . . .	7,000,000	6,056,417
Bon Secours Mercy Health, Inc., Revenue, 2020 A, Refunding, 4%, 12/01/49 . . . .	5,000,000	4,509,637
Capital Beltway Express LLC, Revenue, Senior Lien, 2022, Refunding, 5%, 12/31/57	6,000,000	6,021,596
Elizabeth River Crossings OpCo LLC, Revenue, Senior Lien, 2022, Refunding, 4%, 1/01/40 . . . . .	7,500,000	6,804,057
I-66 Express Mobility Partners LLC, Revenue, Senior Lien, 2017, 5%, 12/31/47 . . .	5,000,000	5,013,424
I-66 Express Mobility Partners LLC, Revenue, Senior Lien, 2017, 5%, 12/31/52 . . .	4,600,000	4,585,630
LifeSpire of Virginia Obligated Group, Revenue, 2021, Refunding, 4%, 12/01/36 . . .	2,210,000	2,038,108
LifeSpire of Virginia Obligated Group, Revenue, 2021, Refunding, 4%, 12/01/41 . . .	2,500,000	2,165,094
LifeSpire of Virginia Obligated Group, Revenue, 2021, Refunding, 4%, 12/01/51 . . .	7,500,000	5,977,715
National Senior Communities, Inc. Obligated Group, Revenue, 2020 A, Refunding, 4%, 1/01/37 . . . . .	2,750,000	2,564,786
National Senior Communities, Inc. Obligated Group, Revenue, 2020 A, Refunding, 4%, 1/01/51 . . . . .	2,250,000	1,848,265
Sentara Healthcare Obligated Group, Revenue, 2020, Refunding, 4%, 11/01/37 . . .	4,000,000	3,973,494
Sentara Healthcare Obligated Group, Revenue, 2020, Refunding, 4%, 11/01/38 . . .	6,000,000	5,914,034
Sentara Healthcare Obligated Group, Revenue, 2020, Refunding, 4%, 11/01/39 . . .	2,730,000	2,668,455
Williamsburg Economic Development Authority, Provident Group - Williamsburg Properties LLC, Revenue, 2023 A, AGMC Insured, 4.125%, 7/01/58 . . . . .	2,000,000	1,878,516
Winchester Economic Development Authority, Valley Health Obligated Group, Revenue, 2015, Refunding, 5%, 1/01/44 . . . . .	5,000,000	5,033,989
		<u>351,700,931</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 . . . . .	1,200,000	945,632
<b>Wisconsin 1.2%</b>		
<sup>a</sup> Public Finance Authority,		
Revenue, 144A, 2022, B-1, 4%, 12/28/44 . . . . .	1,200,000	928,802
Gulf Coast Portfolio Obligated Group, Revenue, 144A, 2021, 5.25%, 12/01/23 . . . .	3,100,000	3,101,581
Pine Forest 2022 Obligated Group, Revenue, 144A, 2022 A, 6.5%, 12/01/52 . . . . .	1,000,000	964,445
		<u>4,994,828</u>
<b>U.S. Territories 11.1%</b>		
<b>District of Columbia 8.0%</b>		
Metropolitan Washington Airports Authority,		
Aviation, Revenue, 2021 A, Refunding, 5%, 10/01/46 . . . . .	5,000,000	5,142,599
Aviation, Revenue, 2023 A, Refunding, 5.25%, 10/01/48 . . . . .	4,000,000	4,197,043
Dulles Toll Road, Revenue, Senior Lien, 2022 A, Refunding, AGMC Insured, 4%, 10/01/52 . . . . .	10,000,000	9,180,141
Washington Metropolitan Area Transit Authority,		
Dedicated, Revenue, 2020 A, 5%, 7/15/45 . . . . .	3,145,000	3,335,508
Dedicated, Revenue, 2021 A, 5%, 7/15/41 . . . . .	7,530,000	8,133,037
Dedicated, Revenue, 2021 A, 5%, 7/15/46 . . . . .	2,000,000	2,119,878
Dedicated, Revenue, 2023 A, 5%, 7/15/43 . . . . .	2,500,000	2,719,934
		<u>34,828,140</u>

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

	Principal Amount	Value
<b>Municipal Bonds</b> (continued)		
<b>U.S. Territories</b> (continued)		
<b>Puerto Rico 3.1%</b>		
HTA TRRB Custodial Trust, Revenue, 2005 L, 5.25%, 7/01/41 .....	\$1,600,000	\$1,595,112
Puerto Rico Electric Power Authority,		
Revenue, 6%, 7/01/41 .....	330,490	330,490
Revenue, 7.125%, 7/01/59 .....	1,605,043	1,605,043
Revenue, VV, Refunding, NATL Insured, 5.25%, 7/01/32 .....	1,700,000	1,671,166
Revenue, WW, 5.5%, 7/01/38 .....	1,040,000	286,000
Revenue, XX, 5.25%, 7/01/40 .....	1,900,000	522,500
Puerto Rico Highway & Transportation Authority,		
Revenue, 2022 A, 5%, 7/01/62 .....	103,451	102,028
Revenue, 2022 B, Zero Cpn., 7/01/32 .....	67,229	43,279
Revenue, 2022 C, Zero Cpn., 7/01/53 .....	115,001	72,882
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	449,469
Hospital Auxilio Mutuo Obligated Group, Revenue, 2021, Refunding, 4%, 7/01/37 ..	200,000	181,619
Puerto Rico Sales Tax Financing Corp.,		
Sales Tax, Revenue, A-1, 4.75%, 7/01/53 .....	6,400,000	5,999,869
Sales Tax, Revenue, A-1, 5%, 7/01/58 .....	500,000	485,203
		13,344,660
<b>Total U.S. Territories</b> .....		48,172,800
<b>Total Municipal Bonds (Cost \$463,363,377)</b> .....		<b>425,175,757</b>
	<b>Shares</b>	
<b>Escrows and Litigation Trusts 0.0%<sup>†</sup></b>		
<sup>b,e</sup> Puerto Rico Electric Power Authority .....	149,352	119,482
<b>Total Escrows and Litigation Trusts (Cost \$—)</b> .....		<b>119,482</b>
<b>Total Long Term Investments (Cost \$463,363,377)</b> .....		<b>425,295,239</b>
<b>Short Term Investments 0.2%</b>		
	<b>Principal Amount</b>	
<b>Municipal Bonds 0.2%</b>		
<b>Virginia 0.2%</b>		
<sup>f</sup> Albemarle County Economic Development Authority, Sentara Healthcare Obligated Group, Revenue, 2018 B, Refunding, SPA TD Bank NA, Daily VRDN and Put, 3.93%, 10/01/48 .....	1,000,000	1,000,000
<b>Total Municipal Bonds (Cost \$1,000,000)</b> .....		<b>1,000,000</b>
<b>Total Short Term Investments (Cost \$1,000,000)</b> .....		<b>1,000,000</b>
<b>Total Investments (Cost \$464,363,377) 98.3%</b> .....		<b>\$426,295,239</b>
<b>Other Assets, less Liabilities 1.7%</b> .....		<b>7,432,191</b>
<b>Net Assets 100.0%</b> .....		<b>\$433,727,430</b>

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

See Abbreviations on page 129.

<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 August 31, 2023, the aggregate value of these securities was \$11,787,514, representing 2.7% of net assets.

<sup>b</sup> Fair valued using significant unobservable inputs. See Note 10 regarding fair value measurements.

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

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

<sup>e</sup> Non-income producing.

<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.

## Statements of Assets and Liabilities

August 31, 2023 (unaudited)

	Franklin Alabama Tax- Free Income Fund	Franklin Georgia Tax- Free Income Fund	Franklin Louisiana Tax- Free Income Fund	Franklin Maryland Tax- Free Income Fund
<b>Assets:</b>				
Investments in securities:				
Cost - Unaffiliated issuers . . . . .	\$202,798,608	\$351,046,762	\$299,973,062	\$332,097,434
Value - Unaffiliated issuers . . . . .	\$186,413,327	\$322,100,357	\$275,883,161	\$313,475,261
Cash . . . . .	1,604,269	3,895,861	2,193	447,308
Receivables:				
Capital shares sold . . . . .	36,772	23,477	18,739	121,390
Interest . . . . .	2,367,127	3,465,564	3,560,580	3,322,318
Total assets . . . . .	190,421,495	329,485,259	279,464,673	317,366,277
<b>Liabilities:</b>				
Payables:				
Investment securities purchased . . . . .	—	1,432,901	539,705	1,248,206
Capital shares redeemed . . . . .	308,720	455,827	676,897	754,342
Management fees . . . . .	69,300	144,853	126,068	138,859
Distribution fees . . . . .	22,986	40,088	33,028	39,896
Transfer agent fees . . . . .	24,700	49,860	39,305	48,691
Professional fees . . . . .	25,878	18,146	22,862	19,154
Trustees' fees and expenses . . . . .	1,505	1,436	1,411	1,389
Distributions to shareholders . . . . .	37,713	93,736	31,971	99,522
Accrued expenses and other liabilities . . . . .	20,115	13,540	13,212	26,065
Total liabilities . . . . .	510,917	2,250,387	1,484,459	2,376,124
Net assets, at value . . . . .	\$189,910,578	\$327,234,872	\$277,980,214	\$314,990,153
<b>Net assets consist of:</b>				
Paid-in capital . . . . .	\$222,036,304	\$390,292,309	\$330,189,110	\$385,896,871
Total distributable earnings (losses) . . . . .	(32,125,726)	(63,057,437)	(52,208,896)	(70,906,718)
Net assets, at value . . . . .	\$189,910,578	\$327,234,872	\$277,980,214	\$314,990,153



## Statements of Assets and Liabilities (continued)

August 31, 2023 (unaudited)

	Franklin Alabama Tax- Free Income Fund	Franklin Georgia Tax- Free Income Fund	Franklin Louisiana Tax- Free Income Fund	Franklin Maryland Tax- Free Income Fund
<b>Class A:</b>				
Net assets, at value	\$42,428,352	\$73,196,738	\$60,758,373	\$85,969,497
Shares outstanding	4,311,710	7,092,755	6,139,007	8,861,381
Net asset value per share <sup>a</sup>	\$9.84	\$10.32	\$9.90	\$9.70
Maximum offering price per share (net asset value per share ÷ 96.25%)	\$10.22	\$10.72	\$10.29	\$10.08
<b>Class A1:</b>				
Net assets, at value	\$119,609,663	\$179,020,085	\$163,877,882	\$154,795,246
Shares outstanding	12,169,710	17,347,930	16,567,225	15,951,513
Net asset value per share <sup>a</sup>	\$9.83	\$10.32	\$9.89	\$9.70
Maximum offering price per share (net asset value per share ÷ 96.25%)	\$10.21	\$10.72	\$10.28	\$10.08
<b>Class C:</b>				
Net assets, at value	\$6,572,841	\$15,964,358	\$10,802,029	\$15,363,293
Shares outstanding	659,850	1,523,858	1,074,239	1,551,017
Net asset value and maximum offering price per share <sup>a</sup>	\$9.96	\$10.48	\$10.06	\$9.91
<b>Class R6:</b>				
Net assets, at value	\$1,653,145	\$10,957,034	\$6,031,986	\$13,134,664
Shares outstanding	168,168	1,061,630	609,674	1,351,373
Net asset value and maximum offering price per share	\$9.83	\$10.32	\$9.89	\$9.72
<b>Advisor Class:</b>				
Net assets, at value	\$19,646,577	\$48,096,657	\$36,509,944	\$45,727,453
Shares outstanding	1,998,703	4,658,573	3,689,084	4,706,746
Net asset value and maximum offering price per share	\$9.83	\$10.32	\$9.90	\$9.72

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

## Statements of Assets and Liabilities (continued)

August 31, 2023 (unaudited)

	Franklin Missouri Tax- Free Income Fund	Franklin North Carolina Tax- Free Income Fund	Franklin Virginia Tax- Free Income Fund
<b>Assets:</b>			
Investments in securities:			
Cost - Unaffiliated issuers . . . . .	\$752,674,369	\$637,764,232	\$464,363,377
Value - Unaffiliated issuers . . . . .	\$699,616,283	\$593,647,962	\$426,295,239
Cash . . . . .	57,825	1,844,837	5,656,305
Receivables:			
Investment securities sold . . . . .	—	1,944,980	5,173,700
Capital shares sold . . . . .	133,436	210,635	54,643
Interest . . . . .	10,317,039	6,982,337	4,865,833
Total assets . . . . .	710,124,583	604,630,751	442,045,720
<b>Liabilities:</b>			
Payables:			
Investment securities purchased . . . . .	2,964,094	2,600,684	7,040,427
Capital shares redeemed . . . . .	1,154,307	1,403,516	614,166
Management fees . . . . .	287,230	248,709	184,754
Distribution fees . . . . .	87,488	68,282	42,526
Transfer agent fees . . . . .	74,153	78,575	60,779
Trustees' fees and expenses . . . . .	1,669	1,344	1,603
Distributions to shareholders . . . . .	146,816	108,706	125,359
Accrued expenses and other liabilities . . . . .	65,307	53,855	248,676
Total liabilities . . . . .	4,781,064	4,563,671	8,318,290
Net assets, at value . . . . .	\$705,343,519	\$600,067,080	\$433,727,430
<b>Net assets consist of:</b>			
Paid-in capital . . . . .	\$865,897,957	\$756,835,538	\$540,558,221
Total distributable earnings (losses) . . . . .	(160,554,438)	(156,768,458)	(106,830,791)
Net assets, at value . . . . .	\$705,343,519	\$600,067,080	\$433,727,430

## Statements of Assets and Liabilities (continued)

August 31, 2023 (unaudited)

	Franklin Missouri Tax- Free Income Fund	Franklin North Carolina Tax- Free Income Fund	Franklin Virginia Tax- Free Income Fund
<b>Class A:</b>			
Net assets, at value	\$172,492,821	\$133,093,939	\$83,408,137
Shares outstanding	16,917,054	13,039,090	8,624,559
Net asset value per share <sup>a</sup>	\$10.20	\$10.21	\$9.67
Maximum offering price per share (net asset value per share + 96.25%)	\$10.60	\$10.61	\$10.05
<b>Class A1:</b>			
Net assets, at value	\$414,548,566	\$312,747,623	\$221,182,084
Shares outstanding	40,684,408	30,648,597	22,875,698
Net asset value per share <sup>a</sup>	\$10.19	\$10.20	\$9.67
Maximum offering price per share (net asset value per share + 96.25%)	\$10.59	\$10.60	\$10.05
<b>Class C:</b>			
Net assets, at value	\$27,309,242	\$23,696,506	\$10,540,945
Shares outstanding	2,652,410	2,284,406	1,071,395
Net asset value and maximum offering price per share <sup>a</sup>	\$10.30	\$10.37	\$9.84
<b>Class R6:</b>			
Net assets, at value	\$22,173,868	\$19,483,735	\$9,450,402
Shares outstanding	2,174,049	1,910,159	976,918
Net asset value and maximum offering price per share	\$10.20	\$10.20	\$9.67
<b>Advisor Class:</b>			
Net assets, at value	\$68,819,022	\$111,045,277	\$109,145,862
Shares outstanding	6,749,257	10,881,131	11,277,921
Net asset value and maximum offering price per share	\$10.20	\$10.21	\$9.68

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

## Statements of Operations

for the six months ended August 31, 2023 (unaudited)

	Franklin Alabama Tax- Free Income Fund	Franklin Georgia Tax- Free Income Fund	Franklin Louisiana Tax- Free Income Fund	Franklin Maryland Tax- Free Income Fund
Investment income:				
Interest:				
Unaffiliated issuers . . . . .	\$3,304,635	\$6,207,335	\$5,154,265	\$6,413,907
Expenses:				
Management fees (Note 3a) . . . . .	551,306	887,458	768,976	842,847
Distribution fees: (Note 3c)				
Class A . . . . .	54,048	96,304	77,142	104,945
Class A1 . . . . .	62,778	94,037	86,218	80,708
Class C . . . . .	24,091	59,111	38,873	54,981
Transfer agent fees: (Note 3e)				
Class A . . . . .	13,274	27,690	21,368	30,764
Class A1 . . . . .	38,542	67,585	59,726	59,166
Class C . . . . .	2,275	6,528	4,145	6,202
Class R6 . . . . .	355	1,604	1,031	1,627
Advisor Class . . . . .	5,990	17,658	12,949	17,117
Custodian fees (Note 4) . . . . .	587	1,066	881	946
Reports to shareholders fees . . . . .	7,766	10,214	10,053	10,750
Registration and filing fees . . . . .	7,380	7,467	6,642	10,757
Professional fees . . . . .	29,854	31,574	30,368	31,343
Trustees' fees and expenses . . . . .	782	1,575	1,355	1,537
Other . . . . .	25,445	21,006	18,508	25,491
Total expenses . . . . .	824,473	1,330,877	1,138,235	1,279,181
Expense reductions (Note 4) . . . . .	(587)	(1,063)	(881)	(945)
Expenses waived/paid by affiliates (Note 3f) . . . . .	(41,293)	(42)	(93)	—
Net expenses . . . . .	782,593	1,329,772	1,137,261	1,278,236
Net investment income . . . . .	2,522,042	4,877,563	4,017,004	5,135,671
Realized and unrealized gains (losses):				
Net realized gain (loss) from:				
Investments:				
Unaffiliated issuers . . . . .	(527,304)	(1,847,477)	(219,772)	(3,053,635)
Net change in unrealized appreciation (depreciation) on:				
Investments:				
Unaffiliated issuers . . . . .	(1,039,598)	(641,118)	(1,454,352)	1,470,366
Net realized and unrealized gain (loss) . . . . .	(1,566,902)	(2,488,595)	(1,674,124)	(1,583,269)
Net increase (decrease) in net assets resulting from operations . . . . .	\$955,140	\$2,388,968	\$2,342,880	\$3,552,402

**Statements of Operations** (continued)

for the six months ended August 31, 2023 (unaudited)

	Franklin Missouri Tax- Free Income Fund	Franklin North Carolina Tax- Free Income Fund	Franklin Virginia Tax- Free Income Fund
Investment income:			
Interest:			
Unaffiliated issuers . . . . .	\$14,835,681	\$10,599,186	\$7,811,186
Expenses:			
Management fees (Note 3a) . . . . .	1,753,014	1,534,178	1,131,711
Distribution fees: (Note 3c)			
Class A . . . . .	215,101	170,833	108,417
Class A1 . . . . .	217,581	167,122	116,346
Class C . . . . .	101,462	84,284	38,221
Transfer agent fees: (Note 3e)			
Class A . . . . .	53,082	46,706	33,214
Class A1 . . . . .	134,286	114,272	89,110
Class C . . . . .	9,641	8,868	4,503
Class R6 . . . . .	3,846	3,386	1,333
Advisor Class . . . . .	22,001	38,927	43,260
Custodian fees (Note 4) . . . . .	2,240	1,956	1,429
Reports to shareholders fees . . . . .	25,468	19,707	12,960
Registration and filing fees . . . . .	9,591	11,128	12,598
Professional fees . . . . .	40,198	37,490	32,334
Trustees' fees and expenses . . . . .	3,953	3,445	2,302
Other . . . . .	33,179	29,802	23,431
Total expenses . . . . .	2,624,643	2,272,104	1,651,169
Expense reductions (Note 4) . . . . .	(2,216)	(1,954)	(1,429)
Expenses waived/paid by affiliates (Note 3f) . . . . .	(554)	(52)	(56)
Net expenses . . . . .	2,621,873	2,270,098	1,649,684
Net investment income . . . . .	12,213,808	8,329,088	6,161,502
Realized and unrealized gains (losses):			
Net realized gain (loss) from:			
Investments:			
Unaffiliated issuers . . . . .	(4,256,876)	(3,862,720)	(2,669,138)
Net change in unrealized appreciation (depreciation) on:			
Investments:			
Unaffiliated issuers . . . . .	(1,086,557)	1,432,226	544,737
Net realized and unrealized gain (loss) . . . . .	(5,343,433)	(2,430,494)	(2,124,401)
Net increase (decrease) in net assets resulting from operations . . . . .	\$6,870,375	\$5,898,594	\$4,037,101

## Statements of Changes in Net Assets

	Franklin Alabama Tax-Free Income Fund		Franklin Georgia Tax-Free Income Fund	
	Six Months Ended August 31, 2023 (unaudited)	Year Ended February 28, 2023	Six Months Ended August 31, 2023 (unaudited)	Year Ended February 28, 2023
Increase (decrease) in net assets:				
Operations:				
Net investment income . . . . .	\$2,522,042	\$5,227,299	\$4,877,563	\$10,423,304
Net realized gain (loss) . . . . .	(527,304)	(550,238)	(1,847,477)	(7,422,368)
Net change in unrealized appreciation (depreciation) . . . . .	(1,039,598)	(22,789,068)	(641,118)	(37,586,160)
Net increase (decrease) in net assets resulting from operations.	955,140	(18,112,007)	2,388,968	(34,585,224)
Distributions to shareholders:				
Class A . . . . .	(527,386)	(1,036,037)	(1,048,599)	(2,112,564)
Class A1 . . . . .	(1,627,153)	(3,431,367)	(2,699,142)	(5,828,544)
Class C . . . . .	(74,079)	(188,374)	(206,432)	(502,522)
Class R6 . . . . .	(24,547)	(49,965)	(160,419)	(363,765)
Advisor Class . . . . .	(262,833)	(447,010)	(729,489)	(1,495,781)
Total distributions to shareholders . . . . .	(2,515,998)	(5,152,753)	(4,844,081)	(10,303,176)
Capital share transactions: (Note 2)				
Class A . . . . .	548,915	111,663	(2,527,898)	(6,595,134)
Class A1 . . . . .	(5,089,786)	(22,516,464)	(9,165,263)	(35,655,157)
Class C . . . . .	(1,656,727)	(3,955,851)	(3,555,304)	(6,508,892)
Class R6 . . . . .	(115,609)	(302,386)	672,882	(5,097,440)
Advisor Class . . . . .	1,538,132	449,996	9,096	(16,910,087)
Total capital share transactions . . . . .	(4,775,075)	(26,213,042)	(14,566,487)	(70,766,710)
Net increase (decrease) in net assets . . . . .	(6,335,933)	(49,477,802)	(17,021,600)	(115,655,110)
Net assets:				
Beginning of period . . . . .	196,246,511	245,724,313	344,256,472	459,911,582
End of period . . . . .	\$189,910,578	\$196,246,511	\$327,234,872	\$344,256,472

# Statements of Changes in Net Assets (continued)

	Franklin Louisiana Tax-Free Income Fund		Franklin Maryland Tax-Free Income Fund	
	Six Months Ended August 31, 2023 (unaudited)	Year Ended February 28, 2023	Six Months Ended August 31, 2023 (unaudited)	Year Ended February 28, 2023
Increase (decrease) in net assets:				
Operations:				
Net investment income . . . . .	\$4,017,004	\$8,031,368	\$5,135,671	\$9,274,527
Net realized gain (loss) . . . . .	(219,772)	(3,580,288)	(3,053,635)	(7,975,275)
Net change in unrealized appreciation (depreciation) . . . . .	(1,454,352)	(32,395,123)	1,470,366	(27,068,319)
Net increase (decrease) in net assets resulting from operations.	2,342,880	(27,944,043)	3,552,402	(25,769,067)
Distributions to shareholders:				
Class A . . . . .	(820,689)	(1,519,013)	(1,297,024)	(2,099,584)
Class A1 . . . . .	(2,422,299)	(5,014,939)	(2,610,090)	(5,014,256)
Class C . . . . .	(131,999)	(301,203)	(220,932)	(432,089)
Class R6 . . . . .	(92,207)	(181,380)	(217,940)	(332,637)
Advisor Class . . . . .	(543,967)	(934,723)	(777,974)	(1,290,745)
Total distributions to shareholders . . . . .	(4,011,161)	(7,951,258)	(5,123,960)	(9,169,311)
Capital share transactions: (Note 2)				
Class A . . . . .	995,613	(2,619,672)	6,163,200	(2,420,595)
Class A1 . . . . .	(11,086,825)	(36,224,345)	(6,970,033)	(32,972,184)
Class C . . . . .	(1,868,695)	(5,435,907)	(2,118,189)	(4,587,337)
Class R6 . . . . .	(239,634)	(942,152)	1,512,384	(902,211)
Advisor Class . . . . .	408,068	(1,999,978)	307,646	(5,007,484)
Total capital share transactions . . . . .	(11,791,473)	(47,222,054)	(1,104,992)	(45,889,811)
Net increase (decrease) in net assets . . . . .	(13,459,754)	(83,117,355)	(2,676,550)	(80,828,189)
Net assets:				
Beginning of period . . . . .	291,439,968	374,557,323	317,666,703	398,494,892
End of period . . . . .	\$277,980,214	\$291,439,968	\$314,990,153	\$317,666,703

## Statements of Changes in Net Assets (continued)

	Franklin Missouri Tax-Free Income Fund		Franklin North Carolina Tax-Free Income Fund	
	Six Months Ended August 31, 2023 (unaudited)	Year Ended February 28, 2023	Six Months Ended August 31, 2023 (unaudited)	Year Ended February 28, 2023
Increase (decrease) in net assets:				
Operations:				
Net investment income . . . . .	\$12,213,808	\$24,126,661	\$8,329,088	\$16,531,865
Net realized gain (loss) . . . . .	(4,256,876)	(21,361,631)	(3,862,720)	(14,027,331)
Net change in unrealized appreciation (depreciation) . . . . .	(1,086,557)	(77,792,805)	1,432,226	(62,079,218)
Net increase (decrease) in net assets resulting from operations.	6,870,375	(75,027,775)	5,898,594	(59,574,684)
Distributions to shareholders:				
Class A . . . . .	(2,760,262)	(4,880,341)	(1,708,629)	(3,170,425)
Class A1 . . . . .	(7,304,075)	(14,833,742)	(4,427,218)	(9,153,724)
Class C . . . . .	(431,391)	(989,784)	(265,984)	(602,606)
Class R6 . . . . .	(383,609)	(803,127)	(309,957)	(499,873)
Advisor Class . . . . .	(1,231,579)	(2,328,879)	(1,566,225)	(2,901,482)
Total distributions to shareholders . . . . .	(12,110,916)	(23,835,873)	(8,278,013)	(16,328,110)
Capital share transactions: (Note 2)				
Class A . . . . .	7,496,111	(20,498,698)	(102,790)	(18,279,436)
Class A1 . . . . .	(22,151,624)	(88,850,838)	(25,886,452)	(80,798,332)
Class C . . . . .	(5,860,768)	(14,071,379)	(3,554,904)	(11,670,976)
Class R6 . . . . .	1,755,726	(9,762,458)	(583,051)	(713,448)
Advisor Class . . . . .	(1,367,683)	(7,042,482)	(3,946,877)	(5,217,857)
Total capital share transactions . . . . .	(20,128,238)	(140,225,855)	(34,074,074)	(116,680,049)
Net increase (decrease) in net assets . . . . .	(25,368,779)	(239,089,503)	(36,453,493)	(192,582,843)
Net assets:				
Beginning of period . . . . .	730,712,298	969,801,801	636,520,573	829,103,416
End of period . . . . .	\$705,343,519	\$730,712,298	\$600,067,080	\$636,520,573



## Statements of Changes in Net Assets (continued)

	Franklin Virginia Tax-Free Income Fund	
	Six Months Ended August 31, 2023 (unaudited)	Year Ended February 28, 2023
Increase (decrease) in net assets:		
Operations:		
Net investment income . . . . .	\$6,161,502	\$11,886,948
Net realized gain (loss) . . . . .	(2,669,138)	(9,377,978)
Net change in unrealized appreciation (depreciation) . . . . .	544,737	(47,552,051)
Net increase (decrease) in net assets resulting from operations . . . . .	4,037,101	(45,043,081)
Distributions to shareholders:		
Class A . . . . .	(1,124,582)	(2,065,728)
Class A1 . . . . .	(3,192,312)	(6,321,400)
Class C . . . . .	(125,849)	(279,197)
Class R6 . . . . .	(123,258)	(156,330)
Advisor Class . . . . .	(1,605,144)	(2,900,585)
Total distributions to shareholders . . . . .	(6,171,145)	(11,723,240)
Capital share transactions: (Note 2)		
Class A . . . . .	(3,337,460)	(10,481,727)
Class A1 . . . . .	(13,135,828)	(50,259,582)
Class C . . . . .	(1,821,347)	(6,332,061)
Class R6 . . . . .	3,296,348	(839,600)
Advisor Class . . . . .	(2,007,126)	(13,362,192)
Total capital share transactions . . . . .	(17,005,413)	(81,275,162)
Net increase (decrease) in net assets . . . . .	(19,139,457)	(138,041,483)
Net assets:		
Beginning of period . . . . .	452,866,887	590,908,370
End of period . . . . .	\$433,727,430	\$452,866,887

# Notes to Financial Statements (unaudited)

## 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 August 31, 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 August 31, 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>				
Six Months ended August 31, 2023				
Shares sold <sup>a</sup> . . . . .	341,403	\$3,423,777	587,918	\$6,185,780
Shares issued in reinvestment of distributions . . . . .	49,799	499,502	91,141	957,244
Shares redeemed . . . . .	(336,195)	(3,374,364)	(924,167)	(9,670,922)
Net increase (decrease) . . . . .	55,007	\$548,915	(245,108)	\$(2,527,898)
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)
<b>Class A1 Shares:</b>				
Six Months ended August 31, 2023				
Shares sold . . . . .	305,764	\$3,054,024	122,781	\$1,297,001
Shares issued in reinvestment of distributions . . . . .	145,671	1,459,908	227,128	2,385,701
Shares redeemed . . . . .	(957,286)	(9,603,718)	(1,224,091)	(12,847,965)
Net increase (decrease) . . . . .	(505,851)	\$(5,089,786)	(874,182)	\$(9,165,263)
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)
<b>Class C Shares:</b>				
Six Months ended August 31, 2023				
Shares sold . . . . .	33,237	\$333,660	34,374	\$369,653
Shares issued in reinvestment of distributions . . . . .	6,738	68,453	18,652	198,961
Shares redeemed <sup>a</sup> . . . . .	(202,685)	(2,058,840)	(386,682)	(4,123,918)
Net increase (decrease) . . . . .	(162,710)	\$(1,656,727)	(333,656)	\$(3,555,304)
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)

## 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>				
Six Months ended August 31, 2023				
Shares sold	22,493	\$225,888	202,877	\$2,127,625
Shares issued in reinvestment of distributions	2,409	24,139	7,175	75,336
Shares redeemed	(36,841)	(365,636)	(145,093)	(1,530,079)
Net increase (decrease)	(11,939)	\$(115,609)	64,959	\$672,882
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)
<b>Advisor Class Shares:</b>				
Six Months ended August 31, 2023				
Shares sold	227,513	\$2,294,165	517,628	\$5,438,704
Shares issued in reinvestment of distributions	24,038	240,829	64,468	677,256
Shares redeemed	(99,658)	(996,862)	(582,517)	(6,106,864)
Net increase (decrease)	151,893	\$1,538,132	(421)	\$9,096
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)
	Franklin Louisiana Tax-Free Income Fund		Franklin Maryland Tax-Free Income Fund	
	Shares	Amount	Shares	Amount
<b>Class A Shares:</b>				
Six Months ended August 31, 2023				
Shares sold <sup>a</sup>	453,371	\$4,551,050	1,099,828	\$10,844,949
Shares issued in reinvestment of distributions	75,685	759,779	121,980	1,201,256
Shares redeemed	(430,352)	(4,315,216)	(598,244)	(5,883,005)
Net increase (decrease)	98,704	\$995,613	623,564	\$6,163,200
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)

## 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>				
Six Months ended August 31, 2023				
Shares sold . . . . .	82,073	\$823,461	61,097	\$601,629
Shares issued in reinvestment of distributions . . . . .	231,548	2,323,939	231,654	2,282,671
Shares redeemed . . . . .	(1,419,545)	(14,234,225)	(999,436)	(9,854,333)
Net increase (decrease) . . . . .	(1,105,924)	\$(11,086,825)	(706,685)	\$(6,970,033)
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)
<b>Class C Shares:</b>				
Six Months ended August 31, 2023				
Shares sold . . . . .	56,117	\$572,150	29,623	\$298,149
Shares issued in reinvestment of distributions . . . . .	12,594	128,496	21,007	211,335
Shares redeemed <sup>a</sup> . . . . .	(251,986)	(2,569,341)	(260,843)	(2,627,673)
Net increase (decrease) . . . . .	(183,275)	\$(1,868,695)	(210,213)	\$(2,118,189)
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)
<b>Class R6 Shares:</b>				
Six Months ended August 31, 2023				
Shares sold . . . . .	66,502	\$668,725	187,006	\$1,852,297
Shares issued in reinvestment of distributions . . . . .	9,106	91,407	13,320	131,408
Shares redeemed . . . . .	(99,371)	(999,766)	(47,673)	(471,321)
Net increase (decrease) . . . . .	(23,763)	\$(239,634)	152,653	\$1,512,384
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)

## 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>				
Six Months ended August 31, 2023				
Shares sold . . . . .	351,728	\$3,538,296	396,744	\$3,921,258
Shares issued in reinvestment of distributions . . . . .	51,407	516,063	72,942	719,541
Shares redeemed . . . . .	(364,371)	(3,646,291)	(440,385)	(4,333,153)
Net increase (decrease) . . . . .	38,764	\$408,068	29,301	\$307,646
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)
	Franklin Missouri Tax-Free Income Fund		Franklin North Carolina Tax-Free Income Fund	
	Shares	Amount	Shares	Amount
<b>Class A Shares:</b>				
Six Months ended August 31, 2023				
Shares sold <sup>a</sup> . . . . .	1,860,138	\$19,241,026	1,240,434	\$12,886,469
Shares issued in reinvestment of distributions . . . . .	257,661	2,665,661	155,539	1,610,699
Shares redeemed . . . . .	(1,393,489)	(14,410,576)	(1,408,040)	(14,599,958)
Net increase (decrease) . . . . .	724,310	\$7,496,111	(12,067)	\$(102,790)
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)
<b>Class A1 Shares:</b>				
Six Months ended August 31, 2023				
Shares sold . . . . .	414,620	\$4,296,533	359,788	\$3,734,694
Shares issued in reinvestment of distributions . . . . .	652,861	6,748,972	390,631	4,044,402
Shares redeemed . . . . .	(3,213,484)	(33,197,129)	(3,255,016)	(33,665,548)
Net increase (decrease) . . . . .	(2,146,003)	\$(22,151,624)	(2,504,597)	\$(25,886,452)
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)

## 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>				
Six Months ended August 31, 2023				
Shares sold . . . . .	92,499	\$966,611	101,558	\$1,070,624
Shares issued in reinvestment of distributions . . . . .	40,239	420,503	23,936	251,933
Shares redeemed <sup>a</sup> . . . . .	(693,560)	(7,247,882)	(461,892)	(4,877,461)
Net increase (decrease) . . . . .	(560,822)	\$(5,860,768)	(336,398)	\$(3,554,904)
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)
<b>Class R6 Shares:</b>				
Six Months ended August 31, 2023				
Shares sold . . . . .	399,670	\$4,159,988	643,743	\$6,674,768
Shares issued in reinvestment of distributions . . . . .	34,672	358,730	16,528	170,973
Shares redeemed . . . . .	(266,785)	(2,762,992)	(725,286)	(7,428,792)
Net increase (decrease) . . . . .	167,557	\$1,755,726	(65,015)	\$(583,051)
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)
<b>Advisor Class Shares:</b>				
Six Months ended August 31, 2023				
Shares sold . . . . .	849,451	\$8,773,424	1,566,810	\$16,221,344
Shares issued in reinvestment of distributions . . . . .	102,581	1,061,401	146,013	1,511,856
Shares redeemed . . . . .	(1,082,915)	(11,202,508)	(2,094,875)	(21,680,077)
Net increase (decrease) . . . . .	(130,883)	\$(1,367,683)	(382,052)	\$(3,946,877)
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)



## 2. Shares of Beneficial Interest (continued)

	Franklin Virginia Tax-Free Income Fund	
	Shares	Amount
<b>Class A Shares:</b>		
Six Months ended August 31, 2023		
Shares sold <sup>a</sup> . . . . .	412,304	\$4,044,924
Shares issued in reinvestment of distributions . . . . .	97,611	957,190
Shares redeemed . . . . .	(849,659)	(8,339,574)
Net increase (decrease) . . . . .	(339,744)	\$(3,337,460)
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)
<b>Class A1 Shares:</b>		
Six Months ended August 31, 2023		
Shares sold . . . . .	286,925	\$2,821,871
Shares issued in reinvestment of distributions . . . . .	292,244	2,865,392
Shares redeemed . . . . .	(1,920,895)	(18,823,091)
Net increase (decrease) . . . . .	(1,341,726)	\$(13,135,828)
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)
<b>Class C Shares:</b>		
Six Months ended August 31, 2023		
Shares sold . . . . .	49,859	\$498,937
Shares issued in reinvestment of distributions . . . . .	12,160	121,341
Shares redeemed <sup>a</sup> . . . . .	(244,558)	(2,441,625)
Net increase (decrease) . . . . .	(182,539)	\$(1,821,347)
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)

## 2. Shares of Beneficial Interest (continued)

	Franklin Virginia Tax-Free Income Fund	
	Shares	Amount
<b>Class R6 Shares:</b>		
Six Months ended August 31, 2023		
Shares sold . . . . .	496,563	\$4,886,752
Shares issued in reinvestment of distributions . . . . .	8,947	87,718
Shares redeemed . . . . .	(170,589)	(1,678,122)
Net increase (decrease) . . . . .	334,921	\$3,296,348
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)
<b>Advisor Class Shares:</b>		
Six Months ended August 31, 2023		
Shares sold . . . . .	808,813	\$7,940,767
Shares issued in reinvestment of distributions . . . . .	143,927	1,412,493
Shares redeemed . . . . .	(1,161,252)	(11,360,386)
Net increase (decrease) . . . . .	(208,512)	\$(2,007,126)
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)

<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:

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

For the period ended August 31, 2023, each Fund's annualized gross effective investment management fee rate based on average daily net assets was as follows:

	Franklin Alabama Tax- Free Income Fund	Franklin Georgia Tax- Free Income Fund	Franklin Louisiana Tax- Free Income Fund
Gross effective investment management fee rate. . . . .	0.559%	0.518%	0.531%
	Franklin Maryland Tax- Free Income Fund	Franklin Missouri Tax- Free Income Fund	Franklin North Carolina Tax- Free Income Fund
Gross effective investment management fee rate. . . . .	0.524%	0.479%	0.485%
	Franklin Virginia Tax- Free Income Fund		
Gross effective investment management fee rate. . . . .	0.500%		

#### 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
Class A .....	0.25%	0.25%	0.25%	0.25%
Class A1 .....	0.10%	0.10%	0.10%	0.10%
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
Class A .....	0.25%	0.25%	0.25%
Class A1 .....	0.10%	0.10%	0.10%
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 period:

	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 .....	\$1,597	\$2,170	\$1,374	\$1,651
CDSC retained .....	\$—	\$8,442	\$2,367	\$935

  

	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 .....	\$5,671	\$3,652	\$1,718
CDSC retained .....	\$4,323	\$1,542	\$585

### 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 period ended August 31, 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 . . . . .	\$24,127	\$43,332	\$33,446	\$42,896
	Franklin Missouri Tax- Free Income Fund	Franklin North Carolina Tax- Free Income Fund	Franklin Virginia Tax- Free Income Fund	
Transfer agent fees . . . . .	\$85,593	\$73,333	\$56,845	

#### f. Waiver and Expense Reimbursements

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, 2024. 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, 2024.

#### 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 period ended August 31, 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 . . . . .	—	\$13,146,321	\$8,600,000	\$13,800,000
Sales . . . . .	—	\$10,100,000	\$3,900,000	\$10,900,000
Net Realized Gains (Losses) . . . . .	—	—	—	—

### 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 .....	\$2,800,000	\$27,400,000	\$3,500,000
Sales .....	\$3,655,000	\$29,000,000	\$3,900,000
Net Realized Gains (Losses) .....	—	—	—

### 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 period ended August 31, 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)

At August 31, 2023, the cost of investments and net unrealized appreciation (depreciation) 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 . . . . .	\$202,784,057	\$351,022,773	\$299,997,056	\$332,143,315
Unrealized appreciation. . . . .	\$464,511	\$1,023,635	\$650,117	\$2,234,732
Unrealized depreciation. . . . .	(16,835,241)	(29,946,051)	(24,764,012)	(20,902,786)
Net unrealized appreciation (depreciation). . . . .	\$(16,370,730)	\$(28,922,416)	\$(24,113,895)	\$(18,668,054)

  

	Franklin Missouri Tax- Free Income Fund	Franklin North Carolina Tax- Free Income Fund	Franklin Virginia Tax- Free Income Fund
Cost of investments . . . . .	\$754,079,675	\$637,837,626	\$464,365,015
Unrealized appreciation. . . . .	\$3,646,827	\$1,584,521	\$1,702,562
Unrealized depreciation. . . . .	(58,110,219)	(45,774,185)	(39,772,338)
Net unrealized appreciation (depreciation). . . . .	\$(54,463,392)	\$(44,189,664)	\$(38,069,776)

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 period ended August 31, 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 . . . . .	\$4,302,160	\$15,159,878	\$6,899,885	\$24,112,063
Sales . . . . .	\$7,013,810	\$29,690,791	\$17,496,015	\$26,086,126

  

	Franklin Missouri Tax- Free Income Fund	Franklin North Carolina Tax- Free Income Fund	Franklin Virginia Tax- Free Income Fund
Purchases . . . . .	\$43,595,101	\$43,293,919	\$29,218,122
Sales . . . . .	\$54,999,927	\$77,659,324	\$42,107,141

## 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 August 31, 2023, the aggregate value of these securities was as follows:

	Value	Percentage of Net Assets
Franklin Georgia Tax-Free Income Fund . . . . .	\$624,250	0.2%
Franklin Louisiana Tax-Free Income Fund . . . . .	235,125	0.1%
Franklin Maryland Tax-Free Income Fund . . . . .	543,125	0.2%
Franklin Missouri Tax-Free Income Fund . . . . .	1,289,750	0.2%
Franklin North Carolina Tax-Free Income Fund . . . . .	1,133,000	0.2%
Franklin Virginia Tax-Free Income Fund . . . . .	808,500	0.2%

## 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. 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 period ended August 31, 2023, the Funds did not use the Global Credit Facility.

## 10. 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.)



## 10. Fair Value Measurements (continued)

- 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 August 31, 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	\$—	\$—	\$487,298	\$487,298
Municipal Bonds	—	185,926,029	—	185,926,029
Total Investments in Securities	\$—	\$185,926,029	\$487,298	\$186,413,327
<b>Franklin Georgia Tax-Free Income Fund</b>				
<b>Assets:</b>				
Investments in Securities:				
Corporate Bonds	—	—	877,136	877,136
Municipal Bonds:	—			
California	—	1,063,495	—	1,063,495
Florida	—	4,280,417	—	4,280,417
Georgia	—	287,698,635	—	287,698,635
Illinois	—	3,132,625	—	3,132,625
New Jersey	—	1,271,572	—	1,271,572
New York	—	2,768,717	—	2,768,717
South Carolina	—	1,791,434	—	1,791,434
Texas	—	1,955,626	—	1,955,626
Washington	—	709,224	—	709,224
Wisconsin	—	4,180,030	—	4,180,030
U.S. Territories				
Puerto Rico	—	9,785,394	1,493,799	11,279,193
Escrows and Litigation Trusts	—	—	92,253	92,253
Short Term Investments	—	1,000,000	—	1,000,000
Total Investments in Securities	\$—	\$319,637,169	\$2,463,188	\$322,100,357
<b>Franklin Louisiana Tax-Free Income Fund</b>				
<b>Assets:</b>				
Investments in Securities:				
Municipal Bonds:	—			
Florida	—	327,366	—	327,366
Georgia	—	967,027	—	967,027
Louisiana	—	256,232,207	—	256,232,207
South Carolina	—	1,022,910	—	1,022,910
Texas	—	2,012,612	—	2,012,612
Washington	—	551,619	—	551,619
Wisconsin	—	3,867,851	—	3,867,851
U.S. Territories				
Puerto Rico	—	6,404,179	562,643	6,966,822
Escrows and Litigation Trusts	—	—	34,747	34,747
Short Term Investments	—	3,900,000	—	3,900,000
Total Investments in Securities	\$—	\$275,285,771	\$597,390	\$275,883,161
<b>Franklin Maryland Tax-Free Income Fund</b>				
<b>Assets:</b>				
Investments in Securities:				
Municipal Bonds:	—			
Georgia	—	1,045,968	—	1,045,968
Maryland	—	272,504,343	—	272,504,343

## 10. Fair Value Measurements (continued)

	Level 1	Level 2	Level 3	Total
<b>Franklin Maryland Tax-Free Income Fund (continued)</b>				
<b>Assets: (continued)</b>				
Municipal Bonds:				
New Jersey . . . . .	\$—	\$2,457,040	\$—	\$2,457,040
South Carolina . . . . .	—	1,945,279	—	1,945,279
Texas . . . . .	—	2,220,968	—	2,220,968
Washington . . . . .	—	551,619	—	551,619
Wisconsin . . . . .	—	3,102,444	—	3,102,444
U.S. Territories . . . . .				
District of Columbia . . . . .	—	12,658,360	—	12,658,360
Puerto Rico . . . . .	—	12,277,721	1,301,255	13,578,976
Escrows and Litigation Trusts . . . . .	—	—	80,264	80,264
Short Term Investments . . . . .	—	3,330,000	—	3,330,000
Total Investments in Securities . . . . .	\$—	\$312,093,742	\$1,381,519	\$313,475,261
<b>Franklin Missouri Tax-Free Income Fund</b>				
<b>Assets:</b>				
Investments in Securities:				
Municipal Bonds:	—			
California . . . . .	—	813,466	—	813,466
Florida . . . . .	—	5,095,738	—	5,095,738
Georgia . . . . .	—	2,565,581	—	2,565,581
Missouri . . . . .	—	630,088,934	—	630,088,934
Oregon . . . . .	—	1,364,679	—	1,364,679
South Carolina . . . . .	—	4,989,931	—	4,989,931
Texas . . . . .	—	6,975,608	—	6,975,608
Washington . . . . .	—	1,497,251	—	1,497,251
Wisconsin . . . . .	—	11,838,898	—	11,838,898
U.S. Territories . . . . .				
Guam . . . . .	—	5,763,073	—	5,763,073
Puerto Rico . . . . .	—	23,442,454	3,090,068	26,532,522
Escrows and Litigation Trusts . . . . .	—	—	190,602	190,602
Short Term Investments . . . . .	—	1,900,000	—	1,900,000
Total Investments in Securities . . . . .	\$—	\$696,335,613	\$3,280,670	\$699,616,283
<b>Franklin North Carolina Tax-Free Income Fund</b>				
<b>Assets:</b>				
Investments in Securities:				
Corporate Bonds . . . . .	—	—	1,559,353	1,559,353
Municipal Bonds:	—			
California . . . . .	—	1,881,569	—	1,881,569
Florida . . . . .	—	7,893,591	—	7,893,591
Illinois . . . . .	—	3,791,465	—	3,791,465
Kentucky . . . . .	—	3,649,762	—	3,649,762
New Jersey . . . . .	—	6,603,838	—	6,603,838
New York . . . . .	—	9,057,120	—	9,057,120
North Carolina . . . . .	—	509,016,045	—	509,016,045
South Carolina . . . . .	—	4,392,895	—	4,392,895
Texas . . . . .	—	3,929,937	—	3,929,937
Washington . . . . .	—	1,260,843	—	1,260,843
Wisconsin . . . . .	—	5,440,545	—	5,440,545
U.S. Territories . . . . .				
Guam . . . . .	—	4,598,332	—	4,598,332
Puerto Rico . . . . .	—	21,494,017	2,711,213	24,205,230
Escrows and Litigation Trusts . . . . .	—	—	167,437	167,437
Short Term Investments . . . . .	—	6,200,000	—	6,200,000
Total Investments in Securities . . . . .	\$—	\$589,209,959	\$4,438,003	\$593,647,962

## 10. Fair Value Measurements (continued)

	Level 1	Level 2	Level 3	Total
<b>Franklin Virginia Tax-Free Income Fund</b>				
<b>Assets:</b>				
Investments in Securities:				
Municipal Bonds:	\$	—		
California . . . . .	—	\$818,073	\$—	\$818,073
Florida . . . . .	—	3,549,846	—	3,549,846
Illinois . . . . .	—	2,544,072	—	2,544,072
New Jersey . . . . .	—	4,669,330	—	4,669,330
New York . . . . .	—	1,228,539	—	1,228,539
South Carolina . . . . .	—	3,388,405	—	3,388,405
Texas . . . . .	—	3,163,301	—	3,163,301
Virginia . . . . .	—	351,700,931	—	351,700,931
Washington . . . . .	—	945,632	—	945,632
Wisconsin . . . . .	—	4,994,828	—	4,994,828
U.S. Territories . . . . .				
District of Columbia . . . . .	—	34,828,140	—	34,828,140
Puerto Rico . . . . .	—	11,409,127	1,935,533	13,344,660
Escrows and Litigation Trusts . . . . .	—	—	119,482	119,482
Short Term Investments . . . . .	—	1,000,000	—	1,000,000
Total Investments in Securities . . . . .	\$—	\$424,240,224	\$2,055,015	\$426,295,239

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 period.

## 11. 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

<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>FHA</b>	Federal Housing Administration
<b>FNMA</b>	Federal National Mortgage Association
<b>GNMA</b>	Government National Mortgage Association
<b>GO</b>	General Obligation
<b>LOC</b>	Letter of Credit
<b>NATL</b>	National Reinsurance Corp.
<b>SPA</b>	Standby Purchase Agreement

## Shareholder Information

### Board Approval of Investment Management Agreements

#### FRANKLIN TAX-FREE TRUST

**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**

(each a Fund)

At an in-person meeting held on April 18, 2023 (Meeting), the Board of Trustees (Board) of Franklin Tax-Free Trust (Trust), including a majority of the trustees who are not “interested persons” as defined in the Investment Company Act of 1940 (Independent Trustees), reviewed and approved the continuance of the investment management agreement between Franklin Advisers, Inc. (Manager) and the Trust, on behalf of each Fund (each a Management Agreement) for an additional one-year period. The Independent Trustees received advice from and met separately with Independent Trustee counsel in considering whether to approve the continuation of each Management Agreement. Although the Management Agreements for the Funds were considered at the same Board meeting, the Board considered the information provided to it about the Funds together and with respect to each Fund separately as the Board deemed appropriate.

In considering the continuation of each Management Agreement, the Board reviewed and considered information provided by the Manager at the Meeting and throughout the year at meetings of the Board and its committees. The Board also reviewed and considered information provided in response to a detailed set of requests for information submitted to the Manager by Independent Trustee counsel on behalf of the Independent Trustees in connection with the annual contract renewal process. In addition, prior to the Meeting, the Independent Trustees held a virtual contract renewal meeting at which the Independent Trustees first conferred amongst themselves and Independent Trustee counsel about contract renewal matters; and then met with management to request additional information that the Independent Trustees reviewed and considered prior to and at the Meeting. The Board reviewed and considered all of the factors it deemed relevant in approving the continuance of each Management Agreement, including, but not limited to: (i) the nature, extent and quality of the services provided by

the Manager; (ii) the investment performance of each Fund; (iii) the costs of the services provided and profits realized by the Manager and its affiliates from the relationship with each Fund; (iv) the extent to which economies of scale are realized as each Fund grows; and (v) whether fee levels reflect these economies of scale for the benefit of Fund investors.

In approving the continuance of each Management Agreement, the Board, including a majority of the Independent Trustees, determined that the terms of the Management Agreement are fair and reasonable and that the continuance of the Management Agreement is in the best interests of the applicable Fund and its shareholders. While attention was given to all information furnished, the following discusses some primary factors relevant to the Board’s determination.

#### Nature, Extent and Quality of Services

The Board reviewed and considered information regarding the nature, extent and quality of investment management services provided by the Manager and its affiliates to the Funds and their shareholders. This information included, among other things, the qualifications, background and experience of the senior management and investment personnel of the Manager, as well as information on succession planning where appropriate; the structure of investment personnel compensation; oversight of third-party service providers; investment performance reports and related financial information for each Fund; reports on expenses and shareholder services; legal and compliance matters; risk controls; pricing and other services provided by the Manager and its affiliates; and management fees charged by the Manager and its affiliates to US funds and other accounts, including management’s explanation of differences among accounts where relevant. The Board also reviewed and considered an annual report on payments made by Franklin Templeton (FT) or the Funds to financial intermediaries, as well as a memorandum relating to third-party servicing arrangements. The Board acknowledged management’s continued development of strategies to address areas of heightened concern in the mutual fund industry, including various regulatory initiatives and continuing geopolitical concerns.

The Board also reviewed and considered the benefits provided to Fund shareholders of investing in a fund that is part of the FT family of funds. The Board noted the financial position of Franklin Resources, Inc. (FRI), the Manager’s parent, and its commitment to the mutual fund business

as evidenced by its reassessment of the fund offerings in response to the market environment and project initiatives and capital investments relating to the services provided to the Funds by the FT organization. The Board specifically noted FT's commitment to technological innovation and advancement and investments to promote alternative investing.

Following consideration of such information, the Board was satisfied with the nature, extent and quality of services provided by the Manager and its affiliates to the Funds and their shareholders.

### **Fund Performance**

The Board reviewed and considered the performance results of each Fund over various time periods ended December 31, 2022. The Board considered the performance returns for each Fund in comparison to the performance returns of mutual funds deemed comparable to the Fund included in a universe (Performance Universe) selected by Broadridge Financial Solutions, Inc. (Broadridge), an independent provider of investment company data. The Board received a description of the methodology used by Broadridge to select the mutual funds included in a Performance Universe. The Board also reviewed and considered Fund performance reports provided and discussions that occurred with portfolio managers at Board meetings throughout the year. A summary of each Fund's performance results is below.

*Franklin Alabama Tax-Free Income Fund* - The Performance Universe for the Fund included the Fund and all retail and institutional "other states" municipal debt funds. The Board noted that the Fund's annualized income return for the one-, three-, five- and 10-year periods was above the median and in the second quintile of its Performance Universe. The Board also noted that the Fund's annualized total return for the three-year period was above the median of its Performance Universe, but for the one-, five- and 10-year periods was below the median of its Performance Universe. The Board further noted management's view regarding the income-related attributes of the Fund (e.g., a fund's investment objective) as set forth in the Fund's registration statement and that the evaluation of the Fund's performance relative to its peers on an income return basis was appropriate given these attributes. The Board concluded that the Fund's performance was satisfactory.

*Franklin Georgia Tax-Free Income Fund, Franklin Louisiana Tax-Free Income Fund, Franklin Missouri Tax-Free Income Fund, Franklin North Carolina Tax-Free Income Fund and Franklin Maryland Tax-Free Income Fund* - The Performance Universe for each of the Franklin Georgia Tax-Free Income Fund, Franklin Louisiana Tax-Free Income Fund, Franklin

Missouri Tax-Free Income Fund and Franklin North Carolina Tax-Free Income Fund included the Fund and all retail and institutional "other states" municipal debt funds. The Performance Universe for the Franklin Maryland Tax-Free Income Fund included the Fund and all retail and institutional Maryland municipal debt funds. The Board noted that the Funds' annualized income returns for the one-, three-, five- and 10-year periods were above the medians of their respective Performance Universes. The Board also noted that the Funds' annualized total returns for the one-, three-, five- and 10-year periods were below the medians of their respective Performance Universes. The Board further noted management's view regarding the income-related attributes of each Fund (e.g., fund investment objective) as set forth in each Fund's registration statement and that the evaluation of each Fund's performance relative to the Fund's peers on an income return basis was appropriate given its attributes. The Board concluded that the Funds' performance was satisfactory.

*Franklin Virginia Tax-Free Income Fund* - The Performance Universe for the Fund included the Fund and all retail and institutional Virginia municipal debt funds. The Board noted that the Fund's annualized income return for the 10-year period was above the median of its Performance Universe, but for the one-, three- and five-year periods was below the median of its Performance Universe. The Board also noted that the Fund's annualized total return for the one-, three-, five- and 10-year periods was below the median of its Performance Universe. The Board discussed the Fund's underperformance with management and management explained that relative to its Performance Universe, the Fund was underweight AA-rated bonds and overweight bonds with ten or more year maturities which detracted from performance. The Board further noted management's view regarding the income-related attributes of the Fund (e.g., a fund's investment objective) as set forth in the Fund's registration statement and that the evaluation of the Fund's performance relative to its peers on an income return basis was appropriate given these attributes. Management further explained the steps that it was taking to address the sources of the underperformance, including maintaining a duration overweight relative to peers. The Board concluded that the Fund's Management Agreement should be continued for an additional one-year period, while management's efforts continue to be closely monitored.

### **Comparative Fees and Expenses**

The Board reviewed and considered information regarding each Fund's actual total expense ratio and its various components, including, as applicable, management fees; transfer agent expenses; underlying fund expenses; Rule

12b-1 and non-Rule 12b-1 service fees; and other non-management fees. The Board also noted the quarterly and annual reports it receives on all marketing support payments made by FT to financial intermediaries. The Board considered the actual total expense ratio and, separately, the contractual management fee rate, without the effect of fee waivers, if any (Management Rate) of each Fund in comparison to the median expense ratio and median Management Rate, respectively, of other mutual funds deemed comparable to and with a similar expense structure to the Fund selected by Broadridge (Expense Group). Broadridge fee and expense data is based upon information taken from each fund's most recent annual or semi-annual report, which reflects historical asset levels that may be quite different from those currently existing, particularly in a period of market volatility. While recognizing such inherent limitation and the fact that expense ratios and Management Rates generally increase as assets decline and decrease as assets grow, the Board believed the independent analysis conducted by Broadridge to be an appropriate measure of comparative fees and expenses. The Broadridge Management Rate includes administrative charges, and the actual total expense ratio, for comparative consistency, was shown for Class A1 shares for each Fund and for Class A shares for each other fund in the applicable Expense Group. The Board received a description of the methodology used by Broadridge to select the mutual funds included in an Expense Group.

*Franklin Louisiana Tax-Free Income Fund and Franklin North Carolina Tax-Free Income Fund* - The Expense Group for each of the Franklin Louisiana Tax-Free Income Fund and the Franklin North Carolina Tax-Free Income Fund included the respective Fund and nine other "other states" municipal debt funds. The Board noted that the Management Rates for the Funds were equal to the medians of their respective Expense Groups, but their actual total expense ratios were below the medians of their respective Expense Groups. The Board concluded that the Management Rates charged to the Funds are reasonable.

*Franklin Alabama Tax-Free Income Fund, Franklin Georgia Tax-Free Income Fund, Franklin Maryland Tax-Free Income Fund and Franklin Virginia Tax-Free Income Fund* - The Expense Group for the Franklin Alabama Tax-Free Income Fund included the Fund and nine other "other states" municipal debt funds. The Expense Group for the Franklin Georgia Tax-Free Income Fund included the Fund and 10 other "other states" municipal debt funds. The Expense Group for the Franklin Maryland Tax-Free Income Fund included the Fund, one Virginia municipal debt fund, two Massachusetts municipal debt funds, five New York

municipal debt funds, two California municipal debt funds, one Pennsylvania municipal debt fund, two New Jersey municipal debt funds and three "other states" municipal debt funds. The Expense Group for the Franklin Virginia Tax-Free Income Fund included the Fund, two other Virginia municipal debt funds, one Massachusetts municipal debt fund, one Minnesota municipal debt fund, three New York municipal debt funds, one California municipal debt fund, one Pennsylvania municipal debt fund, three New Jersey municipal debt funds, and three "other states" municipal debt funds. The Board noted that the Management Rates for the Funds were less than one basis point above the medians of their respective Expense Groups, except for the Franklin Maryland Tax-Free Income Fund which had a Management Rate that was approximately four basis points above the median of its Expense Group. The Board also noted that the actual total expense ratios for the Funds were below the medians of their respective Expense Groups. After consideration of the above, the Board concluded that the Management Rates charged to the Funds are reasonable.

*Franklin Missouri Tax-Free Income Fund* - The Expense Group for the Fund included the Fund and nine other "other states" municipal debt funds. The Board noted that the Management Rate and actual total expense ratio for the Fund was below the median of its Expense Group. The Board concluded that the Management Rate charged to the Fund is reasonable.

### **Profitability**

The Board reviewed and considered information regarding the profits realized by the Manager and its affiliates in connection with the operation of each Fund. In this respect, the Board considered the Fund profitability analysis provided by the Manager that addresses the overall profitability of FT's US fund business, as well as its profits in providing investment management and other services to each of the individual funds during the 12-month period ended September 30, 2022, being the most recent fiscal year-end for FRI. The Board noted that although management continually makes refinements to its methodologies used in calculating profitability in response to organizational and product-related changes, the overall methodology has remained consistent with that used in the Funds' profitability report presentations from prior years. The Board also noted that PricewaterhouseCoopers LLP, auditor to FRI and certain FT funds, has been engaged by the Manager to periodically review and assess the allocation methodologies to be used solely by the Funds' Board with respect to the profitability analysis.

The Board noted management's belief that costs incurred in establishing the infrastructure necessary for the type of mutual fund operations conducted by the Manager and its affiliates may not be fully reflected in the expenses allocated to each Fund in determining its profitability, as well as the fact that the level of profits, to a certain extent, reflected operational cost savings and efficiencies initiated by management. As part of this evaluation, the Board considered management's outsourcing of certain operations, which effort has required considerable up-front expenditures by the Manager but, over the long run is expected to result in greater efficiencies. The Board also noted management's expenditures in improving shareholder services provided to the Funds, as well as the need to implement systems and meet additional regulatory and compliance requirements resulting from recent US Securities and Exchange Commission and other regulatory requirements.

The Board also considered the extent to which the Manager and its affiliates might derive ancillary benefits from fund operations, including revenues generated from transfer agent services, potential benefits resulting from personnel and systems enhancements necessitated by fund growth, as well as increased leverage with service providers and counterparties. Based upon its consideration of all these factors, the Board concluded that the level of profits realized by the Manager and its affiliates from providing services to each Fund was not excessive in view of the nature, extent and quality of services provided to each Fund.

### **Economies of Scale**

The Board reviewed and considered the extent to which the Manager may realize economies of scale, if any, as each Fund grows larger and whether each Fund's management fee structure reflects any economies of scale for the benefit of shareholders. With respect to possible economies of scale, the Board noted the existence of management fee breakpoints, which operate generally to share any economies of scale with a Fund's shareholders by reducing the Fund's effective management fees as the Fund grows in size. The Board considered the Manager's view that any analyses of potential economies of scale in managing a particular fund are inherently limited in light of the joint and common costs and investments the Manager incurs across the FT family of funds as a whole. The Board noted that each Fund, except the Franklin Alabama Tax-Free Income Fund, had experienced a decrease in assets and would not be expected to demonstrate additional economies of scale in the near term. The Board recognized that there would not likely be any economies of scale for the Franklin Alabama Tax-Free Income Fund until the Fund's assets grow. The

Board concluded that to the extent economies of scale may be realized by the Manager and its affiliates, each Fund's management fee structure provided a sharing of benefits with the Fund and its shareholders as the Fund grows.

### **Conclusion**

Based on its review, consideration and evaluation of all factors it believed relevant, including the above-described factors and conclusions, the Board unanimously approved the continuation of each Management Agreement for an additional one-year period.

## **Liquidity Risk Management Program**

Each of the Franklin Templeton and Legg Mason Funds has adopted and implemented a written Liquidity Risk Management Program (the "LRMP") as required by Rule 22e-4 under the Investment Company Act of 1940 (the "Liquidity Rule"). The LRMP is designed to assess and manage each Fund's liquidity risk, which is defined as the risk that the Fund could not meet requests to redeem shares issued by the Fund without significant dilution of remaining investors' interests in the Fund. In accordance with the Liquidity Rule, the LRMP includes policies and procedures that provide for: (1) assessment, management, and review (no less frequently than annually) of each Fund's liquidity risk; (2) classification of each Fund's portfolio holdings into one of four liquidity categories (Highly Liquid, Moderately Liquid, Less Liquid, and Illiquid); (3) for Funds that do not primarily hold assets that are Highly Liquid, establishing and maintaining a minimum percentage of the Fund's net assets in Highly Liquid investments (called a "Highly Liquid Investment Minimum" or "HLIM"); and (4) prohibiting the Fund's acquisition of Illiquid investments that would result in the Fund holding more than 15% of its net assets in Illiquid assets. The LRMP also requires reporting to the Securities and Exchange Commission ("SEC") (on a non-public basis) and to the Board if the Fund's holdings of Illiquid assets exceed 15% of the Fund's net assets. Funds with HLIMs must have procedures for addressing HLIM shortfalls, including reporting to the Board and, with respect to HLIM shortfalls lasting more than seven consecutive calendar days, reporting to the SEC (on a non-public basis).

The Director of Liquidity Risk within the Investment Risk Management Group (the "IRMG") is the appointed Administrator of the LRMP. The IRMG maintains the Investment Liquidity Committee (the "ILC") to provide oversight and administration of policies and procedures governing liquidity risk management for Franklin Templeton and Legg Mason products and portfolios. The ILC includes

representatives from Franklin Templeton's Risk, Trading, Global Compliance, Legal, Investment Compliance, Investment Operations, Valuation Committee, Product Management and Global Product Strategy.

In assessing and managing each Fund's liquidity risk, the ILC considers, as relevant, a variety of factors, including the Fund's investment strategy and the liquidity of its portfolio investments during both normal and reasonably foreseeable stressed conditions; its short and long-term cash flow projections; and its cash holdings and access to other funding sources including the Funds' interfund lending facility and line of credit. Classification of the Fund's portfolio holdings in the four liquidity categories is based on the number of days it is reasonably expected to take to convert the investment to cash (for Highly Liquid and Moderately Liquid holdings) or sell or dispose of the investment (for Less Liquid and Illiquid investments), in current market conditions without significantly changing the investment's market value.

Each Fund primarily holds liquid assets that are defined under the Liquidity Rule as "Highly Liquid Investments," and therefore is not required to establish an HLIM. Highly Liquid Investments are defined as cash and any investment reasonably expected to be convertible to cash in current market conditions in three business days or less without the conversion to cash significantly changing the market value of the investment.

At meetings of the Funds' Board of Trustees held in May 2023, the Program Administrator provided a written report to the Board addressing the adequacy and effectiveness of the program for the year ended December 31, 2022. The Program Administrator report concluded that (i.) the LRMP, as adopted and implemented, remains reasonably designed to assess and manage each Fund's liquidity risk; (ii.) the LRMP, including the Highly Liquid Investment Minimum ("HLIM") where applicable, was implemented and operated effectively to achieve the goal of assessing and managing each Fund's liquidity risk; and (iii.) each Fund was able to meet requests for redemption without significant dilution of remaining investors' interests in the Fund.

## 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, the Fund's financial reports every six months. In addition, you will receive an annual updated summary prospectus (prospectus available upon request). To reduce Fund expenses, we try to identify related shareholders in a household and send only one copy of the financial reports (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.



This page is intentionally left blank

This page is intentionally left blank

This page is intentionally left blank

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**

**Semiannual Report  
Franklin Tax-Free Trust**

**Investment Manager**  
Franklin Advisers, Inc.

**Distributor**  
Franklin Distributors, LLC  
(800) DIAL BEN® / 342-5236  
[franklintempleton.com](http://franklintempleton.com)

**Shareholder Services**  
(800) 632-2301