

ANNUAL REPORT AND SHAREHOLDER LETTER

FRANKLIN TAX-FREE TRUST

February 28, 2023



FRANKLIN
TEMPLETON

Franklin Arizona Tax-Free Income Fund

Franklin Colorado Tax-Free Income Fund

Franklin Connecticut Tax-Free Income Fund

Franklin Michigan Tax-Free Income Fund

Franklin Minnesota Tax-Free Income Fund

Franklin Ohio Tax-Free Income Fund

Franklin Oregon Tax-Free Income Fund

Franklin Pennsylvania Tax-Free Income Fund

SHAREHOLDER LETTER

Dear Shareholder:

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

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

During the 12-month period, municipal bonds, as measured by the Bloomberg Municipal Bond Index, posted a -5.10% total return, influenced by fixed income market volatility and tighter monetary policy, resulting in net outflows from municipals, though demand has been strong so far in 2023.¹ Despite mixed signs from the U.S. economy, municipal bond fundamentals remained strong due to prudent fiscal management and many issuers reporting budget surpluses for 2022 in addition to federal government transfers.

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

¹ Source: Morningstar.
See www.franklintempletondatasources.com for additional data provider information.

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

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

Sincerely,



Gregory E. Johnson
Chairman
Franklin Tax-Free Trust



Ben Barber
Senior Vice President
Director of Municipal Bonds

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

Not FDIC Insured	May Lose Value	No Bank Guarantee
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Contents

Annual Report

Municipal Bond Market Overview3

Investment Strategy and Manager’s Discussion4

Franklin Arizona Tax-Free Income Fund.....5

Franklin Colorado Tax-Free Income Fund 11

Franklin Connecticut Tax-Free Income Fund..... 17

Franklin Michigan Tax-Free Income Fund23

Franklin Minnesota Tax-Free Income Fund29

Franklin Ohio Tax-Free Income Fund35

Franklin Oregon Tax-Free Income Fund.....41

Franklin Pennsylvania Tax-Free Income Fund47

Financial Highlights and Schedules of Investments53

Financial Statements144

Notes to Financial Statements..... 154

Report of Independent Registered Public Accounting
Firm172

Tax Information173

Board Members and Officers.....174

Shareholder Information179

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

ANNUAL REPORT

Municipal Bond Market Overview

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

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

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

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

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

Investment Strategy and Manager's Discussion

Investment Strategy

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

Manager's Discussion

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

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

The foregoing information reflects our analysis, opinions and portfolio holdings as of February 28, 2023, the end of the reporting period. The way we implement our main investment strategies and the resulting portfolio holdings may change depending on factors such as market and economic conditions. These opinions may not be relied upon as investment advice or an offer for a particular security. The information is not a complete analysis of every aspect of any market, state, industry, security or fund. Statements of fact are from sources considered reliable, but the investment manager makes no representation or warranty as to their completeness or accuracy. Although historical performance is no guarantee of future results, these insights may help you understand our investment management philosophy.

Franklin Arizona Tax-Free Income Fund

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

Your Fund's Goal and Main Investments

The Fund seeks to provide investors with as high a level of income exempt from federal and Arizona 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.¹

Performance Overview

The Fund's Class A share price, as measured by net asset value, decreased from \$10.64 on February 28, 2022, to \$9.60 on February 28, 2023. The Fund's Class A shares paid dividends totaling 26.9838 cents per share for the reporting period.² The Performance Summary beginning on page 7 shows that at the end of this reporting period the Fund's Class A shares' distribution rate was 2.57%, based on an annualization of February's 2.1336 cents per share dividend and the maximum offering price of \$9.97 on February 28, 2023. An investor in the 2023 maximum combined effective federal and Arizona personal income tax bracket of 43.55% (including 3.80% Medicare tax) would need to earn a distribution rate of 4.55% 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 or call (800) 342-5236.

State Update

Arizona's economy slowed during the 12-month period, although growth rebounded in 2022's third quarter. Strong employment growth resulted in nearly all of the state's major industries recovering all jobs lost during the first months of the COVID-19 pandemic. The state's unemployment rate

began the period at 3.6% and ended at 3.7%, compared with the 3.6% national rate. Arizona's fiscal year (FY) 2022, which ended in June 2022, generated a significant surplus amid strong revenue collections and a court ruling that struck down a voter-approved tax increase. In June 2022, the governor signed a FY 2023 budget that eliminated the statewide personal property tax. In addition, Arizona taxpayers began paying a flat 2.5% state income tax. Arizona's net tax-supported debt was \$565 per capita and 1.0% of personal income, below the \$1,179 and 2.1% national medians, respectively.³ Independent credit rating agency Moody's Investors Service maintained the state's Aa1 issuer credit rating with a stable outlook.⁴ The rating reflected Moody's view of Arizona's above-average economic growth and strengthening reserves, lower debt levels, below average fixed costs and demonstrated budget conservatism. According to Moody's, challenges included constitutional restrictions that limit the state's financial flexibility. Moody's stable outlook reflected its anticipation of Arizona's continued sufficient reserves and moderate leverage.

Portfolio Composition

2/28/23

	% of Total Investments*
Education	26.56%
Utilities	20.01%
Health Care	14.53%
Transportation	11.43%
Special Tax	11.12%
Housing	7.68%
Industrial Dev. Revenue and Pollution Control	5.07%
Local	3.06%
Refunded	0.54%

*Does not include cash and cash equivalents.

Manager's Discussion

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

1. For state personal income taxes, the 80% minimum is measured by total Fund assets. For investors subject to alternative minimum tax, a small portion of Fund dividends may be taxable. Distributions of capital gains are generally taxable. To avoid imposition of 28% backup withholding on all Fund distributions and redemption proceeds, U.S. investors must be properly certified on Form W-9 and non-U.S. investors on Form W-8BEN.

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

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

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

See www.franklintempletondatasources.com 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 58.

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

The foregoing information reflects our analysis, opinions and portfolio holdings as of February 28, 2023, the end of the reporting period. The way we implement our main investment strategies and the resulting portfolio holdings may change depending on factors such as market and economic conditions. These opinions may not be relied upon as investment advice or an offer for a particular security. The information is not a complete analysis of every aspect of any market, state, industry, security or the Fund. Statements of fact are from sources considered reliable, but the investment manager makes no representation or warranty as to their completeness or accuracy. Although historical performance is no guarantee of future results, these insights may help you understand our investment management philosophy.

Performance Summary as of February 28, 2023

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

Performance as of 2/28/23¹

*Cumulative total return excludes sales charges. Average annual total returns include 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.*

Share Class	Cumulative Total Return ²	Average Annual Total Return ³
A^{4,5}		
1-Year	-7.24%	-10.72%
5-Year	+3.85%	-0.01%
10-Year	+14.73%	+1.00%
Advisor		
1-Year	-6.91%	-6.91%
5-Year	+4.97%	+0.97%
10-Year	+16.57%	+1.54%

Share Class	Distribution Rate ⁶	Taxable Equivalent Distribution Rate ⁷	30-Day Standardized Yield ⁸	Taxable Equivalent 30-Day Standardized Yield ⁷
A	2.57%	4.55%	3.05%	5.40%
Advisor	2.89%	5.12%	3.42%	6.06%

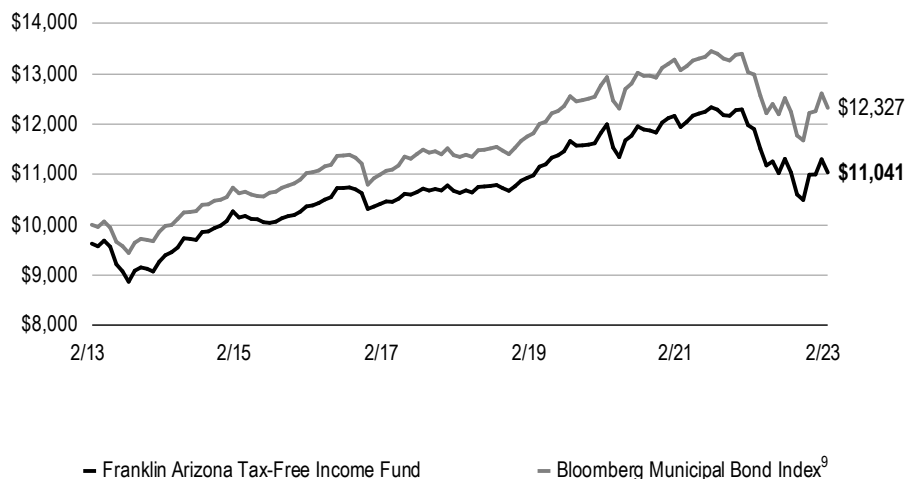
Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. For most recent month-end performance, go to franklintempleton.com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

See page 9 for Performance Summary footnotes.

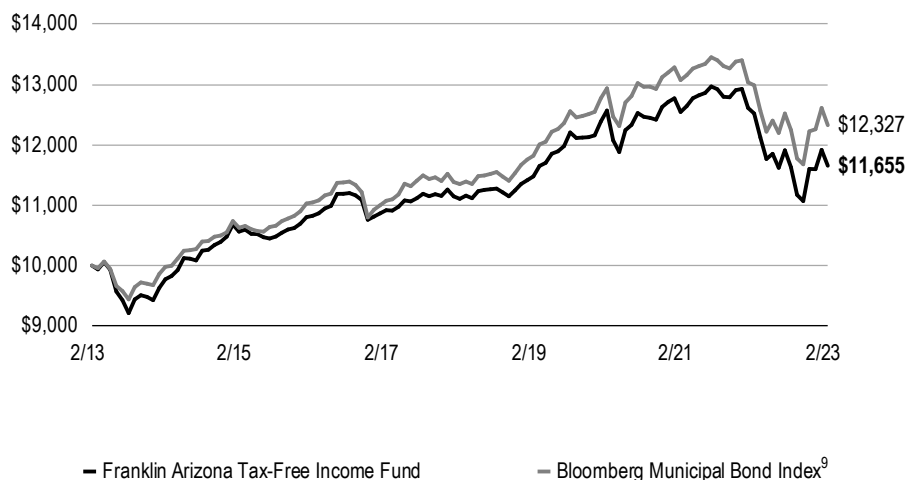
Total Return Index Comparison for a Hypothetical \$10,000 Investment¹

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

Class A (2/28/13–2/28/23)



Advisor Class (2/28/13–2/28/23)



See page 9 for Performance Summary footnotes.

Distributions (3/1/22–2/28/23)

Share Class	Net Investment Income
A	\$0.269838
A1	\$0.284535
C	\$0.229635
R6	\$0.297654
Advisor	\$0.294254

Total Annual Operating Expenses¹⁰

Share Class	
A	0.81%
Advisor	0.56%

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

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

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

1. Gross expenses are the Fund's total annual operating expenses as of the Fund's prospectus available at the time of publication. Net expenses are capped under a contractual agreement, which cannot be terminated prior to 6/30/23 without Board consent. Actual expenses may be higher and may impact portfolio returns.
2. Cumulative total return represents the change in value of an investment over the periods indicated.
3. Average annual total return represents the average annual change in value of an investment over the periods indicated. Return for less than one year, if any, has not been annualized.
4. Effective 9/10/18, Class A shares closed to new investors, were renamed Class A1 shares, and a new Class A share with a different expense structure became available. Class A performance shown has been calculated as follows: (a) for periods prior to 9/10/18, a restated figure is used based on the Fund's Class A1 performance that includes any Rule 12b-1 rate differential that exists between Class A1 and Class A; and (b) for periods after 9/10/18, actual Class A performance is used, reflecting all charges and fees applicable to that class.
5. Prior to 3/1/19, these shares were offered at a higher initial sales charge of 4.25%, thus actual returns (with sales charges) would have differed. Average annual total returns (with sales charges) have been restated to reflect the current maximum initial sales charge of 3.75%.
6. Distribution rate is based on an annualization of the respective class's February dividend and the maximum offering price (NAV for Advisor class) per share on 2/28/23.
7. Taxable equivalent distribution rate and yield assume the published rates as of 12/20/22 for the maximum combined effective federal and Arizona personal income tax rate of 43.55%, based on the federal income tax rate of 37.00% plus 3.80% Medicare tax.
8. The Fund's 30-day standardized yield is calculated over a trailing 30-day period using the yield to maturity on bonds and/or the dividends accrued on stocks. It may not equal the Fund's actual income distribution rate, which reflects the Fund's past dividends paid to shareholders.
9. Source: FactSet. The Bloomberg Municipal Bond Index is a market-value weighted index of tax-exempt, investment-grade municipal bonds with maturities of one year or more.
10. Figures are as stated in the Fund's current prospectus and may differ from the expense ratios disclosed in the Your Fund's Expenses and Financial Highlights sections in this report. In periods of market volatility, assets may decline significantly, causing total annual Fund operating expenses to become higher than the figures shown. See www.franklintempletondatasources.com for additional data provider information.

Your Fund's Expenses

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

Actual Fund Expenses

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

Hypothetical Example for Comparison with Other Funds

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

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

Share Class	Beginning Account Value 9/1/22	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio ²
		Ending Account Value 2/28/23	Expenses Paid During Period 9/1/22–2/28/23 ^{1,2}	Ending Account Value 2/28/23	Expenses Paid During Period 9/1/22–2/28/23 ^{1,2}	
A	\$1,000	\$999.90	\$4.17	\$1,020.62	\$4.22	0.84%
A1	\$1,000	\$1,001.70	\$3.43	\$1,021.37	\$3.46	0.69%
C	\$1,000	\$997.90	\$6.10	\$1,018.69	\$6.16	1.23%
R6	\$1,000	\$1,002.30	\$2.79	\$1,022.01	\$2.81	0.56%
Advisor	\$1,000	\$1,002.20	\$2.92	\$1,021.88	\$2.95	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 181/365 to reflect the one-half year period.

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

Franklin Colorado Tax-Free Income Fund

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

Your Fund's Goal and Main Investments

The Fund seeks to provide investors with as high a level of income exempt from federal and Colorado 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.¹

Performance Overview

The Fund's Class A share price, as measured by net asset value, decreased from \$11.40 on February 28, 2022, to \$10.26 on February 28, 2023. The Fund's Class A shares paid dividends totaling 27.0809 cents per share for the reporting period.² The Performance Summary beginning on page 13 shows that at the end of this reporting period the Fund's Class A shares' distribution rate was 2.44%, based on an annualization of February's 2.1705 cents per share dividend and the maximum offering price of \$10.66 on February 28, 2023. An investor in the 2023 maximum combined effective federal and Colorado personal income tax bracket of 45.35% (including 3.80% Medicare tax) would need to earn a distribution rate of 4.46% 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 or call (800) 342-5236.

State Update

Colorado's economy slowed during the 12-month period, although growth rebounded in the third quarter of 2022.

Colorado's economy benefits from a relatively young, educated workforce and a diverse mix of technology,

bioscience and professional services industries located along the Front Range region. The state also has significant, albeit volatile, tourism and energy sectors. Colorado's unemployment rate began the period at 3.6% and ended at 2.9%, compared with the 3.6% national rate. Colorado's financial position has improved in recent years because of stronger-than-expected revenue performance and the availability of significant federal pandemic relief funds. The state's strengthened reserve and liquidity position will increase budgetary flexibility under an economic downturn. Colorado's net tax-supported debt was \$874 per capita and 1.3% of personal income, below the \$1,179 and 2.1% national medians, respectively.³ Independent credit rating agency Moody's Investors Service maintained Colorado's Aa1 issuer credit rating with a stable outlook.⁴ The rating reflected Moody's view that Colorado has strong economic fundamentals, above-average resident income levels and moderate leverage. According to Moody's, credit challenges include a complex system of constitutional revenue limits and voter initiatives that constrain revenue growth. Moody's stable outlook reflected its assessment of Colorado's strong economic fundamentals and sound fiscal management.

Portfolio Composition

2/28/23

	% of Total Investments*
Health Care	20.79%
Local	19.31%
Utilities	13.82%
Education	12.40%
Special Tax	6.68%
Transportation	6.47%
Housing	5.32%
Lease	4.87%
Refunded	4.61%
Industrial Dev. Revenue and Pollution Control	4.59%
State General Obligation	1.14%

*Does not include cash and cash equivalents.

1. For state personal income taxes, the 80% minimum is measured by total Fund assets. For investors subject to alternative minimum tax, a small portion of Fund dividends may be taxable. Distributions of capital gains are generally taxable. To avoid imposition of 28% backup withholding on all Fund distributions and redemption proceeds, U.S. investors must be properly certified on Form W-9 and non-U.S. investors on Form W-8BEN.

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

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

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

See 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 69.

Manager's Discussion

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

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

The foregoing information reflects our analysis, opinions and portfolio holdings as of February 28, 2023, the end of the reporting period. The way we implement our main investment strategies and the resulting portfolio holdings may change depending on factors such as market and economic conditions. These opinions may not be relied upon as investment advice or an offer for a particular security. The information is not a complete analysis of every aspect of any market, state, industry, security or the Fund. Statements of fact are from sources considered reliable, but the investment manager makes no representation or warranty as to their completeness or accuracy. Although historical performance is no guarantee of future results, these insights may help you understand our investment management philosophy.

Performance Summary as of February 28, 2023

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

Performance as of 2/28/23¹

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.

Share Class	Cumulative Total Return ²	Average Annual Total Return ³
A^{4,5}		
1-Year	-7.63%	-11.10%
5-Year	+3.34%	-0.11%
10-Year	+13.29%	+0.87%
Advisor		
1-Year	-7.40%	-7.40%
5-Year	+4.56%	+0.90%
10-Year	+15.32%	+1.44%

Share Class	Distribution Rate ⁶	Taxable Equivalent Distribution Rate ⁷	30-Day Standardized Yield ⁸		Taxable Equivalent 30-Day Standardized Yield ⁷	
			(with fee waiver)	(without fee waiver)	(with fee waiver)	(without fee waiver)
A	2.44%	4.46%	3.09%	3.08%	5.65%	5.64%
Advisor	2.77%	5.07%	3.47%	3.46%	6.35%	6.33%

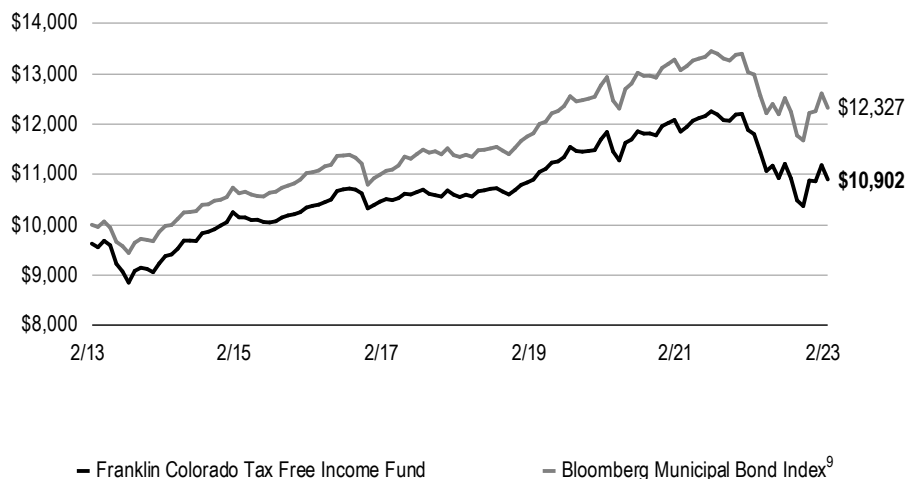
Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. For most recent month-end performance, go to franklintempleton.com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

See page 15 for Performance Summary footnotes.

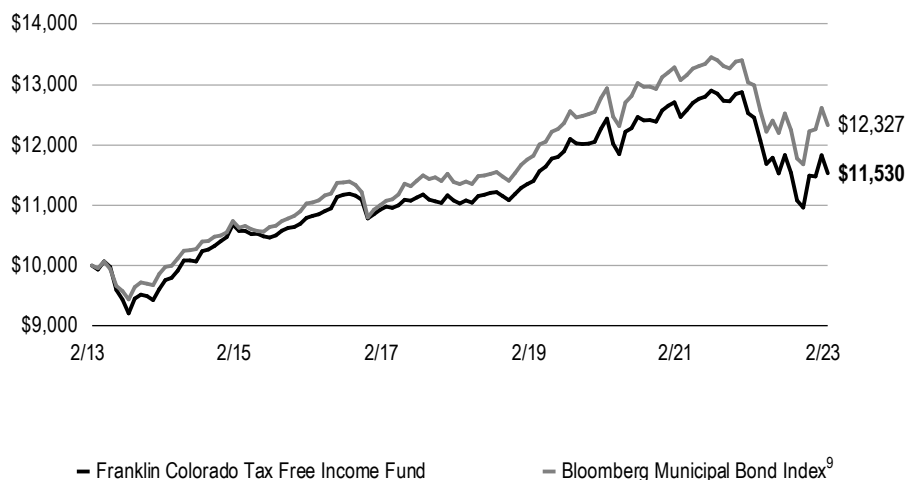
Total Return Index Comparison for a Hypothetical \$10,000 Investment¹

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

Class A (2/28/13–2/28/23)



Advisor Class (2/28/13–2/28/23)



See page 15 for Performance Summary footnotes.

Distributions (3/1/22–2/28/23)

Share Class	Net Investment Income
A	\$0.270809
A1	\$0.286579
C	\$0.227910
R6	\$0.301594
Advisor	\$0.297060

Total Annual Operating Expenses¹⁰

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.

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

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

1. Gross expenses are the Fund's total annual operating expenses as of the Fund's prospectus available at the time of publication. Net expenses are capped under a contractual agreement, which cannot be terminated prior to 6/30/23 without Board consent. Actual expenses may be higher and may impact portfolio returns.
2. Cumulative total return represents the change in value of an investment over the periods indicated.
3. Average annual total return represents the average annual change in value of an investment over the periods indicated. Return for less than one year, if any, has not been annualized.
4. Effective 9/10/18, Class A shares closed to new investors, were renamed Class A1 shares, and a new Class A share with a different expense structure became available. Class A performance shown has been calculated as follows: (a) for periods prior to 9/10/18, a restated figure is used based on the Fund's Class A1 performance that includes any Rule 12b-1 rate differential that exists between Class A1 and Class A; and (b) for periods after 9/10/18, actual Class A performance is used, reflecting all charges and fees applicable to that class.
5. Prior to 3/1/19, these shares were offered at a higher initial sales charge of 4.25%, thus actual returns (with sales charges) would have differed. Average annual total returns (with sales charges) have been restated to reflect the current maximum initial sales charge of 3.75%.
6. Distribution rate is based on an annualization of the respective class's February dividend and the maximum offering price (NAV for Advisor class) per share on 2/28/23.
7. Taxable equivalent distribution rate and yield assume the published rates as of 12/20/22 for the maximum combined effective federal and Colorado personal income tax rate of 45.35%, based on the federal income tax rate of 37.00% plus 3.80% Medicare tax.
8. The Fund's 30-day standardized yield is calculated over a trailing 30-day period using the yield to maturity on bonds and/or the dividends accrued on stocks. It may not equal the Fund's actual income distribution rate, which reflects the Fund's past dividends paid to shareholders.
9. Source: FactSet. The Bloomberg Municipal Bond Index is a market-value weighted index of tax-exempt, investment-grade municipal bonds with maturities of one year or more.
10. Figures are as stated in the Fund's current prospectus and may differ from the expense ratios disclosed in the Your Fund's Expenses and Financial Highlights sections in this report. In periods of market volatility, assets may decline significantly, causing total annual Fund operating expenses to become higher than the figures shown. See www.franklintempletondatasources.com for additional data provider information.

Your Fund's Expenses

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

Actual Fund Expenses

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

Hypothetical Example for Comparison with Other Funds

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

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

Share Class	Beginning Account Value 9/1/22	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio ²
		Ending Account Value 2/28/23	Expenses Paid During Period 9/1/22–2/28/23 ^{1,2}	Ending Account Value 2/28/23	Expenses Paid During Period 9/1/22–2/28/23 ^{1,2}	
A	\$1,000	\$998.10	\$4.27	\$1,020.52	\$4.32	0.86%
A1	\$1,000	\$998.80	\$3.53	\$1,021.26	\$3.57	0.71%
C	\$1,000	\$996.10	\$6.21	\$1,018.57	\$6.28	1.25%
R6	\$1,000	\$999.50	\$2.85	\$1,021.95	\$2.88	0.57%
Advisor	\$1,000	\$999.30	\$3.04	\$1,021.76	\$3.07	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 181/365 to reflect the one-half year period.

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

Franklin Connecticut Tax-Free Income Fund

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

Your Fund's Goal and Main Investments

The Fund seeks to provide investors with as high a level of income exempt from federal and Connecticut 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.¹

Performance Overview

The Fund's Class A share price, as measured by net asset value, decreased from \$9.85 on February 28, 2022, to \$8.86 on February 28, 2023. The Fund's Class A shares paid dividends totaling 21.7609 cents per share for the reporting period.² The Performance Summary beginning on page 19 shows that at the end of this reporting period the Fund's Class A shares' distribution rate was 2.32%, based on an annualization of February's 1.7827 cents per share dividend and the maximum offering price of \$9.21 on February 28, 2023. An investor in the 2023 maximum combined effective federal and Connecticut personal income tax bracket of 47.79% (including 3.80% Medicare tax) would need to earn a distribution rate of 4.44% 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 or call (800) 342-5236.

State Update

Connecticut's uneven economic recovery from the COVID-19-induced downturn strengthened over the 12-month reporting period. One of the nation's wealthiest states, based on per capita income, with a large and diverse economy, Connecticut has nonetheless been challenged

by a deteriorating demographic trajectory. The state's unemployment rate began the period at 4.6% and ended at 4.0%, compared with the 3.6% national rate. Connecticut's governor signed a fiscal year 2023 budget adjustment that included major tax cuts and a built-in surplus to fund the state's pension plan. Connecticut's net tax-supported debt was \$8,014 per capita and 9.8% of personal income, above the \$1,179 and 2.1% national medians, respectively.³ Independent credit rating agency Moody's Investors Service maintained Connecticut's general obligation bonds' Aa3 rating with a stable outlook.⁴ This rating reflected Moody's view that the state benefited from high income levels, strong governance and a willingness to make mid-year budget adjustments. According to Moody's, Connecticut's challenges include high fixed costs for debt service, pension and post-employment benefits, vulnerability to the impact of financial market fluctuations on capital gains and employment and a declining and aging population. Moody's stable outlook reflects its view of Connecticut's large reserves and strong provisions to promote fiscal discipline.

Portfolio Composition

2/28/23

	% of Total Investments*
Education	35.65%
Health Care	21.28%
Transportation	12.79%
Housing	8.20%
State General Obligation	6.18%
Local	6.04%
Special Tax	4.85%
Refunded	2.64%
Utilities	1.97%
Lease	0.40%

*Does not include cash and cash equivalents.

Manager's Discussion

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

1. For state personal income taxes, the 80% minimum is measured by total Fund assets. For investors subject to alternative minimum tax, a small portion of Fund dividends may be taxable. Distributions of capital gains are generally taxable. To avoid imposition of 28% backup withholding on all Fund distributions and redemption proceeds, U.S. investors must be properly certified on Form W-9 and non-U.S. investors on Form W-8BEN.

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

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

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

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

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

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

The foregoing information reflects our analysis, opinions and portfolio holdings as of February 28, 2023, the end of the reporting period. The way we implement our main investment strategies and the resulting portfolio holdings may change depending on factors such as market and economic conditions. These opinions may not be relied upon as investment advice or an offer for a particular security. The information is not a complete analysis of every aspect of any market, state, industry, security or the Fund. Statements of fact are from sources considered reliable, but the investment manager makes no representation or warranty as to their completeness or accuracy. Although historical performance is no guarantee of future results, these insights may help you understand our investment management philosophy.

Performance Summary as of February 28, 2023

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

Performance as of 2/28/23¹

*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.*

Share Class	Cumulative Total Return ²	Average Annual Total Return ³
A^{4,5}		
1-Year	-7.84%	-11.30%
5-Year	+0.21%	-0.72%
10-Year	+5.46%	+0.15%
Advisor		
1-Year	-7.63%	-7.63%
5-Year	+1.18%	+0.24%
10-Year	+7.15%	+0.69%

Share Class	Distribution Rate ⁶	Taxable Equivalent Distribution Rate ⁷	30-Day Standardized Yield ⁸		Taxable Equivalent 30-Day Standardized Yield ⁷	
			(with fee waiver)	(without fee waiver)	(with fee waiver)	(without fee waiver)
A	2.32%	4.44%	3.10%	2.92%	5.94%	5.59%
Advisor	2.65%	5.08%	3.49%	3.30%	6.68%	6.32%

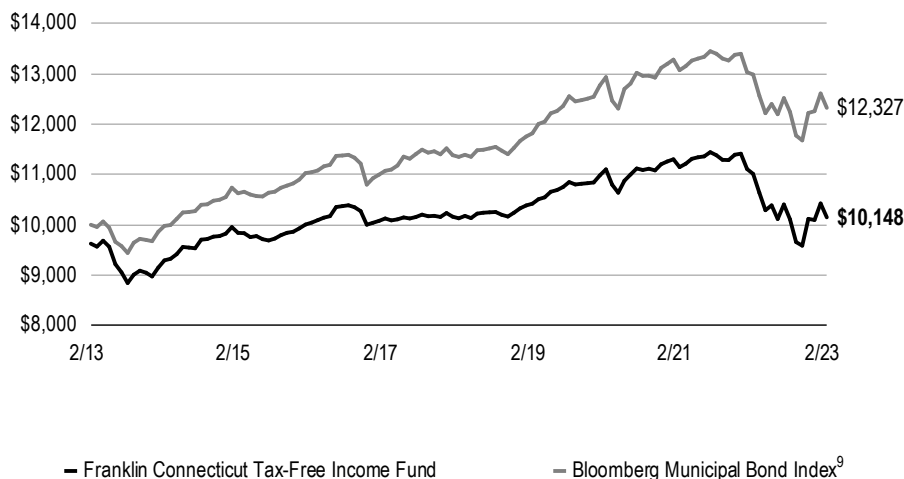
Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. For most recent month-end performance, go to franklintempleton.com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

See page 21 for Performance Summary footnotes.

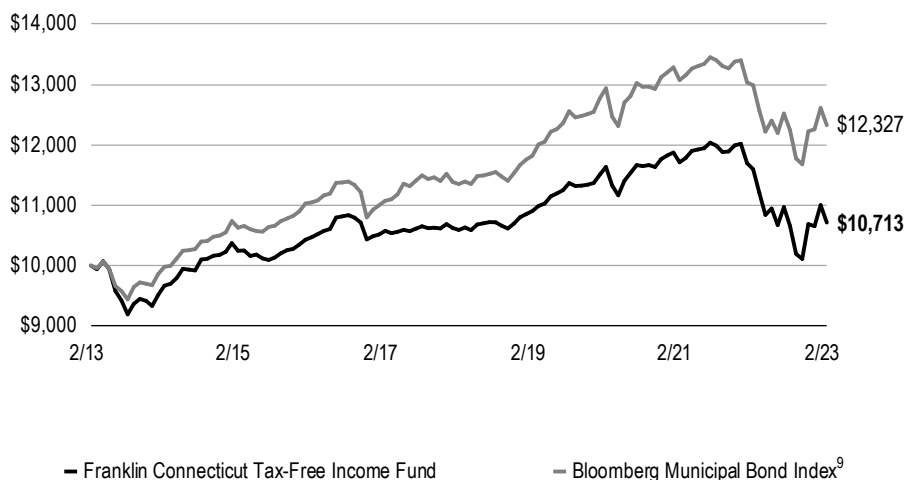
Total Return Index Comparison for a Hypothetical \$10,000 Investment¹

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

Class A (2/28/13–2/28/23)



Advisor Class (2/28/13–2/28/23)



See page 19 for Performance Summary footnotes.

Distributions (3/1/22–2/28/23)

Share Class	Net Investment Income
A	\$0.217609
A1	\$0.231157
C	\$0.181047
R6	\$0.243512
Advisor	\$0.240301

Total Annual Operating Expenses¹⁰

Share Class	With Fee Waiver	Without Fee Waiver
A	0.90%	0.98%
Advisor	0.65%	0.73%

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

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

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

1. Gross expenses are the Fund's total annual operating expenses as of the Fund's prospectus available at the time of publication. Actual expenses may be higher and may impact portfolio returns. Net expenses reflect contractual fee waivers, expense caps and/or reimbursements, which cannot be terminated prior to 6/30/23 without Board consent. Additional amounts may be voluntarily waived and/or reimbursed and may be modified or discontinued at any time without notice.
2. Cumulative total return represents the change in value of an investment over the periods indicated.
3. Average annual total return represents the average annual change in value of an investment over the periods indicated. Return for less than one year, if any, has not been annualized.
4. Effective 9/10/18, Class A shares closed to new investors, were renamed Class A1 shares, and a new Class A share with a different expense structure became available. Class A performance shown has been calculated as follows: (a) for periods prior to 9/10/18, a restated figure is used based on the Fund's Class A1 performance that includes any Rule 12b-1 rate differential that exists between Class A1 and Class A; and (b) for periods after 9/10/18, actual Class A performance is used, reflecting all charges and fees applicable to that class.
5. Prior to 3/1/19, these shares were offered at a higher initial sales charge of 4.25%, thus actual returns (with sales charges) would have differed. Average annual total returns (with sales charges) have been restated to reflect the current maximum initial sales charge of 3.75%.
6. Distribution rate is based on an annualization of the respective class's February dividend and the maximum offering price (NAV for Advisor class) per share on 2/28/23.
7. Taxable equivalent distribution rate and yield assume the published rates as of 12/20/22 for the maximum combined effective federal and Connecticut personal income tax rate of 47.79%, based on the federal income tax rate of 37.00% plus 3.80% Medicare tax.
8. The Fund's 30-day standardized yield is calculated over a trailing 30-day period using the yield to maturity on bonds and/or the dividends accrued on stocks. It may not equal the Fund's actual income distribution rate, which reflects the Fund's past dividends paid to shareholders.
9. Source: FactSet. The Bloomberg Municipal Bond Index is a market-value weighted index of tax-exempt, investment-grade municipal bonds with maturities of one year or more.
10. Figures are as stated in the Fund's current prospectus and may differ from the expense ratios disclosed in the Your Fund's Expenses and Financial Highlights sections in this report. In periods of market volatility, assets may decline significantly, causing total annual Fund operating expenses to become higher than the figures shown. See www.franklintempletondatasources.com for additional data provider information.

Your Fund's Expenses

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

Actual Fund Expenses

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

Hypothetical Example for Comparison with Other Funds

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

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

Share Class	Beginning Account Value 9/1/22	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio ²
		Ending Account Value 2/28/23	Expenses Paid During Period 9/1/22–2/28/23 ^{1,2}	Ending Account Value 2/28/23	Expenses Paid During Period 9/1/22–2/28/23 ^{1,2}	
A	\$1,000	\$1,003.80	\$4.48	\$1,020.33	\$4.51	0.90%
A1	\$1,000	\$1,004.50	\$3.73	\$1,021.07	\$3.76	0.75%
C	\$1,000	\$1,001.70	\$6.43	\$1,018.37	\$6.48	1.29%
R6	\$1,000	\$1,005.20	\$3.10	\$1,021.70	\$3.13	0.62%
Advisor	\$1,000	\$1,005.00	\$3.24	\$1,021.57	\$3.26	0.65%

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

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

Franklin Michigan Tax-Free Income Fund

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

Your Fund's Goal and Main Investments

The Fund seeks to provide investors with as high a level of income exempt from federal and Michigan 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.¹

Performance Overview

The Fund's Class A share price, as measured by net asset value, decreased from \$11.43 on February 28, 2022, to \$10.30 on February 28, 2023. The Fund's Class A shares paid dividends totaling 28.2208 cents per share for the reporting period.² The Performance Summary beginning on page 25 shows that at the end of this reporting period the Fund's Class A shares' distribution rate was 2.58%, based on an annualization of February's 2.2961 cents per share dividend and the maximum offering price of \$10.70 on February 28, 2023. An investor in the 2023 maximum combined effective federal and Michigan personal income tax bracket of 45.05% (including 3.80% Medicare tax) would need to earn a distribution rate of 4.70% 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 or call (800) 342-5236.

State Update

During the 12-month period, Michigan's economy slowed as high inflation and rising interest rates moderated business activity. The Michigan economy is vulnerable to economic cycles because of its large automotive industry. However,

in recent years, this exposure has been mitigated by financial reserves and a growing service sector. The state's unemployment rate began the period at 4.2% and ended at 4.3%, compared with the 3.6% national rate. Improving revenue conditions and substantial direct aid from the federal government bolstered the state's liquidity. Michigan's net tax-supported debt was \$833 per capita and 1.5% of personal income, below the \$1,179 and 2.1% national medians, respectively.³ Independent credit rating agency Moody's Investors Service maintained Michigan's general obligations bonds' Aa1 rating with a stable outlook.⁴ The rating reflected Moody's view of the state's strong budgetary reserves, available liquidity and effective governance practices. According to Moody's, credit challenges include dependence upon the automotive manufacturing industry, exposure to financially stressed local governments and elevated levels of retirement benefit liabilities. Moody's stable outlook reflected its assessment that Michigan's governance practices make the state likely to respond rapidly to developing economic or fiscal downturns and because the state's economy, while still linked to the automobile manufacturing industry, has become increasingly diversified.

Portfolio Composition

2/28/23

	% of Total Investments*
Local	28.91%
Education	15.04%
Health Care	15.03%
Housing	9.34%
Lease	7.90%
Utilities	6.34%
Transportation	5.77%
Refunded	4.73%
Special Tax	4.25%
Industrial Dev. Revenue and Pollution Control	2.45%
State General Obligation	0.24%

*Does not include cash and cash equivalents.

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

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

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

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

See www.franklintempletondatasources.com 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 88.

Manager's Discussion

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

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

The foregoing information reflects our analysis, opinions and portfolio holdings as of February 28, 2023, the end of the reporting period. The way we implement our main investment strategies and the resulting portfolio holdings may change depending on factors such as market and economic conditions. These opinions may not be relied upon as investment advice or an offer for a particular security. The information is not a complete analysis of every aspect of any market, state, industry, security or the Fund. Statements of fact are from sources considered reliable, but the investment manager makes no representation or warranty as to their completeness or accuracy. Although historical performance is no guarantee of future results, these insights may help you understand our investment management philosophy.

Performance Summary as of February 28, 2023

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

Performance as of 2/28/23¹

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.

Share Class	Cumulative Total Return ²	Average Annual Total Return ³
A^{4,5}		
1-Year	-7.43%	-10.90%
5-Year	+4.10%	+0.04%
10-Year	+13.12%	+0.85%

Advisor		
1-Year	-7.26%	-7.26%
5-Year	+5.13%	+1.01%
10-Year	+14.93%	+1.40%

Share Class	Distribution Rate ⁶	Taxable Equivalent Distribution Rate ⁷	30-Day Standardized Yield ⁸		Taxable Equivalent 30-Day Standardized Yield ⁷	
			(with fee waiver)	(without fee waiver)	(with fee waiver)	(without fee waiver)
A	2.58%	4.70%	2.89%	2.89%	5.26%	5.26%
Advisor	2.90%	5.28%	3.26%	3.25%	5.93%	5.91%

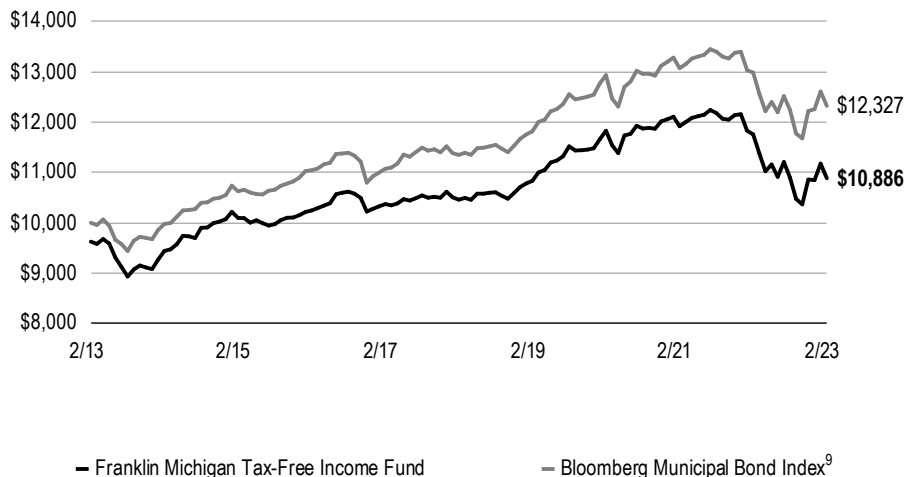
Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. For most recent month-end performance, go to franklintempleton.com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

See page 27 for Performance Summary footnotes.

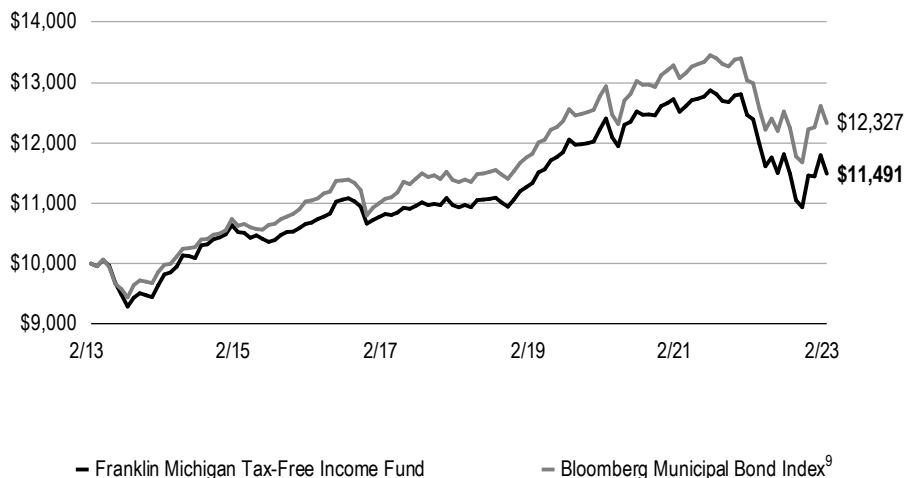
Total Return Index Comparison for a Hypothetical \$10,000 Investment

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

Class A (2/28/13–2/28/23)



Advisor Class (2/28/13–2/28/23)



See page 27 for Performance Summary footnotes.

Distributions (3/1/22–2/28/23)

Share Class	Net Investment Income
A	\$0.282208
A1	\$0.298027
C	\$0.238865
R6	\$0.312806
Advisor	\$0.308552

Total Annual Operating Expenses¹⁰

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.

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

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

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

Your Fund's Expenses

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

Actual Fund Expenses

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

Hypothetical Example for Comparison with Other Funds

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

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

Share Class	Beginning Account Value 9/1/22	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio ²
		Ending Account Value 2/28/23	Expenses Paid During Period 9/1/22–2/28/23 ^{1,2}	Ending Account Value 2/28/23	Expenses Paid During Period 9/1/22–2/28/23 ^{1,2}	
A	\$1,000	\$998.70	\$4.16	\$1,020.64	\$4.20	0.84%
A1	\$1,000	\$999.50	\$3.41	\$1,021.38	\$3.45	0.69%
C	\$1,000	\$996.70	\$6.08	\$1,018.70	\$6.15	1.23%
R6	\$1,000	\$1,000.10	\$2.73	\$1,022.06	\$2.76	0.55%
Advisor	\$1,000	\$999.90	\$2.90	\$1,021.89	\$2.93	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 181/365 to reflect the one-half year period.

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

Franklin Minnesota Tax-Free Income Fund

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

Your Fund's Goal and Main Investments

The Fund seeks to provide investors with as high a level of income exempt from federal and Minnesota 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.¹

Performance Overview

The Fund's Class A share price, as measured by net asset value, decreased from \$12.20 on February 28, 2022, to \$11.03 on February 28, 2023. The Fund's Class A shares paid dividends totaling 27.3385 cents per share for the reporting period.² The Performance Summary beginning on page 31 shows that at the end of this reporting period the Fund's Class A shares' distribution rate was 2.41%, based on an annualization of February's 2.2993 cents per share dividend and the maximum offering price of \$11.46 on February 28, 2023. An investor in the 2023 maximum combined effective federal and Minnesota personal income tax bracket of 50.65% (including 3.80% Medicare tax) would need to earn a distribution rate of 4.88% 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 or call (800) 342-5236.

State Update

During the 12-month period, Minnesota's economy slowed and lagged the national expansion rate, although growth rebounded in 2022's third quarter. Historically, the state has had a very low unemployment rate and high labor

force participation rate, supported by a diverse economy. The state's unemployment rate began the period at 2.6% and ended at 3.0%, compared with the 3.6% national rate. Minnesota's strong revenues and controlled spending are expected to result in further growth in its fund balance and liquidity levels. Minnesota's net tax-supported debt was \$1,462 per capita and 2.2% of personal income, above the \$1,179 and 2.1% national medians, respectively.³ Independent credit rating agency Moody's Investors Service upgraded its rating on Minnesota's general obligations bonds to Aaa from Aa1. Simultaneous with the upgrade in the rating, Moody's also revised the outlook for Minnesota to stable from positive.⁴ The rating reflected Moody's view that the state's strong record of prudent governance, which has driven growth in financial reserves, and strong management will keep its cost burdens among the lowest in the U.S. According to Moody's, challenges facing the state include a history of political gridlock that has led to structural imbalances and population trends including recent declines in migration to the state.

Portfolio Composition

2/28/23

	% of Total Investments*
Local	33.48%
Health Care	17.64%
Education	10.77%
Housing	9.22%
Utilities	8.64%
Transportation	6.10%
Other Revenue Bonds	4.10%
Lease	3.48%
State General Obligation	2.28%
Refunded	2.13%
Special Tax	1.50%
Industrial Dev. Revenue and Pollution Control	0.66%

*Does not include cash and cash equivalents.

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

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

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

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

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

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

Manager's Discussion

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

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

The foregoing information reflects our analysis, opinions and portfolio holdings as of February 28, 2023, the end of the reporting period. The way we implement our main investment strategies and the resulting portfolio holdings may change depending on factors such as market and economic conditions. These opinions may not be relied upon as investment advice or an offer for a particular security. The information is not a complete analysis of every aspect of any market, state, industry, security or the Fund. Statements of fact are from sources considered reliable, but the investment manager makes no representation or warranty as to their completeness or accuracy. Although historical performance is no guarantee of future results, these insights may help you understand our investment management philosophy.

Performance Summary as of February 28, 2023

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

Performance as of 2/28/23¹

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.

Share Class	Cumulative Total Return ²		Average Annual Total Return ³	
A^{4,5}				
1-Year	-7.35%		-10.82%	
5-Year	+2.52%		-0.27%	
10-Year	+11.21%		+0.68%	
Advisor				
1-Year	-7.11%		-7.11%	
5-Year	+3.65%		+0.72%	
10-Year	+13.11%		+1.24%	

Share Class	Distribution Rate ⁶	Taxable Equivalent Distribution Rate ⁷	30-Day Standardized Yield ⁸		Taxable Equivalent 30-Day Standardized Yield ⁷	
			(with fee waiver)	(without fee waiver)	(with fee waiver)	(without fee waiver)
A	2.41%	4.88%	2.71%	2.70%	5.49%	5.47%
Advisor	2.74%	5.55%	3.06%	3.05%	6.20%	6.18%

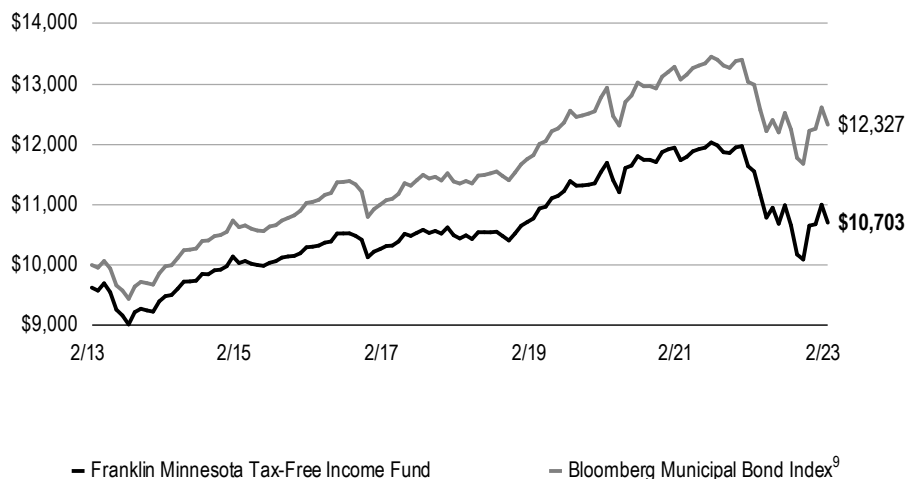
Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. For most recent month-end performance, go to franklintempleton.com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

See page 33 for Performance Summary footnotes.

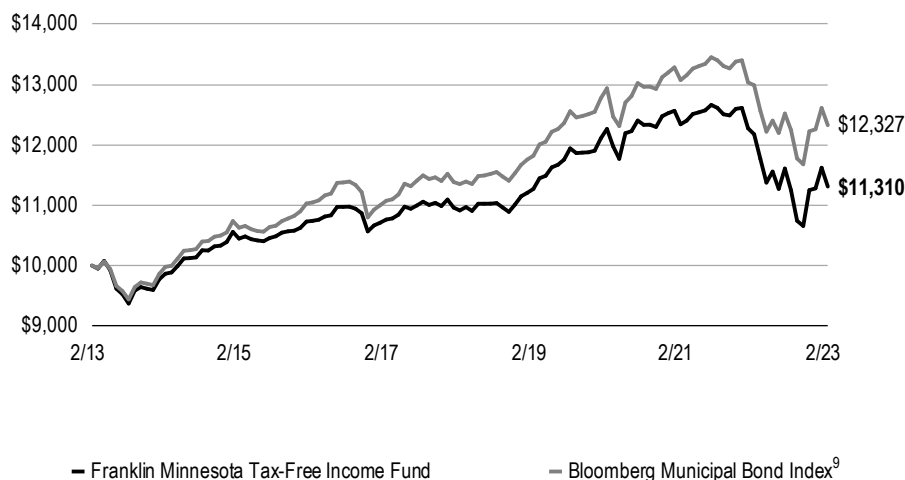
Total Return Index Comparison for a Hypothetical \$10,000 Investment¹

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

Class A (2/28/13–2/28/23)



Advisor Class (2/28/13–2/28/23)



Distributions (3/1/22–2/28/23)

Share Class	Net Investment Income
A	\$0.273385
A1	\$0.290410
C	\$0.227748
R6	\$0.307845
Advisor	\$0.301562

Total Annual Operating Expenses¹⁰

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.

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

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

1. Gross expenses are the Fund's total annual operating expenses as of the Fund's prospectus available at the time of publication. Net expenses are capped under a contractual agreement, which cannot be terminated prior to 6/30/23 without Board consent. Actual expenses may be higher and may impact portfolio returns.
2. Cumulative total return represents the change in value of an investment over the periods indicated.
3. Average annual total return represents the average annual change in value of an investment over the periods indicated. Return for less than one year, if any, has not been annualized.
4. Effective 9/10/18, Class A shares closed to new investors, were renamed Class A1 shares, and a new Class A share with a different expense structure became available. Class A performance shown has been calculated as follows: (a) for periods prior to 9/10/18, a restated figure is used based on the Fund's Class A1 performance that includes any Rule 12b-1 rate differential that exists between Class A1 and Class A; and (b) for periods after 9/10/18, actual Class A performance is used, reflecting all charges and fees applicable to that class.
5. Prior to 3/1/19, these shares were offered at a higher initial sales charge of 4.25%, thus actual returns (with sales charges) would have differed. Average annual total returns (with sales charges) have been restated to reflect the current maximum initial sales charge of 3.75%.
6. Distribution rate is based on an annualization of the respective class's February dividend and the maximum offering price (NAV for Advisor class) per share on 2/28/23.
7. Taxable equivalent distribution rate and yield assume the published rates as of 12/20/22 for the maximum combined effective federal and Minnesota personal income tax rate of 50.65%, based on the federal income tax rate of 37.00% plus 3.80% Medicare tax.
8. The Fund's 30-day standardized yield is calculated over a trailing 30-day period using the yield to maturity on bonds and/or the dividends accrued on stocks. It may not equal the Fund's actual income distribution rate, which reflects the Fund's past dividends paid to shareholders.
9. Source: FactSet. The Bloomberg Municipal Bond Index is a market-value weighted index of tax-exempt, investment-grade municipal bonds with maturities of one year or more.
10. Figures are as stated in the Fund's current prospectus and may differ from the expense ratios disclosed in the Your Fund's Expenses and Financial Highlights sections in this report. In periods of market volatility, assets may decline significantly, causing total annual Fund operating expenses to become higher than the figures shown. See www.franklintempletondatasources.com for additional data provider information.

Your Fund's Expenses

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

Actual Fund Expenses

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

Hypothetical Example for Comparison with Other Funds

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

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

Share Class	Beginning Account Value 9/1/22	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio ²
		Ending Account Value 2/28/23	Expenses Paid During Period 9/1/22–2/28/23 ^{1,2}	Ending Account Value 2/28/23	Expenses Paid During Period 9/1/22–2/28/23 ^{1,2}	
A	\$1,000	\$1,004.10	\$4.19	\$1,020.61	\$4.23	0.84%
A1	\$1,000	\$1,003.90	\$3.43	\$1,021.37	\$3.46	0.69%
C	\$1,000	\$1,002.00	\$6.13	\$1,018.67	\$6.18	1.23%
R6	\$1,000	\$1,004.70	\$2.70	\$1,022.10	\$2.72	0.54%
Advisor	\$1,000	\$1,005.30	\$2.94	\$1,021.86	\$2.97	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 181/365 to reflect the one-half year period.

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

Franklin Ohio Tax-Free Income Fund

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

Your Fund's Goal and Main Investments

The Fund seeks to provide investors with as high a level of income exempt from federal and Ohio 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.¹

Performance Overview

The Fund's Class A share price, as measured by net asset value, decreased from \$12.54 on February 28, 2022, to \$11.29 on February 28, 2023. The Fund's Class A shares paid dividends totaling 30.1573 cents per share for the reporting period.² The Performance Summary beginning on page 37 shows that at the end of this reporting period the Fund's Class A shares' distribution rate was 2.48%, based on an annualization of February's 2.4199 cents per share dividend and the maximum offering price of \$11.73 on February 28, 2023. An investor in the 2023 maximum combined effective federal and Ohio personal income tax bracket of 44.79% (including 3.80% Medicare tax) would need to earn a distribution rate of 4.49% 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 or call (800) 342-5236.

State Update

During the 12 month period, Ohio's economy slowed and lagged the U.S. national growth rate, despite a slight rebound in 2022's third quarter. Ohio trailed the nation in job recovery from the COVID-19 pandemic, with weak

employment growth in the leisure and hospitality, education and health care and government sectors. Ohio's unemployment rate began the period at 4.0% and ended at 3.9%, compared with the 3.6% national rate. Ohio recorded consecutive years of record budget surpluses and forecasted another surplus for the 2023 fiscal year, allowing the state to manage budget challenges. Ohio's net tax-supported debt was \$1,718 per capita and 3.0% of personal income, above the \$1,179 and 2.1% national medians, respectively.³ Independent credit rating agency Moody's Investors Service maintained the state's general obligation bonds' Aa1 rating with a positive outlook.⁴ The rating reflected Moody's view of Ohio's strong budgetary and financial management, sound levels of reserves, affordable fixed costs and below-average long-term debt. According to Moody's, Ohio's challenges include below-average economic growth, compounded by demographic and population trends that may contribute to relatively slower expansion. Moody's positive outlook reflected the state's improved financial outlook and new economic development that could diversify the economy, improve growth and strengthen demographic trends.

Portfolio Composition

2/28/23

	% of Total Investments*
Local	27.14%
Education	15.58%
Health Care	14.62%
Utilities	11.20%
Refunded	7.18%
Housing	6.52%
Transportation	6.50%
Industrial Dev. Revenue and Pollution Control	3.76%
State General Obligation	2.79%
Lease	2.20%
Special Tax	2.05%
Other Revenue Bonds	0.46%

*Does not include cash and cash equivalents.

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

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

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

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

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

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

Manager's Discussion

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

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

The foregoing information reflects our analysis, opinions and portfolio holdings as of February 28, 2023, the end of the reporting period. The way we implement our main investment strategies and the resulting portfolio holdings may change depending on factors such as market and economic conditions. These opinions may not be relied upon as investment advice or an offer for a particular security. The information is not a complete analysis of every aspect of any market, state, industry, security or the Fund. Statements of fact are from sources considered reliable, but the investment manager makes no representation or warranty as to their completeness or accuracy. Although historical performance is no guarantee of future results, these insights may help you understand our investment management philosophy.

Performance Summary as of February 28, 2023

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

Performance as of 2/28/23¹

*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.*

Share Class	Cumulative Total Return ²	Average Annual Total Return ³
A^{4,5}		
1-Year	-7.57%	-11.03%
5-Year	+2.75%	-0.22%
10-Year	+15.70%	+1.08%
Advisor		
1-Year	-7.33%	-7.33%
5-Year	+3.97%	+0.78%
10-Year	+17.76%	+1.65%

Share Class	Distribution Rate ⁶	Taxable Equivalent Distribution Rate ⁷	30-Day Standardized Yield ⁸	Taxable Equivalent 30-Day Standardized Yield ⁷
A	2.48%	4.49%	2.89%	5.23%
Advisor	2.80%	5.07%	3.26%	5.90%

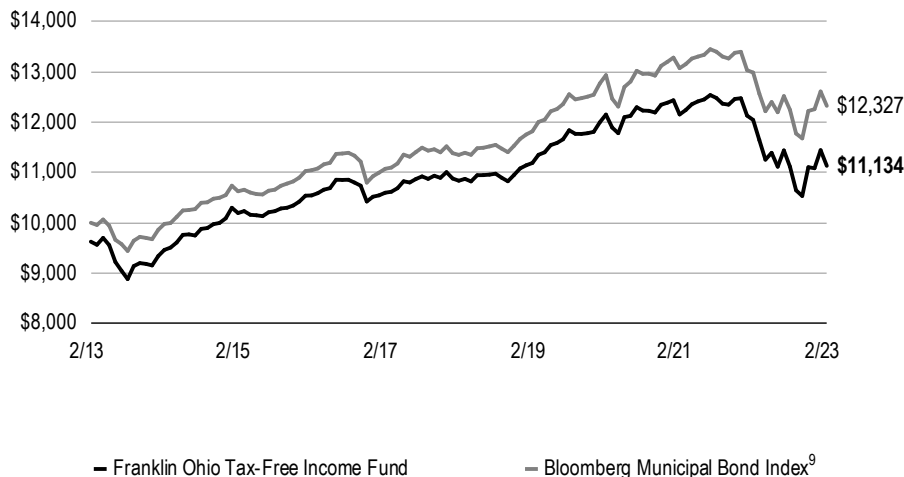
Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. For most recent month-end performance, go to franklintempleton.com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

See page 39 for Performance Summary footnotes.

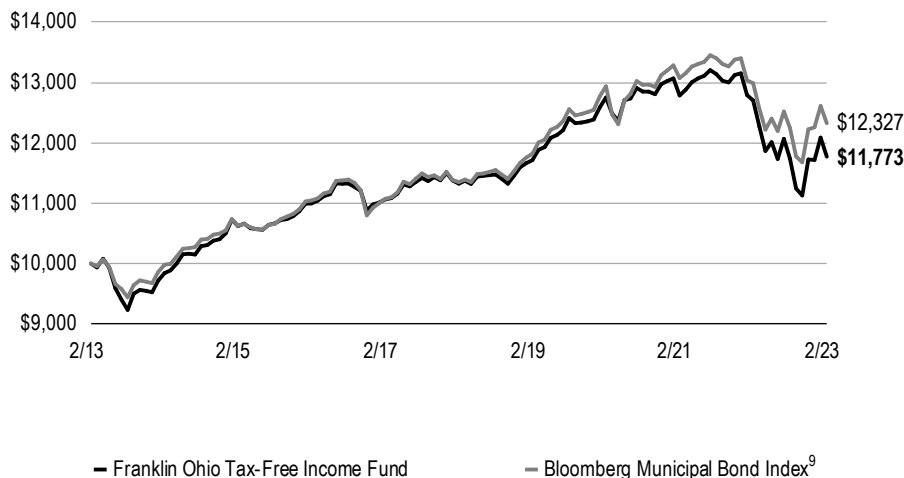
Total Return Index Comparison for a Hypothetical \$10,000 Investment¹

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

Class A (2/28/13–2/28/23)



Advisor Class (2/28/13–2/28/23)



See page 39 for Performance Summary footnotes.

Distributions (3/1/22–2/28/23)

Share Class	Net Investment Income
A	\$0.301573
A1	\$0.318894
C	\$0.254355
R6	\$0.335351
Advisor	\$0.330386

Total Annual Operating Expenses¹⁰

Share Class	
A	0.81%
Advisor	0.56%

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

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

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

1. Gross expenses are the Fund's total annual operating expenses as of the Fund's prospectus available at the time of publication. Net expenses are capped under a contractual agreement, which cannot be terminated prior to 6/30/23 without Board consent. Actual expenses may be higher and may impact portfolio returns.
2. Cumulative total return represents the change in value of an investment over the periods indicated.
3. Average annual total return represents the average annual change in value of an investment over the periods indicated. Return for less than one year, if any, has not been annualized.
4. Effective 9/10/18, Class A shares closed to new investors, were renamed Class A1 shares, and a new Class A share with a different expense structure became available. Class A performance shown has been calculated as follows: (a) for periods prior to 9/10/18, a restated figure is used based on the Fund's Class A1 performance that includes any Rule 12b-1 rate differential that exists between Class A1 and Class A; and (b) for periods after 9/10/18, actual Class A performance is used, reflecting all charges and fees applicable to that class.
5. Prior to 3/1/19, these shares were offered at a higher initial sales charge of 4.25%, thus actual returns (with sales charges) would have differed. Average annual total returns (with sales charges) have been restated to reflect the current maximum initial sales charge of 3.75%.
6. Distribution rate is based on an annualization of the respective class's February dividend and the maximum offering price (NAV for Advisor class) per share on 2/28/23.
7. Taxable equivalent distribution rate and yield assume the published rates as of 12/20/22 for the maximum combined effective federal and Ohio personal income tax rate of 44.79%, based on the federal income tax rate of 37.00% plus 3.80% Medicare tax.
8. The Fund's 30-day standardized yield is calculated over a trailing 30-day period using the yield to maturity on bonds and/or the dividends accrued on stocks. It may not equal the Fund's actual income distribution rate, which reflects the Fund's past dividends paid to shareholders.
9. Source: FactSet. The Bloomberg Municipal Bond Index is a market-value weighted index of tax-exempt, investment-grade municipal bonds with maturities of one year or more.
10. Figures are as stated in the Fund's current prospectus and may differ from the expense ratios disclosed in the Your Fund's Expenses and Financial Highlights sections in this report. In periods of market volatility, assets may decline significantly, causing total annual Fund operating expenses to become higher than the figures shown. See www.franklintempletondatasources.com for additional data provider information.

Your Fund's Expenses

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

Actual Fund Expenses

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

Hypothetical Example for Comparison with Other Funds

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

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

Share Class	Beginning Account Value 9/1/22	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio ²
		Ending Account Value 2/28/23	Expenses Paid During Period 9/1/22–2/28/23 ^{1,2}	Ending Account Value 2/28/23	Expenses Paid During Period 9/1/22–2/28/23 ^{1,2}	
A	\$1,000	\$1,001.70	\$4.08	\$1,020.72	\$4.12	0.82%
A1	\$1,000	\$1,001.50	\$3.33	\$1,021.47	\$3.36	0.67%
C	\$1,000	\$998.80	\$6.01	\$1,018.78	\$6.07	1.21%
R6	\$1,000	\$1,003.10	\$2.63	\$1,022.17	\$2.66	0.53%
Advisor	\$1,000	\$1,002.90	\$2.83	\$1,021.97	\$2.86	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 181/365 to reflect the one-half year period.

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

Franklin Oregon Tax-Free Income Fund

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

Your Fund's Goal and Main Investments

The Fund seeks to provide investors with as high a level of income exempt from federal and Oregon 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.¹

Performance Overview

The Fund's Class A share price, as measured by net asset value, decreased from \$11.45 on February 28, 2022, to \$10.35 on February 28, 2023. The Fund's Class A shares paid dividends totaling 26.8194 cents per share for the reporting period.² The Performance Summary beginning on page 43 shows that at the end of this reporting period the Fund's Class A shares' distribution rate was 2.59%, based on an annualization of February's 2.3173 cents per share dividend and the maximum offering price of \$10.75 on February 28, 2023. An investor in the 2023 maximum combined effective federal and Oregon personal income tax bracket of 50.70% (including 3.80% Medicare tax) would need to earn a distribution rate of 5.25% 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 or call (800) 342-5236.

State Update

During the 12-month period, Oregon's economy slowed as inflationary pressures mounted, although growth rebounded in 2022's third quarter. Oregon's economy is more export-oriented than many other states, reflecting its status as

a center of high-technology manufacturing. Oregon's unemployment rate began the period at 3.7% and ended at 4.7%, compared with the 3.6% national rate. The state's strong revenue growth in recent years led to a healthy liquidity position that increased budget flexibility through the current inflationary period. The governor's powers to control spending, capable budget management and low overall fixed costs allow financial flexibility. Growing pension costs and a concentrated revenue structure increase budget uncertainty. The state's net tax-supported debt was \$2,579 per capita and 4.3% of personal income, above the \$1,179 and 2.1% national medians, respectively.³ Independent credit rating agency Moody's Investors Service maintained Oregon's general obligation bonds' Aa1 rating with a stable outlook, reflecting Moody's view that Oregon's budget management and strong liquidity will support satisfactory financial flexibility.⁴ According to Moody's, Oregon's challenges include unusually high reliance on economically sensitive personal income taxes, governance constraints and rapid growth in pension liabilities. The stable outlook reflects Oregon's sound budget management and strong liquidity, which offers financial flexibility during the economic recovery.

Portfolio Composition

2/28/23

	% of Total Investments*
Local	23.51%
Education	17.36%
Health Care	16.62%
Transportation	12.20%
Housing	7.60%
Utilities	5.91%
Refunded	5.66%
Special Tax	4.39%
State General Obligation	3.73%
Lease	2.07%
Industrial Dev. Revenue and Pollution Control	0.64%
Other Revenue Bonds	0.31%

*Does not include cash and cash equivalents.

1. For state personal income taxes, the 80% minimum is measured by total Fund assets. For investors subject to alternative minimum tax, a small portion of Fund dividends may be taxable. Distributions of capital gains are generally taxable. To avoid imposition of 28% backup withholding on all Fund distributions and redemption proceeds, U.S. investors must be properly certified on Form W-9 and non-U.S. investors on Form W-8BEN.

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

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

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

See www.franklintempletondatasources.com 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 126.

Manager's Discussion

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

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

The foregoing information reflects our analysis, opinions and portfolio holdings as of February 28, 2023, the end of the reporting period. The way we implement our main investment strategies and the resulting portfolio holdings may change depending on factors such as market and economic conditions. These opinions may not be relied upon as investment advice or an offer for a particular security. The information is not a complete analysis of every aspect of any market, state, industry, security or the Fund. Statements of fact are from sources considered reliable, but the investment manager makes no representation or warranty as to their completeness or accuracy. Although historical performance is no guarantee of future results, these insights may help you understand our investment management philosophy.

Performance Summary as of February 28, 2023

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

Performance as of 2/28/23¹

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.

Share Class	Cumulative Total Return ²	Average Annual Total Return ³
A^{4,5}		
1-Year	-7.27%	-10.75%
5-Year	+3.10%	-0.15%
10-Year	+11.41%	+0.70%
Advisor		
1-Year	-7.12%	-7.12%
5-Year	+4.22%	+0.83%
10-Year	+13.19%	+1.25%

Share Class	Distribution Rate ⁶	Taxable Equivalent Distribution Rate ⁷	30-Day Standardized Yield ⁸	Taxable Equivalent 30-Day Standardized Yield ⁷
A	2.59%	5.25%	2.92%	5.92%
Advisor	2.92%	5.92%	3.28%	6.65%

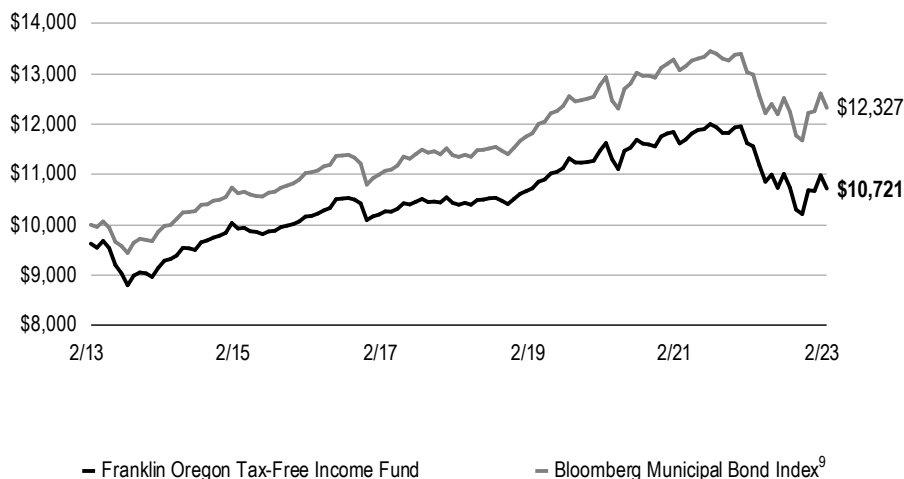
Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. For most recent month-end performance, go to franklintempleton.com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

See page 45 for Performance Summary footnotes.

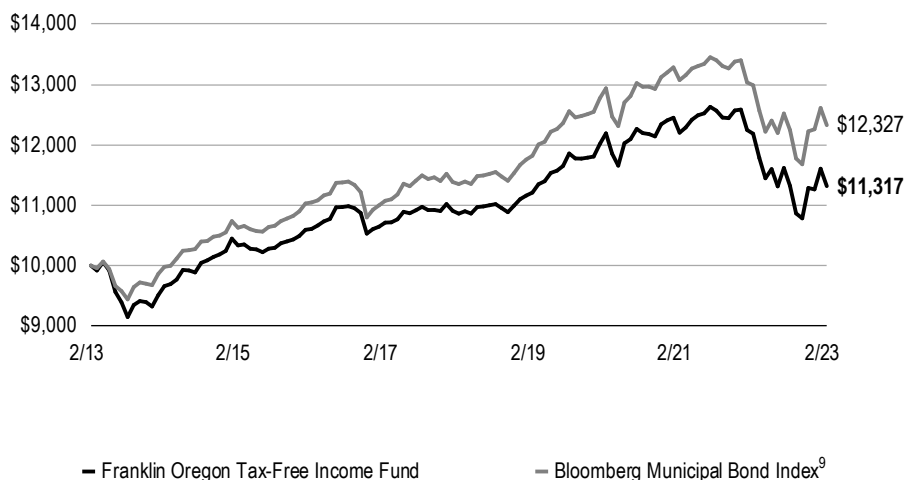
Total Return Index Comparison for a Hypothetical \$10,000 Investment¹

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

Class A (2/28/13–2/28/23)



Advisor Class (2/28/13–2/28/23)



See page 45 for Performance Summary footnotes.

Distributions (3/1/22–2/28/23)

Share Class	Net Investment Income
A	\$0.268194
A1	\$0.284076
C	\$0.224713
R6	\$0.298115
Advisor	\$0.294622

Total Annual Operating Expenses¹⁰

Share Class	
A	0.80%
Advisor	0.55%

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

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

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

1. Gross expenses are the Fund's total annual operating expenses as of the Fund's prospectus available at the time of publication. Net expenses are capped under a contractual agreement, which cannot be terminated prior to 6/30/23 without Board consent. Actual expenses may be higher and may impact portfolio returns.
2. Cumulative total return represents the change in value of an investment over the periods indicated.
3. Average annual total return represents the average annual change in value of an investment over the periods indicated. Return for less than one year, if any, has not been annualized.
4. Effective 9/10/18, Class A shares closed to new investors, were renamed Class A1 shares, and a new Class A share with a different expense structure became available. Class A performance shown has been calculated as follows: (a) for periods prior to 9/10/18, a restated figure is used based on the Fund's Class A1 performance that includes any Rule 12b-1 rate differential that exists between Class A1 and Class A; and (b) for periods after 9/10/18, actual Class A performance is used, reflecting all charges and fees applicable to that class.
5. Prior to 3/1/19, these shares were offered at a higher initial sales charge of 4.25%, thus actual returns (with sales charges) would have differed. Average annual total returns (with sales charges) have been restated to reflect the current maximum initial sales charge of 3.75%.
6. Distribution rate is based on an annualization of the respective class's February dividend and the maximum offering price (NAV for Advisor class) per share on 2/28/23.
7. Taxable equivalent distribution rate and yield assume the published rates as of 12/20/22 for the maximum combined effective federal and Oregon personal income tax rate of 50.70%, based on the federal income tax rate of 37.00% plus 3.80% Medicare tax.
8. The Fund's 30-day standardized yield is calculated over a trailing 30-day period using the yield to maturity on bonds and/or the dividends accrued on stocks. It may not equal the Fund's actual income distribution rate, which reflects the Fund's past dividends paid to shareholders.
9. Source: FactSet. The Bloomberg Municipal Bond Index is a market-value weighted index of tax-exempt, investment-grade municipal bonds with maturities of one year or more.
10. Figures are as stated in the Fund's current prospectus and may differ from the expense ratios disclosed in the Your Fund's Expenses and Financial Highlights sections in this report. In periods of market volatility, assets may decline significantly, causing total annual Fund operating expenses to become higher than the figures shown. See www.franklintempletondatasources.com for additional data provider information.

Your Fund's Expenses

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

Actual Fund Expenses

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

Hypothetical Example for Comparison with Other Funds

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

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

Share Class	Beginning Account Value 9/1/22	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio ²
		Ending Account Value 2/28/23	Expenses Paid During Period 9/1/22–2/28/23 ^{1,2}	Ending Account Value 2/28/23	Expenses Paid During Period 9/1/22–2/28/23 ^{1,2}	
A	\$1,000	\$998.30	\$4.03	\$1,020.76	\$4.08	0.81%
A1	\$1,000	\$999.10	\$3.29	\$1,021.50	\$3.33	0.66%
C	\$1,000	\$995.40	\$5.96	\$1,018.82	\$6.03	1.20%
R6	\$1,000	\$999.70	\$2.64	\$1,022.15	\$2.67	0.53%
Advisor	\$1,000	\$999.60	\$2.79	\$1,022.00	\$2.82	0.56%

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

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

Franklin Pennsylvania Tax-Free Income Fund

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

Your Fund's Goal and Main Investments

The Fund seeks to provide investors with as high a level of income exempt from federal and Pennsylvania 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.¹

Performance Overview

The Fund's Class A share price, as measured by net asset value, decreased from \$9.64 on February 28, 2022, to \$8.64 on February 28, 2023. The Fund's Class A shares paid dividends totaling 21.7057 cents per share for the reporting period.² The Performance Summary beginning on page 49 shows that at the end of this reporting period the Fund's Class A shares' distribution rate was 2.50%, based on an annualization of February's 1.8694 cents per share dividend and the maximum offering price of \$8.98 on February 28, 2023. An investor in the 2023 maximum combined effective federal and Pennsylvania personal income tax bracket of 43.87% (including 3.80% Medicare tax) would need to earn a distribution rate of 4.45% 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 or call (800) 342-5236.

Portfolio Composition

2/28/23

	% of Total Investments*
Health Care	22.87%
Education	22.76%
Local	13.88%
Transportation	9.85%
Utilities	8.53%
Refunded	7.61%
Housing	5.68%
Lease	3.31%
Special Tax	3.28%
State General Obligation	1.70%
Other Revenue Bonds	0.53%

*Does not include cash and cash equivalents.

Commonwealth Update

During the 12 months under review, Pennsylvania's economic recovery slowed as inflationary pressures rose, although growth rebounded in 2022's third quarter. Though it has a very large, diverse economic base, the commonwealth's economy has performed below average over the last decade. Pennsylvania's slow growth and downward demographic trends are expected to negatively impact long-term job growth and economic performance. The commonwealth's unemployment rate began the period at 4.4% and ended at 4.4%, compared with the 3.6% national rate. In July 2022, the commonwealth approved a \$42.8 billion budget that included a 13% increase in spending, primarily on education and human services. Pennsylvania's revenues have been strong, leading to increased budget stabilization reserves. Pennsylvania's net tax-supported debt was \$1,616 per capita and 2.5% of personal income, above the \$1,179 and 2.1% national medians, respectively.³ Independent credit rating agency Moody's Investors Service maintained the commonwealth's general obligation bonds' Aa3 rating with a stable outlook.⁴ The rating reflected Moody's view of the commonwealth's above average leverage and fixed cost burdens as well as its stable and healthy liquidity. According to Moody's, credit challenges include elevated fixed costs and slim budget reserves.

1. For state personal income taxes, the 80% minimum is measured by total Fund assets. For investors subject to alternative minimum tax, a small portion of Fund dividends may be taxable. Distributions of capital gains are generally taxable. To avoid imposition of 28% backup withholding on all Fund distributions and redemption proceeds, U.S. investors must be properly certified on Form W-9 and non-U.S. investors on Form W-8BEN.

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

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

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

See www.franklintempletondatasources.com 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 137.

Moody's stable outlook reflected its positive assessment of Pennsylvania's ability to manage financial challenges.

Manager's Discussion

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

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

The foregoing information reflects our analysis, opinions and portfolio holdings as of February 28, 2023, the end of the reporting period. The way we implement our main investment strategies and the resulting portfolio holdings may change depending on factors such as market and economic conditions. These opinions may not be relied upon as investment advice or an offer for a particular security. The information is not a complete analysis of every aspect of any market, state, industry, security or the Fund. Statements of fact are from sources considered reliable, but the investment manager makes no representation or warranty as to their completeness or accuracy. Although historical performance is no guarantee of future results, these insights may help you understand our investment management philosophy.

Performance Summary as of February 28, 2023

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

Performance as of 2/28/23¹

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.

Share Class	Cumulative Total Return ²	Average Annual Total Return ³
A^{4,5}		
1-Year	-8.13%	-11.57%
5-Year	+1.23%	-0.52%
10-Year	+9.78%	+0.55%
Advisor		
1-Year	-7.99%	-7.99%
5-Year	+2.32%	+0.46%
10-Year	+11.65%	+1.11%

Share Class	Distribution Rate ⁶	Taxable Equivalent Distribution Rate ⁷	30-Day Standardized Yield ⁸	Taxable Equivalent 30-Day Standardized Yield ⁷
A	2.50%	4.45%	3.21%	5.72%
Advisor	2.83%	5.04%	3.58%	6.38%

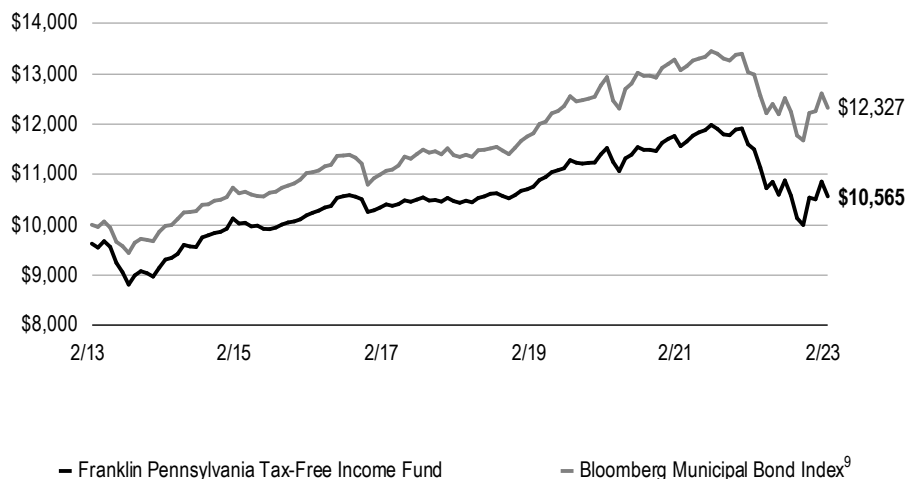
Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. For most recent month-end performance, go to franklintempleton.com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

See page 51 for Performance Summary footnotes.

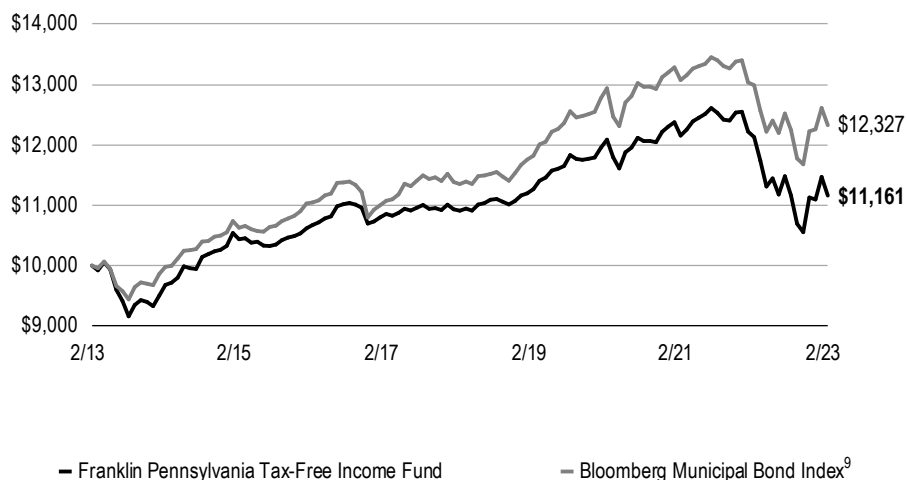
Total Return Index Comparison for a Hypothetical \$10,000 Investment¹

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

Class A (2/28/13–2/28/23)



Advisor Class (2/28/13–2/28/23)



See page 51 for Performance Summary footnotes.

Distributions (3/1/22–2/28/23)

Share Class	Net Investment Income
A	\$0.217057
A1	\$0.230319
C	\$0.180845
R6	\$0.242718
Advisor	\$0.239143

Total Annual Operating Expenses¹⁰

Share Class	
A	0.81%
Advisor	0.56%

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

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

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

1. Gross expenses are the Fund's total annual operating expenses as of the Fund's prospectus available at the time of publication. Net expenses are capped under a contractual agreement, which cannot be terminated prior to 6/30/23 without Board consent. Actual expenses may be higher and may impact portfolio returns.
2. Cumulative total return represents the change in value of an investment over the periods indicated.
3. Average annual total return represents the average annual change in value of an investment over the periods indicated. Return for less than one year, if any, has not been annualized.
4. Effective 9/10/18, Class A shares closed to new investors, were renamed Class A1 shares, and a new Class A share with a different expense structure became available. Class A performance shown has been calculated as follows: (a) for periods prior to 9/10/18, a restated figure is used based on the Fund's Class A1 performance that includes any Rule 12b-1 rate differential that exists between Class A1 and Class A; and (b) for periods after 9/10/18, actual Class A performance is used, reflecting all charges and fees applicable to that class.
5. Prior to 3/1/19, these shares were offered at a higher initial sales charge of 4.25%, thus actual returns (with sales charges) would have differed. Average annual total returns (with sales charges) have been restated to reflect the current maximum initial sales charge of 3.75%.
6. Distribution rate is based on an annualization of the respective class's February dividend and the maximum offering price (NAV for Advisor class) per share on 2/28/23.
7. Taxable equivalent distribution rate and yield assume the published rates as of 12/20/22 for the maximum combined effective federal and Pennsylvania personal income tax rate of 43.87%, based on the federal income tax rate of 37.00% plus 3.80% Medicare tax. This combined rate does not consider the impact of Pennsylvania's surcharge on taxable income in excess of \$1 million.
8. The Fund's 30-day standardized yield is calculated over a trailing 30-day period using the yield to maturity on bonds and/or the dividends accrued on stocks. It may not equal the Fund's actual income distribution rate, which reflects the Fund's past dividends paid to shareholders.
9. Source: FactSet. The Bloomberg Municipal Bond Index is a market-value weighted index of tax-exempt, investment-grade municipal bonds with maturities of one year or more.
10. Figures are as stated in the Fund's current prospectus and may differ from the expense ratios disclosed in the Your Fund's Expenses and Financial Highlights sections in this report. In periods of market volatility, assets may decline significantly, causing total annual Fund operating expenses to become higher than the figures shown. See www.franklintempletondatasources.com for additional data provider information.

Your Fund's Expenses

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

Actual Fund Expenses

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

Hypothetical Example for Comparison with Other Funds

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

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

Share Class	Beginning Account Value 9/1/22	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio ²
		Ending Account Value 2/28/23	Expenses Paid During Period 9/1/22–2/28/23 ^{1,2}	Ending Account Value 2/28/23	Expenses Paid During Period 9/1/22–2/28/23 ^{1,2}	
A	\$1,000	\$998.60	\$4.10	\$1,020.70	\$4.14	0.83%
A1	\$1,000	\$999.30	\$3.35	\$1,021.44	\$3.39	0.68%
C	\$1,000	\$996.60	\$6.04	\$1,018.75	\$6.10	1.22%
R6	\$1,000	\$1,000.00	\$2.69	\$1,022.10	\$2.72	0.54%
Advisor	\$1,000	\$999.80	\$2.85	\$1,021.94	\$2.88	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 181/365 to reflect the one-half year period.

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

Financial Highlights

Franklin Arizona Tax-Free Income Fund

	Year Ended February 28,				Year Ended February 28, 2019 ^b
	2023	2022	2021	2020 ^a	
Class A					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$10.64	\$10.92	\$11.24	\$10.58	\$10.52
Income from investment operations ^c :					
Net investment income ^d	0.27	0.25	0.27	0.29	0.16
Net realized and unrealized gains (losses)	(1.04)	(0.28)	(0.32)	0.67	0.05
Total from investment operations	(0.77)	(0.03)	(0.05)	0.96	0.21
Less distributions from:					
Net investment income	(0.27)	(0.25)	(0.27)	(0.30)	(0.15)
Net asset value, end of year	\$9.60	\$10.64	\$10.92	\$11.24	\$10.58
Total return ^e	(7.24)%	(0.37)%	(0.43)%	9.24%	2.09%
Ratios to average net assets^f					
Expenses ^g	0.83%	0.81%	0.81%	0.81%	0.81%
Net investment income	2.79%	2.23%	2.46%	2.72%	3.12%
Supplemental data					
Net assets, end of year (000's)	\$212,662	\$210,355	\$173,930	\$132,026	\$44,516
Portfolio turnover rate	27.77%	17.24%	13.66%	11.37%	18.13%

^aFor the year ended February 29.

^bFor the period September 10, 2018 (effective date) to February 28, 2019.

^cThe 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.

^dBased on average daily shares outstanding.

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

^fRatios are annualized for periods less than one year.

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

Franklin Arizona Tax-Free Income Fund (continued)

	Year Ended February 28,				
	2023	2022	2021	2020 ^a	2019
Class A1					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$10.62	\$10.90	\$11.22	\$10.56	\$10.58
Income from investment operations ^b :					
Net investment income ^c	0.29	0.26	0.29	0.31	0.34
Net realized and unrealized gains (losses)	(1.04)	(0.28)	(0.32)	0.67	(0.01)
Total from investment operations	(0.75)	(0.02)	(0.03)	0.98	0.33
Less distributions from:					
Net investment income	(0.28)	(0.26)	(0.29)	(0.32)	(0.35)
Net asset value, end of year	\$9.59	\$10.62	\$10.90	\$11.22	\$10.56
Total return ^d	(7.02)%	(0.22)%	(0.28)%	9.42%	3.18%
Ratios to average net assets					
Expenses ^e	0.68%	0.66%	0.66%	0.66%	0.66%
Net investment income	2.94%	2.39%	2.64%	2.87%	3.27%
Supplemental data					
Net assets, end of year (000's)	\$396,929	\$526,131	\$582,701	\$672,061	\$661,250
Portfolio turnover rate	27.77%	17.24%	13.66%	11.37%	18.13%

^aFor the year ended February 29.

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

^cBased on average daily shares outstanding.

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

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

Franklin Arizona Tax-Free Income Fund (continued)

	Year Ended February 28,				
	2023	2022	2021	2020 ^a	2019
Class C					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$10.81	\$11.09	\$11.42	\$10.75	\$10.75
Income from investment operations ^b :					
Net investment income ^c	0.23	0.20	0.23	0.26	0.29
Net realized and unrealized gains (losses)	(1.06)	(0.28)	(0.33)	0.67	(—) ^d
Total from investment operations	(0.83)	(0.08)	(0.10)	0.93	0.29
Less distributions from:					
Net investment income	(0.23)	(0.20)	(0.23)	(0.26)	(0.29)
Net asset value, end of year	\$9.75	\$10.81	\$11.09	\$11.42	\$10.75
Total return ^e	(7.69)%	(0.76)%	(0.81)%	8.70%	2.74%
Ratios to average net assets					
Expenses ^f	1.22%	1.20%	1.20%	1.21%	1.21%
Net investment income	2.33%	1.80%	2.05%	2.32%	2.72%
Supplemental data					
Net assets, end of year (000's)	\$32,466	\$48,833	\$67,713	\$80,562	\$77,216
Portfolio turnover rate	27.77%	17.24%	13.66%	11.37%	18.13%

^aFor the year ended February 29.^bThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.^cBased on average daily shares outstanding.^dAmount rounds to less than \$0.01 per share.^eTotal return does not reflect sales commissions or contingent deferred sales charges, if applicable.^fBenefit of expense reduction rounds to less than 0.01%.

Franklin Arizona Tax-Free Income Fund (continued)

	Year Ended February 28,				
	2023	2022	2021	2020 ^a	2019
Class R6					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$10.66	\$10.94	\$11.26	\$10.60	\$10.60
Income from investment operations ^b :					
Net investment income ^c	0.30	0.28	0.30	0.33	0.36
Net realized and unrealized gains (losses)	(1.04)	(0.28)	(0.32)	0.67	(—) ^d
Total from investment operations	(0.74)	—	(0.02)	1.00	0.36
Less distributions from:					
Net investment income	(0.30)	(0.28)	(0.30)	(0.34)	(0.36)
Net asset value, end of year	\$9.62	\$10.66	\$10.94	\$11.26	\$10.60
Total return	(6.96)%	(0.08)%	(0.15)%	9.53%	3.48%
Ratios to average net assets					
Expenses before waiver and payments by affiliates	0.55%	0.53%	0.53%	0.54%	0.55%
Expenses net of waiver and payments by affiliates ^e	0.54%	0.52%	0.53% ^f	0.53%	0.53%
Net investment income	3.06%	2.51%	2.75%	3.00%	3.40%
Supplemental data					
Net assets, end of year (000's)	\$19,946	\$28,123	\$21,450	\$16,971	\$12,562
Portfolio turnover rate	27.77%	17.24%	13.66%	11.37%	18.13%

^aFor the year ended February 29.

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

^cBased on average daily shares outstanding.

^dAmount rounds to less than \$0.01 per share.

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

^fBenefit of waiver and payments by affiliates rounds to less than 0.01%.

Franklin Arizona Tax-Free Income Fund (continued)

	Year Ended February 28,				
	2023	2022	2021	2020 ^a	2019
Advisor Class					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$10.65	\$10.94	\$11.26	\$10.60	\$10.61
Income from investment operations ^b :					
Net investment income ^c	0.30	0.27	0.30	0.32	0.36
Net realized and unrealized gains (losses)	(1.04)	(0.29)	(0.32)	0.67	(0.01)
Total from investment operations	(0.74)	(0.02)	(0.02)	0.99	0.35
Less distributions from:					
Net investment income	(0.29)	(0.27)	(0.30)	(0.33)	(0.36)
Net asset value, end of year	\$9.62	\$10.65	\$10.94	\$11.26	\$10.60
Total return	(6.91)%	(0.21)%	(0.18)%	9.50%	3.36%
Ratios to average net assets					
Expenses ^d	0.57%	0.56%	0.56%	0.56%	0.56%
Net investment income	3.02%	2.48%	2.71%	2.97%	3.37%
Supplemental data					
Net assets, end of year (000's)	\$114,323	\$178,256	\$174,264	\$124,881	\$90,140
Portfolio turnover rate	27.77%	17.24%	13.66%	11.37%	18.13%

^aFor the year ended February 29.^bThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.^cBased on average daily shares outstanding.^dBenefit of expense reduction rounds to less than 0.01%.

Schedule of Investments, February 28, 2023

Franklin Arizona Tax-Free Income Fund

	Principal Amount	Value
Municipal Bonds 99.1%		
Arizona 91.2%		
Arizona Department of Transportation, State Highway Fund, Revenue, 2016, Refunding, 5%, 7/01/36	\$8,680,000	\$9,100,885
Arizona Health Facilities Authority, HonorHealth Obligated Group, Revenue, 2014 A, Refunding, 5%, 12/01/39	2,820,000	2,866,783
HonorHealth Obligated Group, Revenue, 2014 A, Refunding, 5%, 12/01/42	6,715,000	6,792,988
Arizona Industrial Development Authority, Academies of Math & Science Obligated Group, Revenue, 2017 A, Refunding, 5%, 7/01/42	2,045,000	2,068,742
Academies of Math & Science Obligated Group, Revenue, 2017 A, Refunding, 5%, 7/01/51	1,080,000	1,084,061
Arizona Agribusiness and Equine Center, Inc., Revenue, 2017 A, 5%, 3/01/48	1,555,000	1,600,541
Ball Charter Schools Obligated Group, Revenue, 2022, Refunding, 2.65%, 7/01/26	740,000	702,573
Ball Charter Schools Obligated Group, Revenue, 2022, Refunding, 4%, 7/01/31	550,000	551,987
Ball Charter Schools Obligated Group, Revenue, 2022, Refunding, 4%, 7/01/41	2,000,000	1,766,673
Ball Charter Schools Obligated Group, Revenue, 2022, Refunding, 4%, 7/01/51	2,340,000	1,943,863
BASIS Schools, Inc. Obligated Group, Revenue, 2017 F, Refunding, 5%, 7/01/47 ..	3,350,000	3,415,378
Children's National Medical Center Obligated Group, Revenue, 2020 A, 4%, 9/01/40 ..	865,000	835,865
Equitable School Revolving Fund LLC Obligated Group, Revenue, 2019 A, 5%, 11/01/34	1,000,000	1,053,768
Equitable School Revolving Fund LLC Obligated Group, Revenue, 2019 A, 5%, 11/01/36	1,235,000	1,285,160
Equitable School Revolving Fund LLC Obligated Group, Revenue, 2019 A, 5%, 11/01/39	1,000,000	1,032,580
Equitable School Revolving Fund LLC Obligated Group, Revenue, 2019 A, 5%, 11/01/44	6,645,000	6,775,579
Equitable School Revolving Fund LLC Obligated Group, Revenue, 2020 A, 4%, 11/01/45	2,200,000	1,947,847
Equitable School Revolving Fund LLC Obligated Group, Revenue, 2020 A, 4%, 11/01/50	7,055,000	6,063,494
Equitable School Revolving Fund LLC Obligated Group, Revenue, 2021 A, 4%, 11/01/51	1,400,000	1,197,233
Equitable School Revolving Fund LLC Obligated Group, Revenue, 2022 A, 4%, 11/01/42	1,650,000	1,495,068
Equitable School Revolving Fund LLC Obligated Group, Revenue, 2022 A, 5%, 11/01/47	7,900,000	8,089,650
Equitable School Revolving Fund LLC Obligated Group, Revenue, 2022 A, 4.25%, 11/01/52	3,500,000	3,113,925
Great Lakes Senior Living Communities LLC, Revenue, 2019 A, 5%, 1/01/38	1,175,000	810,634
Great Lakes Senior Living Communities LLC, Revenue, 2019 A, 5%, 1/01/54	1,250,000	756,579
Great Lakes Senior Living Communities LLC, Revenue, Second Tier, 2019 B, 5%, 1/01/36	1,105,000	695,890
Great Lakes Senior Living Communities LLC, Revenue, Second Tier, 2019 B, 5%, 1/01/49	3,500,000	1,878,815
Great Lakes Senior Living Communities LLC, Revenue, Second Tier, 2019 B, 5.125%, 1/01/54	2,000,000	1,036,933
GreatHearts Arizona Obligated Group, Revenue, 2021 B, 4%, 7/01/31	315,000	312,479
GreatHearts Arizona Obligated Group, Revenue, 2021 B, 4%, 7/01/41	405,000	364,525
GreatHearts Arizona Obligated Group, Revenue, 2021 B, 4%, 7/01/52	840,000	697,468
KIPP Nashville Obligated Group, Revenue, 2022 A, 5%, 7/01/47	1,400,000	1,401,826
KIPP Nashville Obligated Group, Revenue, 2022 A, 5%, 7/01/62	2,400,000	2,300,884
KIPP New York, Inc. Gerard Facility, Revenue, 2021 C, 3.25%, 7/01/31	1,550,000	1,328,934
KIPP New York, Inc. Macombs Facility, Revenue, 2021 A, 5%, 7/01/32	660,000	708,680
KIPP New York, Inc. Macombs Facility, Revenue, 2021 A, 4%, 7/01/34	660,000	643,960
KIPP New York, Inc. Macombs Facility, Revenue, 2021 A, 4%, 7/01/36	315,000	298,344
KIPP New York, Inc. Macombs Facility, Revenue, 2021 A, 4%, 7/01/41	2,800,000	2,510,718
KIPP New York, Inc. Macombs Facility, Revenue, 2021 A, 4%, 7/01/51	8,000,000	6,645,685
KIPP New York, Inc. Macombs Facility, Revenue, 2021 A, 4%, 7/01/61	15,580,000	12,420,878

Franklin Arizona Tax-Free Income Fund (continued)

	Principal Amount	Value
Municipal Bonds (continued)		
Arizona (continued)		
Arizona Industrial Development Authority, (continued)		
Leman Academy of Excellence Obligated Group, Revenue, 2022 A, Refunding, 4.5%, 7/01/54	\$3,000,000	\$2,618,908
Phoenix Children's Hospital Obligated Group, Revenue, 2020 A, 4%, 2/01/50	2,540,000	2,280,575
Phoenix Children's Hospital Obligated Group, Revenue, 2021 A, Refunding, 3%, 2/01/41	885,000	710,051
Provident Group-NCCU Properties LLC, Revenue, 2019 A, BAM Insured, 5%, 6/01/58	6,250,000	6,631,537
Arizona State University, Revenue, 2015 B, Refunding, 5%, 7/01/41	14,070,000	14,423,502
Revenue, 2015 D, 5%, 7/01/46	5,000,000	5,103,240
Revenue, 2016 C, 5%, 7/01/46	10,000,000	10,294,246
Revenue, 2017 B, Refunding, 5%, 7/01/43	4,005,000	4,196,064
Revenue, 2019 A, 5%, 7/01/40	1,000,000	1,082,380
Carefree Utilities Community Facilities District, Town of Carefree Water System, Revenue, 2021, 4%, 7/01/51	2,000,000	1,812,761
Central Arizona Water Conservation District, Revenue, 2016, 5%, 1/01/34	1,000,000	1,042,151
City of Bullhead, Excise Taxes, Revenue, 2022, 4%, 7/01/52	2,885,000	2,603,757
City of Goodyear, Water & Sewer, Revenue, Sub. Lien, 2020, Refunding, AGMC Insured, 4%, 7/01/39 Water & Sewer, Revenue, Sub. Lien, 2020, AGMC Insured, 4%, 7/01/45	600,000 1,500,000	601,570 1,427,135
Water & Sewer, Revenue, Sub. Lien, Second Series, 2020, AGMC Insured, 4%, 7/01/40	650,000	643,311
Water & Sewer, Revenue, Sub. Lien, Second Series, 2020, AGMC Insured, 4%, 7/01/45	3,500,000	3,329,981
City of Lake Havasu City, Wastewater System, Revenue, 2015 B, Refunding, AGMC Insured, 5%, 7/01/40	15,000,000	15,386,971
Wastewater System, Revenue, 2015 B, Refunding, AGMC Insured, 5%, 7/01/43	9,155,000	9,364,496
City of Mesa, Utility System, Revenue, 2018, 4%, 7/01/38	1,425,000	1,432,336
Utility System, Revenue, 2018, 4%, 7/01/39	6,135,000	6,148,736
Utility System, Revenue, 2018, 5%, 7/01/42	6,700,000	7,101,270
Utility System, Revenue, 2019 A, 5%, 7/01/43	2,500,000	2,671,083
Utility System, Revenue, 2022 C, Refunding, 5%, 7/01/36	5,000,000	5,815,171
City of Phoenix Civic Improvement Corp., Airport, Revenue, 2017 A, 5%, 7/01/42	2,155,000	2,201,181
Airport, Revenue, 2017 A, 5%, 7/01/47	12,935,000	13,136,566
Airport, Revenue, Junior Lien, 2017 D, Refunding, 4%, 7/01/40	16,570,000	15,955,717
Airport, Revenue, Junior Lien, 2019 A, 4%, 7/01/44	4,000,000	3,790,140
Airport, Revenue, Junior Lien, 2019 A, 5%, 7/01/44	8,500,000	8,989,936
Airport, Revenue, Senior Lien, 2018, 5%, 7/01/48	5,000,000	5,084,491
Excise Tax, Revenue, 2022, 5%, 7/01/46	8,300,000	9,093,775
Phoenix Sky Harbor International Airport Customer Facility Charges, Revenue, 2019 A, 5%, 7/01/34	2,500,000	2,710,829
Phoenix Sky Harbor International Airport Customer Facility Charges, Revenue, 2019 A, 5%, 7/01/37	1,500,000	1,596,027
Phoenix Sky Harbor International Airport Customer Facility Charges, Revenue, 2019 A, 5%, 7/01/38	8,420,000	8,939,259
Phoenix Sky Harbor International Airport Customer Facility Charges, Revenue, 2019 A, 4%, 7/01/45	7,500,000	6,860,809
Wastewater, Revenue, Junior Lien, 2018 A, 5%, 7/01/37	1,000,000	1,082,944
Wastewater, Revenue, Junior Lien, 2018 A, 4%, 7/01/39	5,000,000	5,011,195
Water System, Revenue, Junior Lien, 2016, Refunding, 5%, 7/01/39	5,000,000	5,215,224
Water System, Revenue, Junior Lien, 2020 B, 5%, 7/01/44	7,500,000	8,140,353

Franklin Arizona Tax-Free Income Fund (continued)

	Principal Amount	Value
Municipal Bonds (continued)		
Arizona (continued)		
County of Yuma, Sales Tax, Revenue, 2022, BAM Insured, 4.25%, 7/15/42	\$3,250,000	\$3,220,458
Gilbert Water Resource Municipal Property Corp., Town of Gilbert Waterworks & Sewer System, Revenue, Senior Lien, 2022, 4%, 7/15/39	10,000,000	10,153,116
Glendale Industrial Development Authority, People of Faith, Inc. Obligated Group, Revenue, 2020 A, 4%, 5/15/31.	400,000	361,772
People of Faith, Inc. Obligated Group, Revenue, 2020 A, 5%, 5/15/56.	5,500,000	4,649,413
Glendale Municipal Property Corp., City of Glendale Excise Tax, Revenue, 2012 C, Refunding, 5%, 7/01/38	18,530,000	18,544,820
Industrial Development Authority of the City of Phoenix Arizona (The), Downtown Phoenix Student Housing II LLC, Revenue, 2019 A, 5%, 7/01/44	1,000,000	990,869
Downtown Phoenix Student Housing II LLC, Revenue, 2019 A, 5%, 7/01/49	1,995,000	1,943,567
Downtown Phoenix Student Housing II LLC, Revenue, 2019 A, 5%, 7/01/54	2,665,000	2,574,841
Downtown Phoenix Student Housing LLC, Revenue, 2018 A, Refunding, 5%, 7/01/25	1,015,000	1,031,212
Downtown Phoenix Student Housing LLC, Revenue, 2018 A, Refunding, 5%, 7/01/27	425,000	436,109
Downtown Phoenix Student Housing LLC, Revenue, 2018 A, Refunding, 5%, 7/01/30	700,000	721,399
Downtown Phoenix Student Housing LLC, Revenue, 2018 A, Refunding, 5%, 7/01/32	250,000	256,924
Downtown Phoenix Student Housing LLC, Revenue, 2018 A, Refunding, 5%, 7/01/33	600,000	614,327
Downtown Phoenix Student Housing LLC, Revenue, 2018 A, Refunding, 5%, 7/01/37	2,750,000	2,767,705
Downtown Phoenix Student Housing LLC, Revenue, 2018 A, Refunding, 5%, 7/01/42	11,550,000	11,310,976
GreatHearts Arizona Obligated Group, Revenue, 2016 A, Refunding, 5%, 7/01/36	4,065,000	4,126,115
GreatHearts Arizona Obligated Group, Revenue, 2016 A, Refunding, 5%, 7/01/41	1,225,000	1,234,901
GreatHearts Arizona Obligated Group, Revenue, 2016 A, Refunding, 5%, 7/01/46	1,335,000	1,340,038
Vista College Preparatory Obligated Group, Revenue, 2018 A, 5%, 7/01/48	1,000,000	1,033,589
Industrial Development Authority of the County of Pima (The), Christian Care Tucson, Inc., Revenue, Senior Lien, 2017 A, Pre-Refunded, 5%, 12/15/32.	1,765,000	1,842,741
Christian Care Tucson, Inc., Revenue, Senior Lien, 2017 A, Pre-Refunded, 5%, 6/15/37.	2,240,000	2,338,663
^a La Posada at Park Centre, Inc. Obligated Group, Revenue, 144A, 2022 B-3, 5.125%, 11/15/29	3,000,000	2,985,489
TMC HealthCare Obligated Group, Revenue, 2021 A, Refunding, 4%, 4/01/40	1,040,000	964,273
TMC HealthCare Obligated Group, Revenue, 2021 A, Refunding, 4%, 4/01/41	1,360,000	1,253,995
TMC HealthCare Obligated Group, Revenue, 2021 A, Refunding, 3%, 4/01/51	12,000,000	8,338,295
Industrial Development Authority of the County of Yavapai (The), Yavapai Community Hospital Association Obligated Group, Revenue, 2016, Refunding, 5%, 8/01/34.	4,250,000	4,432,199
Yavapai Community Hospital Association Obligated Group, Revenue, 2016, Refunding, 5%, 8/01/36.	1,310,000	1,353,454
Yavapai Community Hospital Association Obligated Group, Revenue, 2019, Refunding, 4%, 8/01/38.	1,510,000	1,459,188
Yavapai Community Hospital Association Obligated Group, Revenue, 2019, Refunding, 4%, 8/01/43.	3,000,000	2,710,970
La Paz County Industrial Development Authority, Harmony Public Schools, Revenue, 2018 A, 5%, 2/15/38	1,000,000	1,005,609
Harmony Public Schools, Revenue, 2018 A, 5%, 2/15/48	1,000,000	976,677
Harmony Public Schools, Revenue, 2021 A, 5%, 2/15/25	90,000	90,587
Harmony Public Schools, Revenue, 2021 A, 5%, 2/15/26	95,000	96,157
Harmony Public Schools, Revenue, 2021 A, 5%, 2/15/27	75,000	76,389
Harmony Public Schools, Revenue, 2021 A, 5%, 2/15/28	80,000	82,146
Harmony Public Schools, Revenue, 2021 A, 5%, 2/15/29	110,000	113,584
Harmony Public Schools, Revenue, 2021 A, 5%, 2/15/30	100,000	103,594
Harmony Public Schools, Revenue, 2021 A, 4%, 2/15/41	430,000	365,879
Harmony Public Schools, Revenue, 2021 A, 4%, 2/15/46	345,000	278,610
Harmony Public Schools, Revenue, 2021 A, 4%, 2/15/51	580,000	451,646

Franklin Arizona Tax-Free Income Fund (continued)

	Principal Amount	Value
Municipal Bonds (continued)		
Arizona (continued)		
Maricopa County High School District No. 214 Tolleson Union High School, GO, 2018 A, 5%, 7/01/37	\$1,000,000	\$1,064,773
Maricopa County Industrial Development Authority,		
Banner Health Obligated Group, Revenue, 2019 F, 3%, 1/01/49	5,000,000	3,663,964
Banner Health Obligated Group, Revenue, A, 4%, 1/01/41	9,630,000	9,171,612
Banner Health Obligated Group, Revenue, A, 5%, 1/01/41	37,590,000	39,161,856
Creighton University, Revenue, 2020, 5%, 7/01/47	13,000,000	13,605,454
Creighton University, Revenue, 2020, 4%, 7/01/50	8,450,000	7,528,841
GreatHearts Arizona Obligated Group, Revenue, 2017 A, Refunding, 5%, 7/01/37	1,000,000	1,034,927
GreatHearts Arizona Obligated Group, Revenue, 2017 A, Refunding, 5%, 7/01/52	1,000,000	1,014,540
Highland Prep Obligated Group, Revenue, 2019, 5%, 1/01/43	2,275,000	2,346,016
HonorHealth Obligated Group, Revenue, 2019 A, Refunding, 5%, 9/01/36	2,100,000	2,219,784
HonorHealth Obligated Group, Revenue, 2019 A, Refunding, 5%, 9/01/37	3,175,000	3,335,055
HonorHealth Obligated Group, Revenue, 2019 A, Refunding, 5%, 9/01/42	2,750,000	2,816,450
HonorHealth Obligated Group, Revenue, 2021 A, 3%, 9/01/51	5,600,000	4,009,549
Legacy Traditional School Obligated Group, Revenue, 2019 A, Refunding, 5%, 7/01/49	3,920,000	4,024,169
Reid Traditional Schools Obligated Group, Revenue, 2016, 5%, 7/01/36	1,120,000	1,136,994
Reid Traditional Schools Obligated Group, Revenue, 2016, 5%, 7/01/47	3,325,000	3,334,129
Maricopa County Pollution Control Corp.,		
El Paso Electric Co., Revenue, 2009 B, Refunding, 3.6%, 4/01/40	13,500,000	11,761,276
El Paso Electric Co., Revenue, 2012 A, Refunding, 4.5%, 8/01/42	10,000,000	9,988,196
Public Service Co. of New Mexico, Revenue, 2010 A, Refunding, Mandatory Put, 0.875%, 10/01/26	4,500,000	3,938,729
Public Service Co. of New Mexico, Revenue, 2010 B, Refunding, Mandatory Put, 0.875%, 10/01/26	2,150,000	1,881,837
Southern California Edison Co., Revenue, 2000 A, Refunding, 2.4%, 6/01/35	10,000,000	7,696,587
Maricopa County Unified School District No. 11-Peoria, GO, 2013, 5%, 7/01/31	5,100,000	5,126,667
Maricopa County Unified School District No. 95 Queen Creek,		
GO, 2018, 5%, 7/01/33	500,000	529,206
GO, 2018, 5%, 7/01/37	1,200,000	1,257,330
McAllister Academic Village LLC,		
Arizona State University, Revenue, 2016 A, Refunding, 5%, 7/01/33	2,000,000	2,127,582
Arizona State University, Revenue, 2016 A, Refunding, 5%, 7/01/38	2,000,000	2,097,260
Arizona State University, Revenue, 2016 A, Refunding, 5%, 7/01/39	1,000,000	1,046,604
Mohave County Union High School District No. 2 Colorado River, GO, 2017, 5%, 7/01/35	1,000,000	1,066,850
Northern Arizona University,		
Revenue, 2013, 5%, 8/01/26	2,380,000	2,398,775
Revenue, 2014, 5%, 6/01/40	4,545,000	4,590,283
Pima County Unified School District No. 20 Vail, GO, 2016, Refunding, BAM Insured, 5%, 7/01/36	3,305,000	3,455,716
Pima County Unified School District No. 30 Sahuarita,		
GO, 2017, BAM Insured, 5%, 7/01/33	2,665,000	2,848,705
GO, 2017, BAM Insured, 5%, 7/01/34	2,800,000	2,982,527
Pima County Unified School District No. 6 Marana,		
GO, 2017 C, BAM Insured, 5%, 7/01/36	2,385,000	2,542,455
GO, 2018 D, AGMC Insured, 5%, 7/01/38	2,500,000	2,657,788
Pinal County Community College District, Revenue, 2017, BAM Insured, 5%, 7/01/34	1,065,000	1,117,668
Salt River Project Agricultural Improvement & Power District,		
Revenue, 2016 A, Refunding, 5%, 1/01/38	9,745,000	10,273,056
Revenue, 2017 A, Refunding, 5%, 1/01/37	10,000,000	10,793,342
Revenue, 2017 A, Refunding, 5%, 1/01/38	5,435,000	5,834,013
Revenue, 2017 A, Refunding, 5%, 1/01/39	2,105,000	2,253,413
Revenue, 2019 A, 5%, 1/01/47	5,000,000	5,374,103
Revenue, 2023 A, 5%, 1/01/50	5,000,000	5,459,571

Franklin Arizona Tax-Free Income Fund (continued)

	Principal Amount	Value
Municipal Bonds (continued)		
Arizona (continued)		
Salt Verde Financial Corp.,		
Revenue, 2007-1, 5%, 12/01/32	\$10,000,000	\$10,472,266
Revenue, 2007-1, 5%, 12/01/37	5,000,000	5,106,767
State of Arizona,		
Distribution, Revenue, 2005 B, NATL Insured, 5.5%, 7/01/27	3,945,000	4,356,316
Distribution, Revenue, 2005 B, NATL Insured, 5.5%, 7/01/28	2,000,000	2,261,937
Distribution, Revenue, 2005 B, NATL Insured, 5.5%, 7/01/29	2,000,000	2,306,909
Distribution, Revenue, 2005 B, NATL Insured, 5.5%, 7/01/36	5,000,000	6,050,456
Distribution, Revenue, 2005 B, NATL Insured, 5.5%, 7/01/37	7,000,000	8,452,292
Student & Academic Services LLC,		
Revenue, 2014, BAM Insured, 5%, 6/01/33	1,000,000	1,016,178
Revenue, 2014, BAM Insured, 5%, 6/01/39	1,400,000	1,420,253
Revenue, 2014, BAM Insured, 5%, 6/01/44	3,155,000	3,192,567
Town of Gilbert, Pledged, Revenue, Sub. Lien, 2015, 5%, 7/01/45	10,000,000	10,296,257
Town of Queen Creek,		
Excise Tax, Revenue, 2018 A, 5%, 8/01/42	2,500,000	2,673,373
Excise Tax, Revenue, 2018 A, 5%, 8/01/47	5,000,000	5,311,711
Excise Tax, Revenue, 2020, 4%, 8/01/50	5,000,000	4,596,467
University of Arizona (The),		
Revenue, 2013, 5%, 8/01/38	5,790,000	5,803,361
Revenue, 2014, 5%, 8/01/39	10,000,000	10,101,509
Revenue, 2016, Refunding, 5%, 6/01/39	2,750,000	2,858,012
Revenue, 2016 B, Refunding, 5%, 6/01/42	2,000,000	2,060,019
Revenue, 2018 A, 5%, 6/01/43	5,000,000	5,316,052
Revenue, 2019 A, 5%, 6/01/42	1,000,000	1,074,236
		708,054,439
Florida 0.1%		
^a Capital Trust Agency, Inc., SHI - Lake Osborne LLC, Revenue, 144A, 2021 A-1, 3.68%, 1/01/57	800,000	539,307
Georgia 0.3%		
^a Development Authority of Rockdale County, AHPC Terraces at Fieldstone LLC, Revenue, 144A, 2021 A-1, 3.5%, 12/01/36	3,290,000	2,638,918
Oregon 0.2%		
^a State of Oregon Housing & Community Services Department, Union at Pacific Highway LP, Revenue, 144A, 2022 II-1, 5.5%, 12/01/39	1,400,000	1,396,834
South Carolina 0.6%		
South Carolina Jobs-Economic Development Authority,		
^a Revenue, 144A, 2021 A-1, 3.65%, 12/01/36	1,900,000	1,521,158
AHPC Vista Towers 2021 LLC, Revenue, 2021 A-1, 3.65%, 12/01/36	1,900,000	1,516,496
^a Columbia Portfolio Obligated Group, Revenue, 144A, 2022 A-2, Zero Cpn., 6/01/52	3,275,000	2,051,123
		5,088,777
Texas 0.8%		
City of Dallas, DHFC - Briscoe Apartments LLC (The), Revenue, Senior Lien, 2022 A, 6%, 12/01/62	2,000,000	2,055,877
^a EP Cimarron Ventanas PFC, Revenue, Senior Lien, 144A, 2021 A, 4%, 12/01/51	2,600,000	1,928,522
^a Pecan Public Facility Corp., Revenue, 144A, 2022 A-2, 5%, 12/01/52	3,300,000	2,414,268
		6,398,667
Washington 0.2%		
^a Washington State Housing Finance Commission, Madison at Rivers Edge Apartments LLC, Revenue, 144A, 2021 A, 3.65%, 1/01/37	1,900,000	1,521,224

Franklin Arizona Tax-Free Income Fund (continued)

	Principal Amount	Value
Municipal Bonds (continued)		
Wisconsin 1.6%		
^a Public Finance Authority,		
Revenue, 144A, 2022, B-1, 4%, 12/28/44	\$1,900,000	\$1,505,473
AL-FL Portfolio Obligated Group, Revenue, 144A, 2021 A, 3.4%, 12/01/36	3,300,000	2,642,951
FAH Tree House LLC, Revenue, 144A, 2023 A, 6.5%, 8/01/53	1,500,000	1,495,941
Gulf Coast Portfolio Obligated Group, Revenue, 144A, 2021, 5.25%, 12/01/23	5,000,000	5,000,000
Pine Forest 2022 Obligated Group, Revenue, 144A, 2022 A, 6.5%, 12/01/52	1,500,000	1,484,224
		<hr/> 12,128,589
U.S. Territories 4.1%		
Guam 1.6%		
Guam Power Authority,		
Revenue, 2014 A, AGMC Insured, 5%, 10/01/39	6,490,000	6,651,954
Revenue, 2014 A, AGMC Insured, 5%, 10/01/44	5,325,000	5,448,224
		<hr/> 12,100,178
Puerto Rico 2.5%		
HTA HRRB Custodial Trust,		
Revenue, 2007 CC, 5.5%, 7/01/31	2,790,000	2,876,198
Revenue, 2007 CC, 5.25%, 7/01/32	1,970,000	1,995,947
HTA TRRB Custodial Trust,		
Revenue, 2005 L, 5.25%, 7/01/41	2,290,000	2,315,158
Revenue, 2007 N, 5.5%, 7/01/29	770,000	796,462
Revenue, 2007 N, 5.25%, 7/01/36	750,000	756,680
Puerto Rico Electric Power Authority, Revenue, VV, Refunding, NATL Insured, 5.25%, 7/01/32	3,700,000	3,709,599
Puerto Rico Highway & Transportation Authority,		
Revenue, 2022 A, 5%, 7/01/62	474,935	440,502
Revenue, 2022 B, Zero Cpn., 7/01/32	308,644	192,902
Revenue, 2022 C, Zero Cpn., 7/01/53	527,963	293,110
Puerto Rico Sales Tax Financing Corp.,		
Sales Tax, Revenue, A-1, 4.75%, 7/01/53	1,550,000	1,389,392
Sales Tax, Revenue, A-1, 5%, 7/01/58	4,906,000	4,551,787
		<hr/> 19,317,737
Total U.S. Territories		<hr/> 31,417,915
Total Municipal Bonds (Cost \$811,338,293)		<hr/> 769,184,670
Total Investments (Cost \$811,338,293) 99.1%		<hr/> \$769,184,670
Other Assets, less Liabilities 0.9%		<hr/> 7,141,893
Net Assets 100.0%		<hr/> \$776,326,563

See Abbreviations on page 171.

^a Security was purchased pursuant to Rule 144A or Regulation S under the Securities Act of 1933. 144A securities may be sold in transactions exempt from registration only to qualified institutional buyers or in a public offering registered under the Securities Act of 1933. Regulation S securities cannot be sold in the United States without either an effective registration statement filed pursuant to the Securities Act of 1933, or pursuant to an exemption from registration. At February 28, 2023, the aggregate value of these securities was \$29,125,432, representing 3.8% of net assets.

^b The maturity date shown represents the mandatory put date.

Financial Highlights

Franklin Colorado Tax-Free Income Fund

	Year Ended February 28,				Year Ended February 28, 2019 ^b
	2023	2022	2021	2020 ^a	
Class A					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$11.40	\$11.69	\$11.96	\$11.32	\$11.28
Income from investment operations ^c :					
Net investment income ^d	0.28	0.25	0.28	0.31	0.17
Net realized and unrealized gains (losses)	(1.15)	(0.29)	(0.27)	0.66	0.04
Total from investment operations	(0.87)	(0.04)	0.01	0.97	0.21
Less distributions from:					
Net investment income	(0.27)	(0.25)	(0.28)	(0.33)	(0.17)
Net asset value, end of year	\$10.26	\$11.40	\$11.69	\$11.96	\$11.32
Total return ^e	(7.63)%	(0.43)%	0.07%	8.69%	1.89%
Ratios to average net assets^f					
Expenses ^g	0.85%	0.83%	0.83%	0.84%	0.84%
Net investment income	2.62%	2.08%	2.40%	2.72%	3.14%
Supplemental data					
Net assets, end of year (000's)	\$117,511	\$142,935	\$119,598	\$87,684	\$35,153
Portfolio turnover rate	13.39%	14.21%	19.32%	15.00%	10.85%

^aFor the year ended February 29.

^bFor the period September 10, 2018 (effective date) to February 28, 2019.

^cThe 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.

^dBased on average daily shares outstanding.

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

^fRatios are annualized for periods less than one year.

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

Franklin Colorado Tax-Free Income Fund (continued)

	Year Ended February 28,				
	2023	2022	2021	2020 ^a	2019
Class A1					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$11.40	\$11.68	\$11.96	\$11.31	\$11.32
Income from investment operations ^b :					
Net investment income ^c	0.29	0.26	0.30	0.33	0.37
Net realized and unrealized gains (losses)	(1.14)	(0.28)	(0.29)	0.67	(0.01)
Total from investment operations	(0.85)	(0.02)	0.01	1.00	0.36
Less distributions from:					
Net investment income	(0.29)	(0.26)	(0.29)	(0.35)	(0.37)
Net asset value, end of year	\$10.26	\$11.40	\$11.68	\$11.96	\$11.31
Total return ^d	(7.49)%	(0.19)%	0.13%	8.95%	3.28%
Ratios to average net assets					
Expenses ^e	0.70%	0.68%	0.68%	0.69%	0.69%
Net investment income	2.77%	2.24%	2.57%	2.87%	3.29%
Supplemental data					
Net assets, end of year (000's)	\$287,013	\$386,962	\$422,411	\$477,155	\$462,925
Portfolio turnover rate	13.39%	14.21%	19.32%	15.00%	10.85%

^aFor the year ended February 29.^bThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.^cBased on average daily shares outstanding.^dTotal return does not reflect sales commissions or contingent deferred sales charges, if applicable.^eBenefit of expense reduction rounds to less than 0.01%.

Franklin Colorado Tax-Free Income Fund (continued)

	Year Ended February 28,				
	2023	2022	2021	2020 ^a	2019
Class C					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$11.54	\$11.83	\$12.11	\$11.45	\$11.46
Income from investment operations ^b :					
Net investment income ^c	0.23	0.20	0.24	0.27	0.31
Net realized and unrealized gains (losses)	(1.15)	(0.29)	(0.29)	0.68	(0.01)
Total from investment operations	(0.92)	(0.09)	(0.05)	0.95	0.30
Less distributions from:					
Net investment income	(0.23)	(0.20)	(0.23)	(0.29)	(0.31)
Net asset value, end of year	\$10.39	\$11.54	\$11.83	\$12.11	\$11.45
Total return ^d	(8.00)%	(0.83)%	(0.41)%	8.36%	2.67%
Ratios to average net assets					
Expenses ^e	1.24%	1.23%	1.22%	1.24%	1.24%
Net investment income	2.18%	1.66%	2.01%	2.32%	2.74%
Supplemental data					
Net assets, end of year (000's)	\$23,346	\$36,062	\$50,968	\$66,329	\$69,045
Portfolio turnover rate	13.39%	14.21%	19.32%	15.00%	10.85%

^aFor the year ended February 29.

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

^cBased on average daily shares outstanding.

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

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

Franklin Colorado Tax-Free Income Fund (continued)

	Year Ended February 28,				
	2023	2022	2021	2020 ^a	2019
Class R6					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$11.41	\$11.69	\$11.97	\$11.32	\$11.33
Income from investment operations ^b :					
Net investment income ^c	0.31	0.28	0.32	0.35	0.39
Net realized and unrealized gains (losses)	(1.15)	(0.28)	(0.29)	0.66	(0.01)
Total from investment operations	(0.84)	—	0.03	1.01	0.38
Less distributions from:					
Net investment income	(0.30)	(0.28)	(0.31)	(0.36)	(0.39)
Net asset value, end of year	\$10.27	\$11.41	\$11.69	\$11.97	\$11.32
Total return	(7.35)%	(0.05)%	0.27%	9.09%	3.40%
Ratios to average net assets					
Expenses before waiver and payments by affiliates	0.56%	0.55%	0.56%	0.56%	0.58%
Expenses net of waiver and payments by affiliates ^d	0.55%	0.54%	0.54%	0.55%	0.55%
Net investment income	2.91%	2.38%	2.68%	3.01%	3.43%
Supplemental data					
Net assets, end of year (000's)	\$15,147	\$23,615	\$19,296	\$14,297	\$8,396
Portfolio turnover rate	13.39%	14.21%	19.32%	15.00%	10.85%

^aFor the year ended February 29.^bThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.^cBased on average daily shares outstanding.^dBenefit of expense reduction rounds to less than 0.01%.

Franklin Colorado Tax-Free Income Fund (continued)

	Year Ended February 28,				
	2023	2022	2021	2020 ^a	2019
Advisor Class					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$11.40	\$11.68	\$11.96	\$11.31	\$11.32
Income from investment operations ^b :					
Net investment income ^c	0.30	0.28	0.31	0.35	0.38
Net realized and unrealized gains (losses)	(1.14)	(0.28)	(0.28)	0.66	(—) ^d
Total from investment operations	(0.84)	—	0.03	1.01	0.38
Less distributions from:					
Net investment income	(0.30)	(0.28)	(0.31)	(0.36)	(0.39)
Net asset value, end of year	\$10.26	\$11.40	\$11.68	\$11.96	\$11.31
Total return	(7.40)%	(0.10)%	0.23%	9.06%	3.38%
Ratios to average net assets					
Expenses ^e	0.60%	0.58%	0.58%	0.59%	0.59%
Net investment income	2.87%	2.33%	2.66%	2.97%	3.39%
Supplemental data					
Net assets, end of year (000's)	\$97,723	\$137,797	\$132,696	\$115,924	\$92,530
Portfolio turnover rate	13.39%	14.21%	19.32%	15.00%	10.85%

^aFor the year ended February 29.

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

^cBased on average daily shares outstanding.

^dAmount rounds to less than \$0.01 per share.

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

Schedule of Investments, February 28, 2023

Franklin Colorado Tax-Free Income Fund

	Principal Amount	Value
Corporate Bonds 0.3%		
Software 0.3%		
^a Haven at Elgin LLC, 5.25%, 12/31/53	\$1,400,000	\$1,375,254
Total Corporate Bonds (Cost \$1,400,000)		1,375,254
Municipal Bonds 97.7%		
California 0.3%		
California Municipal Finance Authority, Revenue, 2022 A-1, 4.25%, 12/01/37	2,000,000	1,665,633
Colorado 90.4%		
Adams State University,		
Revenue, 2012, 5%, 5/15/37	630,000	630,189
Revenue, 2019 A, Refunding, 4%, 5/15/42	1,515,000	1,433,149
Anthem West Metropolitan District, GO, 2015, Refunding, BAM Insured, 5%, 12/01/35	3,000,000	3,120,256
Arapahoe County School District No. 1 Englewood, GO, 2017, 5%, 12/01/42	7,000,000	7,244,928
Arapahoe County School District No. 6 Littleton, GO, 2019 A, 5.5%, 12/01/43	12,980,000	14,303,338
Arapahoe County Water & Wastewater Authority, Revenue, 2019, Refunding, 4%, 12/01/37	1,000,000	1,013,081
Board of Governors of Colorado State University System,		
Revenue, 2013 A, Refunding, 5%, 3/01/43	5,000,000	5,604,166
Revenue, 2015 A, Pre-Refunded, 5%, 3/01/40	3,990,000	4,139,554
Revenue, 2017 E, Refunding, 4%, 3/01/43	4,500,000	4,276,719
Revenue, 2019 A, Refunding, 5%, 3/01/49	4,000,000	4,294,632
Revenue, A, Refunding, 4%, 3/01/40	5,000,000	4,822,775
Board of Water Commissioners City & County of Denver (The), Revenue, 2017 A, 5%, 9/15/47	10,000,000	10,466,149
^b Broomfield Village Metropolitan District No. 2, GO, 144A, 2021 A-1, Refunding, 5%, 12/01/49	4,331,000	3,831,134
Castle Oaks Metropolitan District No. 3, GO, 2020, Refunding, AGMC Insured, 4%, 12/01/45	1,140,000	1,057,398
Centennial Water & Sanitation District,		
Revenue, 2019, 5%, 12/01/43	3,000,000	3,226,830
Revenue, 2019, 5.25%, 12/01/48	6,760,000	7,295,005
Cherokee Metropolitan District,		
Revenue, 2020, BAM Insured, 4%, 8/01/45	2,250,000	2,139,714
Revenue, 2020, BAM Insured, 4%, 8/01/50	1,400,000	1,267,022
City & County of Denver,		
Airport System, Revenue, 2013 B, 5%, 11/15/43	5,000,000	5,028,012
Airport System, Revenue, 2018 B, Refunding, 5%, 12/01/43	5,000,000	5,208,870
Airport System, Revenue, 2018 B, Refunding, 5%, 12/01/48	4,440,000	4,592,560
Airport System, Revenue, 2019 C, Refunding, 5%, 11/15/35	3,000,000	3,328,000
Airport System, Revenue, 2022 A, 5%, 11/15/37	4,250,000	4,562,894
Airport System, Revenue, 2022 D, Refunding, 5%, 11/15/53	5,000,000	5,135,539
Pledged Excise Tax, Revenue, 2016 A, Refunding, 4%, 8/01/46	3,500,000	3,303,887
Pledged Excise Tax, Revenue, 2018 A-1, 5%, 8/01/48	5,000,000	5,102,408
Pledged Excise Tax, Revenue, 2021 A, 4%, 8/01/34	1,000,000	1,061,490
City of Colorado Springs,		
Utilities System, Revenue, 2013 B-1, 5%, 11/15/38	4,000,000	4,034,802
Utilities System, Revenue, 2015 A, Refunding, 5%, 11/15/45	2,665,000	2,729,569
Utilities System, Revenue, 2017 A-2, Refunding, 5%, 11/15/47	6,000,000	6,274,465
Utilities System, Revenue, 2018 A-4, 5%, 11/15/48	5,000,000	5,326,614
Utilities System, Revenue, 2020 C, 5%, 11/15/50	3,000,000	3,197,729
City of Fort Collins, Electric Utility Enterprise, Revenue, 2018 A, 5%, 12/01/42	13,500,000	14,496,524
City of Grand Junction,		
COP, 2021, 4%, 12/01/45	2,005,000	1,910,862
Sales & Use Tax, Revenue, 2020 B, 4%, 3/01/49	3,775,000	3,472,198
Colorado Educational & Cultural Facilities Authority,		
Alexander Dawson School LLC (The), Revenue, 2010, 5%, 2/15/40	5,280,000	5,284,180

Franklin Colorado Tax-Free Income Fund (continued)

	Principal Amount	Value
Municipal Bonds (continued)		
Colorado (continued)		
Colorado Educational & Cultural Facilities Authority, (continued)		
Aspen View Academy, Inc., Revenue, 2021, 4%, 5/01/36	\$425,000	\$387,207
Aspen View Academy, Inc., Revenue, 2021, 4%, 5/01/41	150,000	128,253
Aspen View Academy, Inc., Revenue, 2021, 4%, 5/01/51	370,000	294,500
Aspen View Academy, Inc., Revenue, 2021, 4%, 5/01/61	550,000	417,558
Denver School of Science & Technology, Inc., Revenue, 2021, 3%, 8/01/41	1,460,000	1,127,904
Denver School of Science & Technology, Inc., Revenue, 2021, 3%, 8/01/51	3,635,000	2,491,470
Eagle Ridge Academy, Revenue, 2022 A, Refunding, 5%, 11/01/37	1,000,000	1,054,779
Golden View Classical Academy, Revenue, 2022, Refunding, 4%, 1/01/26	195,000	191,649
Golden View Classical Academy, Revenue, 2022, Refunding, 4%, 1/01/32	280,000	271,403
Golden View Classical Academy, Revenue, 2022, Refunding, 4%, 1/01/52	1,355,000	1,076,884
Golden View Classical Academy, Revenue, 2022, Refunding, 4%, 1/01/62	1,600,000	1,214,798
James Irwin Educational Foundation Obligated Group, Revenue, 2022, 5%, 9/01/52	750,000	739,297
James Irwin Educational Foundation Obligated Group, Revenue, 2022, 5%, 9/01/57	1,765,000	1,708,991
Lighthouse Building Corp., Revenue, 2021, 4%, 10/01/46	345,000	286,484
Lighthouse Building Corp., Revenue, 2021, 4%, 10/01/56	1,000,000	790,637
Lighthouse Building Corp., Revenue, 2021, 4%, 10/01/61	2,210,000	1,696,142
Pinnacle Charter School, Inc., Revenue, 2021 A, Refunding, 4%, 12/01/50	5,820,000	5,202,868
Union Colony Schools, Revenue, 2018, Refunding, 5%, 4/01/48	715,000	723,691
University of Denver, Revenue, 2017, 5%, 3/01/47	3,950,000	4,121,655
West Ridge Academy Charter School, Revenue, 2019 A, Refunding, 5%, 6/01/49 . .	400,000	401,978
Westgate Community School, Revenue, 2021 A, Refunding, 4%, 7/01/41	2,370,000	2,249,383
Windsor Charter Academy Obligated Group, Revenue, 2020, Refunding, 4%, 9/01/50	2,400,000	2,136,578
Colorado Health Facilities Authority,		
AdventHealth Obligated Group, Revenue, 2016 A, Refunding, 4%, 11/15/41	3,000,000	2,878,570
AdventHealth Obligated Group, Revenue, 2019 A, Refunding, 5%, 11/15/37	5,000,000	5,396,925
Boulder Community Health Obligated Group, Revenue, 2020, Refunding, 4%, 10/01/35	1,575,000	1,580,408
Boulder Community Health Obligated Group, Revenue, 2020, Refunding, 4%, 10/01/37	850,000	830,188
Boulder Community Health Obligated Group, Revenue, 2020, Refunding, 4%, 10/01/38	705,000	682,655
Boulder Community Health Obligated Group, Revenue, 2020, Refunding, 4%, 10/01/39	835,000	803,216
Boulder Community Health Obligated Group, Revenue, 2020, Refunding, 4%, 10/01/40	725,000	685,357
BSLC Obligated Group, Revenue, 2018 A-1, Refunding, 5%, 9/15/48	3,000,000	2,768,414
BSLC Obligated Group, Revenue, 2018 A-1, Refunding, 4.75%, 9/15/53	1,500,000	1,253,431
Children's Hospital Colorado Obligated Group, Revenue, 2016 A, 5%, 12/01/44 . . .	5,000,000	5,072,793
CommonSpirit Health Obligated Group, Revenue, 2019 A-2, Refunding, 5%, 8/01/38	3,000,000	3,109,607
CommonSpirit Health Obligated Group, Revenue, 2019 A-2, Refunding, 5%, 8/01/39	2,000,000	2,060,297
CommonSpirit Health Obligated Group, Revenue, 2019 A-2, Refunding, 5%, 8/01/44	7,000,000	7,130,105
CommonSpirit Health Obligated Group, Revenue, 2019 A-2, Refunding, 4%, 8/01/49	9,990,000	8,663,464
CommonSpirit Health Obligated Group, Revenue, 2022 A, 5.25%, 11/01/52	3,000,000	3,090,570
Covenant Living Communities and Services Obligated Group, Revenue, 2013 A, Pre- Refunded, 5.75%, 12/01/36	5,000,000	5,096,979
Covenant Living Communities and Services Obligated Group, Revenue, 2015 A, Refunding, 5%, 12/01/35	7,150,000	7,179,341
Covenant Living Communities and Services Obligated Group, Revenue, 2018 A, 5%, 12/01/48	5,000,000	4,895,262
Covenant Living Communities and Services Obligated Group, Revenue, 2020 A, Refunding, 4%, 12/01/50	5,700,000	4,582,093
Craig Hospital Obligated Group, Revenue, 2022 A, 5%, 12/01/52	3,535,000	3,649,307
Evangelical Lutheran Good Samaritan Obligated Group, Revenue, 2013, Pre- Refunded, 5.5%, 6/01/33	1,000,000	1,005,053
Evangelical Lutheran Good Samaritan Obligated Group, Revenue, 2013, Pre- Refunded, 5.625%, 6/01/43	4,000,000	4,021,427

Franklin Colorado Tax-Free Income Fund (continued)

	Principal Amount	Value
Municipal Bonds (continued)		
Colorado (continued)		
Colorado Health Facilities Authority, (continued)		
Evangelical Lutheran Good Samaritan Obligated Group, Revenue, 2015 A, Pre-Refunded, 5%, 6/01/40	\$4,000,000	\$4,166,856
Evangelical Lutheran Good Samaritan Obligated Group, Revenue, 2015 A, Pre-Refunded, 5%, 6/01/45	2,750,000	2,864,714
Intermountain Healthcare Obligated Group, Revenue, 2019 A, Refunding, 4%, 1/01/38	3,660,000	3,683,660
Parkview Medical Center, Inc. Obligated Group, Revenue, 2016, 5%, 9/01/46	5,000,000	5,044,034
Parkview Medical Center, Inc. Obligated Group, Revenue, 2020 A, 4%, 9/01/50	6,275,000	5,135,142
Sanford Obligated Group, Revenue, 2019 A, Refunding, 5%, 11/01/44	3,495,000	3,574,105
Sanford Obligated Group, Revenue, 2019 A, Refunding, 5%, 11/01/49	8,050,000	8,103,129
Valley View Hospital Association, Revenue, 2015, 5%, 5/15/40	2,000,000	2,012,055
Valley View Hospital Association, Revenue, 2015, 5%, 5/15/45	1,000,000	1,004,316
Colorado High Performance Transportation Enterprise, C-470 Express Lanes System, Revenue, 2017, 5%, 12/31/47	2,555,000	2,446,249
Colorado Housing and Finance Authority, Revenue, 2019 B-1, I, 3.15%, 10/01/44	1,000,000	806,361
Revenue, 2019 B-1, I, 3.25%, 10/01/49	1,000,000	788,707
Colorado Mesa University, Revenue, 2019 B, 5%, 5/15/44	1,000,000	1,073,092
Revenue, 2019 B, 5%, 5/15/49	1,565,000	1,673,034
Colorado School of Mines, Revenue, 2017 A, 5%, 12/01/42	2,450,000	2,588,577
Revenue, 2017 A, 5%, 12/01/47	3,000,000	3,151,209
Crystal Valley Metropolitan District No. 2, GO, 2020 A, Refunding, AGMC Insured, 3%, 12/01/49	3,000,000	2,169,197
Denver City & County School District No. 1, COP, 2020 A, 5%, 12/01/42	2,000,000	2,194,969
GO, 2017, 5%, 12/01/41	12,440,000	12,994,224
Denver Convention Center Hotel Authority, Revenue, Senior Lien, 2016, Refunding, 5%, 12/01/40	9,775,000	9,565,666
Denver Health & Hospital Authority, COP, 2018, 5%, 12/01/48	5,255,000	5,079,459
Revenue, 2014 A, 5.25%, 12/01/45	9,250,000	9,289,077
Revenue, 2019 A, Refunding, 5%, 12/01/30	1,000,000	1,066,545
Revenue, 2019 A, Refunding, 5%, 12/01/31	1,400,000	1,491,230
Revenue, 2019 A, Refunding, 5%, 12/01/33	3,300,000	3,477,664
Denver International Business Center Metropolitan District No. 1, GO, 2019 A, 4%, 12/01/48	350,000	306,631
Eagle River Water & Sanitation District, GO, 2016, 5%, 12/01/45	1,360,000	1,414,311
East Cherry Creek Valley Water and Sanitation District, Revenue, 2019 A, 4%, 11/15/39	1,200,000	1,200,990
Erie Farm Metropolitan District, GO, 2021, Refunding, AGMC Insured, 5%, 12/01/41	575,000	621,143
GO, 2021, Refunding, AGMC Insured, 5%, 12/01/46	700,000	750,993
GO, 2021, Refunding, AGMC Insured, 4%, 12/01/51	1,200,000	1,060,860
^b Fiddlers Business Improvement District, GO, 144A, 2022, Refunding, 5.55%, 12/01/47	3,500,000	3,505,465
Flying Horse Metropolitan District No. 2, GO, 2020 A, Refunding, AGMC Insured, 4%, 12/01/44	520,000	485,472
GO, 2020 A, Refunding, AGMC Insured, 4%, 12/01/50	875,000	792,147
Gunnison Watershed School District No. Re 1J, GO, 2023, 5%, 12/01/47	3,250,000	3,529,858
Larimer County School District No. R-1 Poudre, GO, 2018, 5%, 12/15/40	5,000,000	5,369,088
North Pine Vistas Metropolitan District No. 2, GO, 2022, Refunding, AGMC Insured, 5%, 12/01/52	1,125,000	1,138,423
Park 70 Metropolitan District, GO, 2016, Refunding, 5%, 12/01/36	1,000,000	1,018,572
GO, 2016, Refunding, 5%, 12/01/46	1,500,000	1,506,300

Franklin Colorado Tax-Free Income Fund (continued)

	Principal Amount	Value
Municipal Bonds (continued)		
Colorado (continued)		
Park Creek Metropolitan District,		
Westerly Creek District Service Area, Revenue, 2017 A, 5%, 12/01/41	\$3,000,000	\$3,050,878
Westerly Creek District Service Area, Revenue, 2017 A, 5%, 12/01/46	2,500,000	2,532,056
Westerly Creek District Service Area, Revenue, Senior Lien, 2015 A, Refunding, 5%, 12/01/45	7,000,000	7,077,134
Westerly Creek District Service Area, Revenue, Senior Lien, 2018 A, 5%, 12/01/46	2,875,000	2,998,070
Parker Water & Sanitation District, Revenue, 2018, 5%, 11/01/42	6,475,000	6,841,390
Patriot Park Metropolitan District No. 2, GO, 2021, 4.3%, 12/01/50	539,000	406,956
Prairiestar Metropolitan District No. 2,		
GO, 2021 A, Refunding, BAM Insured, 5%, 12/01/36	500,000	549,958
GO, 2021 A, Refunding, BAM Insured, 5%, 12/01/41	500,000	540,124
GO, 2021 A, Refunding, BAM Insured, 5%, 12/01/46	500,000	536,424
Public Authority for Colorado Energy, Revenue, 2008, 6.5%, 11/15/38	9,900,000	11,800,583
Regional Transportation District,		
Denver Transit Partners LLC, Revenue, 2020 A, Refunding, 4%, 1/15/33	550,000	552,930
Denver Transit Partners LLC, Revenue, 2020 A, Refunding, 4%, 7/15/35	1,000,000	984,098
Denver Transit Partners LLC, Revenue, 2020 A, Refunding, 4%, 7/15/36	750,000	726,798
Denver Transit Partners LLC, Revenue, 2020 A, Refunding, 4%, 7/15/38	700,000	665,129
Sales Tax, Revenue, 2016 A, 5%, 11/01/41	10,000,000	10,402,148
Sales Tax, Revenue, 2016 A, 5%, 11/01/46	11,000,000	11,366,293
Sand Creek Metropolitan District, GO, 2020 B, Refunding, AGMC Insured, 4%, 12/01/40	2,665,000	2,638,233
Silver Peaks Metropolitan District No. 3, GO, Senior Lien, 2020 A, 5%, 12/01/50	1,000,000	856,500
South Timnath Metropolitan District No. 2, GO, 2016, Refunding, 5%, 12/01/42	5,690,000	5,741,990
State of Colorado,		
COP, 2013 I, Pre-Refunded, 5%, 3/15/36	3,000,000	3,054,516
COP, 2017 J, 5.25%, 3/15/42	5,000,000	5,220,241
COP, 2020, Refunding, 4%, 6/15/40	1,315,000	1,287,842
COP, 2020 A, 4%, 12/15/38	3,555,000	3,538,107
COP, 2020 R, 4%, 3/15/45	5,000,000	4,636,867
Sterling Hills West Metropolitan District, GO, 2017, Refunding, 5%, 12/01/39	1,125,000	1,176,417
Sterling Ranch Community Authority Board,		
Sterling Ranch Colorado Metropolitan District No. 2, Revenue, 2020 A, Refunding, 3.75%, 12/01/40	500,000	397,589
Sterling Ranch Colorado Metropolitan District No. 2, Revenue, 2020 A, Refunding, 4.25%, 12/01/50	1,250,000	965,749
Thompson Crossing Metropolitan District No. 2, GO, 2016 B, Refunding, AGMC Insured, 5%, 12/01/46	4,500,000	4,674,927
Town of Monument, COP, 2020, AGMC Insured, 4%, 12/01/45	2,000,000	1,903,312
University of Colorado, Revenue, 2019 B, 5%, 6/01/44	1,930,000	2,063,071
Vauxmont Metropolitan District,		
GO, 2019, Refunding, AGMC Insured, 5%, 12/15/27	380,000	404,648
GO, 2019, Refunding, AGMC Insured, 5%, 12/15/32	480,000	511,813
Winter Farm Metropolitan District No. 2,		
GO, 2019, Refunding, AGMC Insured, 5%, 12/01/39	630,000	667,899
GO, 2019, Refunding, AGMC Insured, 5%, 12/01/44	500,000	523,239
		<u>488,803,666</u>
Florida 1.2%		
Capital Trust Agency, Inc.,		
Kingdom Development West Palm Beach Portfolio Obligated Group, Revenue, 2021 A-1, 3.75%, 12/01/36	4,104,000	3,417,288
^b SHI - Lake Osborne LLC, Revenue, 144A, 2021 A-1, 3.68%, 1/01/57	800,000	539,307
^b Leon County Housing Finance Authority, Revenue, 144A, 2022 A, Zero Cpn., 5/01/57	3,215,000	2,612,187
		<u>6,568,782</u>

Franklin Colorado Tax-Free Income Fund (continued)

	Principal Amount	Value
Municipal Bonds (continued)		
Georgia 0.4%		
^b Development Authority of Rockdale County, AHPC Terraces at Fieldstone LLC, Revenue, 144A, 2021 A-1, 3.5%, 12/01/36	\$2,400,000	\$1,925,047
Illinois 1.1%		
State of Illinois,		
GO, 2003, 5.1%, 6/01/33	3,000,000	2,951,329
GO, 2016, 5%, 11/01/34	560,000	574,776
GO, 2019 B, 4%, 11/01/33	1,250,000	1,228,543
GO, 2021 A, 5%, 3/01/33	500,000	530,055
GO, 2021 A, 5%, 3/01/37	250,000	260,192
GO, 2021 A, 4%, 3/01/39	500,000	463,564
		6,008,459
New York 0.1%		
Metropolitan Transportation Authority, Revenue, 2020 D, 4%, 11/15/47	900,000	785,770
South Carolina 0.8%		
South Carolina Jobs-Economic Development Authority,		
^b Revenue, 144A, 2021 A-1, 3.65%, 12/01/36	1,400,000	1,120,853
AHPC Vista Towers 2021 LLC, Revenue, 2021 A-1, 3.65%, 12/01/36	1,400,000	1,117,418
^b Columbia Portfolio Obligated Group, Revenue, 144A, 2022 A-1, Zero Cpn., 6/01/37	2,100,000	1,376,697
^b South Carolina State Housing Finance & Development Authority, Garden Oaks LP, Revenue, 144A, 2021 A, 4.2%, 12/01/39	750,000	572,924
		4,187,892
Texas 0.6%		
^b EP Cimarron Ventanas PFC, Revenue, Senior Lien, 144A, 2021 A, 4%, 12/01/51 . . .	1,800,000	1,335,131
^b Pecan Public Facility Corp., Revenue, 144A, 2022 A-2, 5%, 12/01/52	2,400,000	1,755,831
		3,090,962
Washington 0.2%		
^b Washington State Housing Finance Commission, Madison at Rivers Edge Apartments LLC, Revenue, 144A, 2021 A, 3.65%, 1/01/37	1,400,000	1,120,901
Wisconsin 1.2%		
^b Public Finance Authority,		
Revenue, 144A, 2022, B-1, 4%, 12/28/44	1,400,000	1,109,296
AL-FL Portfolio Obligated Group, Revenue, 144A, 2021 A, 3.4%, 12/01/36	2,400,000	1,922,146
Gulf Coast Portfolio Obligated Group, Revenue, 144A, 2021, 5.25%, 12/01/23	3,700,000	3,700,000
		6,731,442
U.S. Territories 1.4%		
Guam 0.3%		
Guam Government Waterworks Authority, Revenue, 2020 A, 5%, 1/01/50	1,500,000	1,505,695
Puerto Rico 1.1%		
HTA HRRB Custodial Trust, Revenue, 2007 CC, 5.5%, 7/01/31	1,670,000	1,721,579
HTA TRRB Custodial Trust, Revenue, 2005 L, 5.25%, 7/01/41	1,485,000	1,501,314
Puerto Rico Electric Power Authority,		
Revenue, VV, Refunding, NATL Insured, 5.25%, 7/01/32	1,200,000	1,203,113
Revenue, VV, Refunding, NATL Insured, 5.25%, 7/01/34	1,000,000	1,002,976

Franklin Colorado Tax-Free Income Fund (continued)

	Principal Amount	Value
Municipal Bonds (continued)		
U.S. Territories (continued)		
Puerto Rico (continued)		
Puerto Rico Sales Tax Financing Corp., Sales Tax, Revenue, A-1, 5%, 7/01/58	\$750,000	\$695,850
		6,124,832
Total U.S. Territories		7,630,527
Total Municipal Bonds (Cost \$564,617,946)		528,519,081
Total Long Term Investments (Cost \$566,017,946)		529,894,335
Short Term Investments 1.0%		
Municipal Bonds 1.0%		
Colorado 1.0%		
^c City & County of Denver,		
COP, 2008 A-1, Refunding, SPA JPMorgan Chase Bank NA, Daily VRDN and Put,		
2.5%, 12/01/29	5,000,000	5,000,000
COP, 2008 A-2, Refunding, SPA JPMorgan Chase Bank NA, Daily VRDN and Put,		
2.5%, 12/01/29	400,000	400,000
		5,400,000
Total Municipal Bonds (Cost \$5,400,000)		5,400,000
Total Short Term Investments (Cost \$5,400,000)		5,400,000
Total Investments (Cost \$571,417,946) 99.0%		\$535,294,335
Other Assets, less Liabilities 1.0%		5,445,823
Net Assets 100.0%		\$540,740,158

See Abbreviations on page 171.

^aFair valued using significant unobservable inputs. See Note 12 regarding fair value measurements.

^bSecurity was purchased pursuant to Rule 144A or Regulation S under the Securities Act of 1933. 144A securities may be sold in transactions exempt from registration only to qualified institutional buyers or in a public offering registered under the Securities Act of 1933. Regulation S securities cannot be sold in the United States without either an effective registration statement filed pursuant to the Securities Act of 1933, or pursuant to an exemption from registration. At February 28, 2023, the aggregate value of these securities was \$26,426,919, representing 4.9% of net assets.

^cVariable 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 Connecticut Tax-Free Income Fund

	Year Ended February 28,				Year Ended February 28, 2019 ^b
	2023	2022	2021	2020 ^a	
Class A					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$9.85	\$10.17	\$10.39	\$10.05	\$10.01
Income from investment operations ^c :					
Net investment income ^d	0.22	0.20	0.26	0.29	0.14
Net realized and unrealized gains (losses)	(0.99)	(0.32)	(0.22)	0.36	0.04
Total from investment operations	(0.77)	(0.12)	0.04	0.65	0.18
Less distributions from:					
Net investment income	(0.22)	(0.20)	(0.26)	(0.31)	(0.14)
Net asset value, end of year	\$8.86	\$9.85	\$10.17	\$10.39	\$10.05
Total return ^e	(7.84)%	(1.23)%	0.42%	6.54%	1.86%
Ratios to average net assets^f					
Expenses before waiver and payments by affiliates and expense reduction	0.97%	0.98%	0.94%	0.93%	0.92%
Expenses net of waiver and payments by affiliates and expense reduction ^g	0.91%	0.98%	0.94%	0.93%	0.92%
Net investment income	2.44%	1.95%	2.58%	2.83%	2.98%
Supplemental data					
Net assets, end of year (000's)	\$27,698	\$34,084	\$28,498	\$21,670	\$13,765
Portfolio turnover rate	14.70%	23.52%	20.73%	11.63%	15.00%

^aFor the year ended February 29.

^bFor the period September 10, 2018 (effective date) to February 28, 2019.

^cThe 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.

^dBased on average daily shares outstanding.

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

^fRatios are annualized for periods less than one year.

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

Franklin Connecticut Tax-Free Income Fund (continued)

	Year Ended February 28,				
	2023	2022	2021	2020 ^a	2019
Class A1					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$9.84	\$10.16	\$10.38	\$10.04	\$10.08
Income from investment operations ^b :					
Net investment income ^c	0.23	0.22	0.28	0.30	0.31
Net realized and unrealized gains (losses)	(0.99)	(0.32)	(0.22)	0.36	(0.03)
Total from investment operations	(0.76)	(0.10)	0.06	0.66	0.28
Less distributions from:					
Net investment income	(0.23)	(0.22)	(0.28)	(0.32)	(0.32)
Net asset value, end of year	\$8.85	\$9.84	\$10.16	\$10.38	\$10.04
Total return ^d	(7.71)%	(1.08)%	0.57%	6.70%	2.86%
Ratios to average net assets					
Expenses before waiver and payments by affiliates and expense reduction	0.83%	0.83%	0.79%	0.78%	0.77%
Expenses net of waiver and payments by affiliates and expense reduction ^e	0.76%	0.83%	0.79%	0.78%	0.77%
Net investment income	2.59%	2.12%	2.76%	2.98%	3.13%
Supplemental data					
Net assets, end of year (000's)	\$93,653	\$119,599	\$135,916	\$150,081	\$160,148
Portfolio turnover rate	14.70%	23.52%	20.73%	11.63%	15.00%

^aFor the year ended February 29.

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

^cBased on average daily shares outstanding.

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

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

Franklin Connecticut Tax-Free Income Fund (continued)

	Year Ended February 28,				
	2023	2022	2021	2020 ^a	2019
Class C					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$9.92	\$10.24	\$10.46	\$10.13	\$10.16
Income from investment operations ^b :					
Net investment income ^c	0.18	0.16	0.23	0.25	0.26
Net realized and unrealized gains (losses)	(1.00)	(0.32)	(0.23)	0.35	(0.02)
Total from investment operations	(0.82)	(0.16)	—	0.60	0.24
Less distributions from:					
Net investment income	(0.18)	(0.16)	(0.22)	(0.27)	(0.27)
Net asset value, end of year	\$8.92	\$9.92	\$10.24	\$10.46	\$10.13
Total return ^d	(8.26)%	(1.62)%	0.02%	5.98%	2.37%
Ratios to average net assets					
Expenses before waiver and payments by affiliates and expense reduction	1.37%	1.38%	1.34%	1.33%	1.32%
Expenses net of waiver and payments by affiliates and expense reduction ^e	1.31%	1.38%	1.34%	1.33%	1.32%
Net investment income	2.01%	1.58%	2.21%	2.43%	2.58%
Supplemental data					
Net assets, end of year (000's)	\$4,828	\$7,281	\$13,302	\$20,421	\$26,076
Portfolio turnover rate	14.70%	23.52%	20.73%	11.63%	15.00%

^aFor the year ended February 29.^bThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.^cBased on average daily shares outstanding.^dTotal return does not reflect sales commissions or contingent deferred sales charges, if applicable.^eBenefit of expense reduction rounds to less than 0.01%.

Franklin Connecticut Tax-Free Income Fund (continued)

	Year Ended February 28,				
	2023	2022	2021	2020 ^a	2019
Class R6					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$9.84	\$10.16	\$10.38	\$10.04	\$10.08
Income from investment operations ^b :					
Net investment income ^c	0.25	0.23	0.29	0.32	0.33
Net realized and unrealized gains (losses)	(1.00)	(0.32)	(0.22)	0.36	(0.03)
Total from investment operations	(0.75)	(0.09)	0.07	0.68	0.30
Less distributions from:					
Net investment income	(0.24)	(0.23)	(0.29)	(0.34)	(0.34)
Net asset value, end of year	\$8.85	\$9.84	\$10.16	\$10.38	\$10.04
Total return	(7.58)%	(0.91)%	0.71%	6.85%	2.99%
Ratios to average net assets					
Expenses before waiver and payments by affiliates	0.69%	0.68%	0.70%	0.70%	0.65%
Expenses net of waiver and payments by affiliates ^d	0.63%	0.67%	0.66%	0.64%	0.63%
Net investment income	2.75%	2.27%	2.79%	3.12%	3.27%
Supplemental data					
Net assets, end of year (000's)	\$2,952	\$1,815	\$1,385	\$299	\$147
Portfolio turnover rate	14.70%	23.52%	20.73%	11.63%	15.00%

^aFor the year ended February 29.

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

^cBased on average daily shares outstanding.

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

Franklin Connecticut Tax-Free Income Fund (continued)

	Year Ended February 28,				
	2023	2022	2021	2020 ^a	2019
Advisor Class					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$9.83	\$10.15	\$10.37	\$10.04	\$10.08
Income from investment operations ^b :					
Net investment income ^c	0.24	0.23	0.29	0.31	0.32
Net realized and unrealized gains (losses)	(0.99)	(0.32)	(0.22)	0.35	(0.03)
Total from investment operations	(0.75)	(0.09)	0.07	0.66	0.29
Less distributions from:					
Net investment income	(0.24)	(0.23)	(0.29)	(0.33)	(0.33)
Net asset value, end of year	\$8.84	\$9.83	\$10.15	\$10.37	\$10.04
Total return	(7.63)%	(0.98)%	0.67%	6.71%	2.96%
Ratios to average net assets					
Expenses before waiver and payments by affiliates and expense reduction	0.73%	0.73%	0.69%	0.68%	0.67%
Expenses net of waiver and payments by affiliates and expense reduction ^d	0.66%	0.73%	0.69%	0.68%	0.67%
Net investment income	2.69%	2.22%	2.85%	3.08%	3.23%
Supplemental data					
Net assets, end of year (000's)	\$14,477	\$20,378	\$20,968	\$20,024	\$19,351
Portfolio turnover rate	14.70%	23.52%	20.73%	11.63%	15.00%

^aFor the year ended February 29.^bThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.^cBased on average daily shares outstanding.^dBenefit of expense reduction rounds to less than 0.01%.

Schedule of Investments, February 28, 2023

Franklin Connecticut Tax-Free Income Fund

	Principal Amount	Value
Municipal Bonds 98.6%		
Connecticut 91.5%		
City of Ansonia, GO, 2021 A, AGMC Insured, 3%, 2/15/37	\$500,000	\$439,631
City of Bridgeport, GO, 2021 A, 4%, 8/01/40	765,000	733,091
GO, 2021 A, 4%, 8/01/46	375,000	341,306
GO, 2021 A, 4%, 8/01/51	575,000	506,373
City of New Britain, GO, 2017 C, AGMC Insured, 5%, 3/01/36	1,000,000	1,055,553
City of New Haven, GO, 2021 A, Refunding, 4%, 8/01/40	2,000,000	1,842,643
City of Stamford, Water Pollution Control System & Facility, Revenue, 2013 A, 5.25%, 8/15/43	1,000,000	1,005,499
City of West Haven, GO, 2021, 4%, 9/15/41	565,000	516,038
Connecticut Housing Finance Authority, Revenue, 2019 E-E1, 3.05%, 11/15/44	5,000,000	3,855,963
Revenue, 2019 E-E1, 3.1%, 11/15/49	2,000,000	1,481,019
Revenue, 2020 C-1, Refunding, 2.05%, 5/15/37	1,000,000	773,373
Revenue, 2020 C-2, Refunding, 2.2%, 11/15/34	960,000	828,728
Connecticut State Health & Educational Facilities Authority, Avon Old Farms School Obligated Group, Revenue, D-1, Refunding, 4%, 7/01/46	1,000,000	903,064
Choate Rosemary Hall Foundation, Inc. (The), Revenue, F, Refunding, 4%, 7/01/36	480,000	489,030
Choate Rosemary Hall Foundation, Inc. (The), Revenue, F, Refunding, 4%, 7/01/37	600,000	607,251
Choate Rosemary Hall Foundation, Inc. (The), Revenue, F, Refunding, 4%, 7/01/38	315,000	317,022
Choate Rosemary Hall Foundation, Inc. (The), Revenue, F, Refunding, 4%, 7/01/39	380,000	378,985
Choate Rosemary Hall Foundation, Inc. (The), Revenue, F, Refunding, 4%, 7/01/42	860,000	841,011
Connecticut College, Revenue, L-1, Refunding, 4%, 7/01/46	5,000,000	4,474,585
Covenant Living Communities and Services Obligated Group, Revenue, 2018 B, 5%, 12/01/40	4,000,000	3,987,876
Fairfield University, Revenue, Q-1, 5%, 7/01/46	9,000,000	9,144,486
Hartford HealthCare Obligated Group, Revenue, 2021 A, 4%, 7/01/46	6,000,000	5,574,175
Jerome Home, Revenue, 2021 E, Refunding, 4%, 7/01/41	735,000	613,581
Jerome Home, Revenue, 2021 E, Refunding, 4%, 7/01/51	1,250,000	959,457
Nuvance Health Obligated Group, Revenue, 2019 A, Refunding, 4%, 7/01/38	1,000,000	898,658
Nuvance Health Obligated Group, Revenue, 2019 A, Refunding, 4%, 7/01/41	6,310,000	5,601,748
Quinnipiac University, Revenue, L, Refunding, 5%, 7/01/45	8,250,000	8,413,385
Sacred Heart University, Inc., Revenue, I-1, Refunding, 5%, 7/01/42	4,375,000	4,498,250
Sacred Heart University, Inc., Revenue, K, 5%, 7/01/35	550,000	597,375
Sacred Heart University, Inc., Revenue, K, 4%, 7/01/45	1,200,000	1,096,662
Stamford Hospital Obligated Group (The), Revenue, M, Refunding, 4%, 7/01/37	2,550,000	2,390,623
Taft School Corp. (The), Revenue, L, Refunding, 3%, 7/01/46	2,210,000	1,634,300
Trinity Health Corp. Obligated Group, Revenue, 2016, 5%, 12/01/41	5,000,000	5,114,247
Trustees of Trinity College (The), Revenue, R, Refunding, 4%, 6/01/45	2,500,000	2,262,866
Trustees of Trinity College (The), Revenue, S, Refunding, 4%, 6/01/51	4,000,000	3,512,391
University of Hartford (The), Revenue, 2022 P, 5.375%, 7/01/52	2,000,000	1,931,471
Yale-New Haven Health Obligated Group, Revenue, N, 5%, 7/01/48	5,000,000	5,006,832
Connecticut State Higher Education Supplement Loan Authority, Revenue, 2020 B, 3.25%, 11/15/36	1,640,000	1,427,334
Revenue, 2020 D, Pre-Refunded, 3%, 11/15/35	1,145,000	1,150,484
Revenue, 2021 B, 2.25%, 11/15/37	2,500,000	1,937,996
Hartford County Metropolitan District, Clean Water Project, Revenue, 2014 A, Pre- Refunded, 5%, 11/01/42	2,500,000	2,576,968
South Central Connecticut Regional Water Authority, Revenue, Second Series, B-Thirty Second, Refunding, 5%, 8/01/38	1,720,000	1,801,692
State of Connecticut, GO, 2020 A, 4%, 1/15/38	7,250,000	7,275,912
GO, 2020 C, 4%, 6/01/39	600,000	599,948
Special Tax, 2016 A, 5%, 9/01/33	1,000,000	1,065,831
Special Tax, 2018 A, 5%, 1/01/36	1,000,000	1,078,808
Special Tax, 2020 A, 5%, 5/01/35	4,500,000	5,047,012
Special Tax, 2020 A, 4%, 5/01/39	1,000,000	1,002,520

Franklin Connecticut Tax-Free Income Fund (continued)

	Principal Amount	Value
Municipal Bonds (continued)		
Connecticut (continued)		
State of Connecticut, (continued)		
Special Tax, 2020 A, 5%, 5/01/40	\$2,000,000	\$2,179,901
Special Tax, 2021 A, 4%, 5/01/40	1,100,000	1,093,933
Special Tax, 2021 A, 5%, 5/01/41	1,500,000	1,639,871
Bradley International Airport CFC, Revenue, 2019 A, 5%, 7/01/49	1,400,000	1,391,463
Clean Water Fund - State Revolving Fund, Revenue, 2015 A, 5%, 3/01/34	5,000,000	5,175,613
Clean Water Fund - State Revolving Fund, Revenue, 2017 A, 5%, 5/01/37	1,000,000	1,069,624
Town of Hamden, GO, 2021, Refunding, BAM Insured, 4%, 8/15/41	500,000	470,687
Town of Stafford,		
GO, 2021, Refunding, 3%, 2/01/36	250,000	224,773
GO, 2021, Refunding, 3%, 2/01/38	310,000	267,036
GO, 2021, Refunding, 3%, 2/01/41	300,000	246,841
Town of Stratford,		
GO, 2017, AGMC Insured, 5%, 7/01/33	1,000,000	1,045,280
GO, 2020 A, Refunding, BAM Insured, 4%, 7/01/36	300,000	301,809
GO, 2020 A, Refunding, BAM Insured, 4%, 7/01/38	300,000	295,327
GO, 2020 A, Refunding, BAM Insured, 4%, 7/01/40	300,000	288,960
University of Connecticut,		
Revenue, 2013 A, 5%, 8/15/28	3,000,000	3,018,819
Revenue, 2014 A, 5%, 2/15/31	2,000,000	2,029,720
Revenue, 2017 A, 5%, 1/15/37	1,000,000	1,056,516
		131,389,226
Florida 0.2%		
^a Capital Trust Agency, Inc., SHI - Lake Osborne LLC, Revenue, 144A, 2021 A-1, 3.68%, 1/01/57	500,000	337,067
Georgia 0.4%		
^a Development Authority of Rockdale County, AHPC Terraces at Fieldstone LLC, Revenue, 144A, 2021 A-1, 3.5%, 12/01/36	625,000	501,314
Illinois 0.6%		
State of Illinois, GO, 2020 C, 4%, 10/01/42	1,000,000	893,515
New Jersey 0.4%		
New Jersey Economic Development Authority,		
Revenue, 2021 QQQ, 4%, 6/15/35	300,000	302,925
Revenue, 2021 QQQ, 4%, 6/15/36	100,000	100,008
New Jersey Transportation Trust Fund Authority, Revenue, 2020 AA, 3%, 6/15/50	230,000	163,297
		566,230
South Carolina 0.9%		
South Carolina Jobs-Economic Development Authority,		
^a Revenue, 144A, 2021 A-1, 3.65%, 12/01/36	500,000	400,305
AHPC Vista Towers 2021 LLC, Revenue, 2021 A-1, 3.65%, 12/01/36	500,000	399,078
^a Columbia Portfolio Obligated Group, Revenue, 144A, 2022 A-1, Zero Cpn., 6/01/37	750,000	491,677
		1,291,060
Texas 0.9%		
^a EP Cimarron Ventanas PFC, Revenue, Senior Lien, 144A, 2021 A, 4%, 12/01/51	500,000	370,870
Lake Houston Redevelopment Authority, City of Houston Reinvestment Zone No. 10, Revenue, 2021, Refunding, 3%, 9/01/47	780,000	538,186
^a Pecan Public Facility Corp., Revenue, 144A, 2022 A-2, 5%, 12/01/52	615,000	449,932
		1,358,988
Washington 0.3%		
^a Washington State Housing Finance Commission, Madison at Rivers Edge Apartments LLC, Revenue, 144A, 2021 A, 3.65%, 1/01/37	500,000	400,322

Franklin Connecticut Tax-Free Income Fund (continued)

	Principal Amount	Value
Municipal Bonds (continued)		
Wisconsin 0.9%		
^a Public Finance Authority,		
Revenue, 144A, 2022, B-1, 4%, 12/28/44	\$400,000	\$316,942
Gulf Coast Portfolio Obligated Group, Revenue, 144A, 2021, 5.25%, 12/01/23	1,000,000	1,000,000
		<u>1,316,942</u>
U.S. Territories 2.5%		
Puerto Rico 2.5%		
HTA HRRB Custodial Trust,		
Revenue, 2007 CC, 5.5%, 7/01/31	1,480,000	1,525,725
Revenue, 2007 CC, 5.25%, 7/01/34	2,010,000	2,026,000
		<u>3,551,725</u>
Total U.S. Territories		<u>3,551,725</u>
Total Municipal Bonds (Cost \$155,112,458)		<u>141,606,389</u>
Short Term Investments 0.6%		
Municipal Bonds 0.6%		
Connecticut 0.6%		
^b Connecticut State Health & Educational Facilities Authority, Yale University, Revenue,		
2001 V-2, Daily VRDN and Put, 1.65%, 7/01/36	900,000	900,000
Total Municipal Bonds (Cost \$900,000)		<u>900,000</u>
Total Short Term Investments (Cost \$900,000)		<u>900,000</u>
Total Investments (Cost \$156,012,458) 99.2%		<u>\$142,506,389</u>
Other Assets, less Liabilities 0.8%		<u>1,101,709</u>
Net Assets 100.0%		<u>\$143,608,098</u>

See Abbreviations on page 171.

^aSecurity was purchased pursuant to Rule 144A or Regulation S under the Securities Act of 1933. 144A securities may be sold in transactions exempt from registration only to qualified institutional buyers or in a public offering registered under the Securities Act of 1933. Regulation S securities cannot be sold in the United States without either an effective registration statement filed pursuant to the Securities Act of 1933, or pursuant to an exemption from registration. At February 28, 2023, the aggregate value of these securities was \$4,268,429, representing 3.0% of net assets.

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

Financial Highlights

Franklin Michigan Tax-Free Income Fund

	Year Ended February 28,				Year Ended February 28,
	2023	2022	2021	2020 ^a	2019 ^b
Class A					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$11.43	\$11.84	\$12.03	\$11.31	\$11.19
Income from investment operations ^c :					
Net investment income ^d	0.29	0.26	0.28	0.29	0.15
Net realized and unrealized gains (losses)	(1.14)	(0.41)	(0.19)	0.74	0.12
Total from investment operations	(0.85)	(0.15)	0.09	1.03	0.27
Less distributions from:					
Net investment income	(0.28)	(0.26)	(0.28)	(0.31)	(0.15)
Net asset value, end of year	\$10.30	\$11.43	\$11.84	\$12.03	\$11.31
Total return ^e	(7.43)%	(1.35)%	0.75%	9.19%	2.46%
Ratios to average net assets^f					
Expenses ^g	0.83%	0.83%	0.82%	0.82%	0.83%
Net investment income	2.71%	2.16%	2.34%	2.51%	2.86%
Supplemental data					
Net assets, end of year (000's)	\$120,384	\$134,390	\$107,468	\$74,740	\$33,739
Portfolio turnover rate	27.70%	22.05%	10.86%	4.08%	11.55%

^aFor the year ended February 29.

^bFor the period September 10, 2018 (effective date) to February 28, 2019.

^cThe 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.

^dBased on average daily shares outstanding.

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

^fRatios are annualized for periods less than one year.

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

Franklin Michigan Tax-Free Income Fund (continued)

	Year Ended February 28,				
	2023	2022	2021	2020 ^a	2019
Class A1					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$11.42	\$11.82	\$12.02	\$11.30	\$11.25
Income from investment operations ^b :					
Net investment income ^c	0.30	0.28	0.30	0.31	0.34
Net realized and unrealized gains (losses)	(1.13)	(0.40)	(0.20)	0.73	0.06
Total from investment operations	(0.83)	(0.12)	0.10	1.04	0.40
Less distributions from:					
Net investment income	(0.30)	(0.28)	(0.30)	(0.32)	(0.35)
Net asset value, end of year	\$10.29	\$11.42	\$11.82	\$12.02	\$11.30
Total return ^d	(7.29)%	(1.12)%	0.82%	9.36%	3.59%
Ratios to average net assets					
Expenses ^e	0.68%	0.68%	0.67%	0.67%	0.68%
Net investment income	2.85%	2.32%	2.51%	2.66%	3.01%
Supplemental data					
Net assets, end of year (000's)	\$497,643	\$628,769	\$688,038	\$731,568	\$727,705
Portfolio turnover rate	27.70%	22.05%	10.86%	4.08%	11.55%

^aFor the year ended February 29.

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

^cBased on average daily shares outstanding.

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

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

Franklin Michigan Tax-Free Income Fund (continued)

	Year Ended February 28,				
	2023	2022	2021	2020 ^a	2019
Class C					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$11.61	\$12.02	\$12.21	\$11.48	\$11.43
Income from investment operations ^b :					
Net investment income ^c	0.24	0.21	0.23	0.25	0.28
Net realized and unrealized gains (losses)	(1.15)	(0.41)	(0.19)	0.74	0.05
Total from investment operations	(0.91)	(0.20)	0.04	0.99	0.33
Less distributions from:					
Net investment income	(0.24)	(0.21)	(0.23)	(0.26)	(0.28)
Net asset value, end of year	\$10.46	\$11.61	\$12.02	\$12.21	\$11.48
Total return ^d	(7.86)%	(1.73)%	0.35%	8.74%	2.96%
Ratios to average net assets					
Expenses ^e	1.22%	1.22%	1.22%	1.22%	1.23%
Net investment income	2.25%	1.73%	1.93%	2.11%	2.46%
Supplemental data					
Net assets, end of year (000's)	\$30,730	\$43,148	\$60,847	\$78,321	\$80,062
Portfolio turnover rate	27.70%	22.05%	10.86%	4.08%	11.55%

^aFor the year ended February 29.^bThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.^cBased on average daily shares outstanding.^dTotal return does not reflect sales commissions or contingent deferred sales charges, if applicable.^eBenefit of expense reduction rounds to less than 0.01%.

Franklin Michigan Tax-Free Income Fund (continued)

	Year Ended February 28,				
	2023	2022	2021	2020 ^a	2019
Class R6					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$11.46	\$11.87	\$12.07	\$11.35	\$11.29
Income from investment operations ^b :					
Net investment income ^c	0.32	0.29	0.31	0.33	0.35
Net realized and unrealized gains (losses)	(1.14)	(0.41)	(0.20)	0.73	0.07
Total from investment operations	(0.82)	(0.12)	0.11	1.06	0.42
Less distributions from:					
Net investment income	(0.31)	(0.29)	(0.31)	(0.34)	(0.36)
Net asset value, end of year	\$10.33	\$11.46	\$11.87	\$12.07	\$11.35
Total return	(7.14)%	(1.06)%	0.96%	9.48%	3.79%
Ratios to average net assets					
Expenses before waiver and payments by affiliates	0.55%	0.55%	0.55%	0.55%	0.57%
Expenses net of waiver and payments by affiliates ^d	0.54%	0.54%	0.53%	0.53%	0.54%
Net investment income	2.99%	2.44%	2.62%	2.80%	3.15%
Supplemental data					
Net assets, end of year (000's)	\$9,690	\$11,255	\$6,228	\$4,153	\$3,042
Portfolio turnover rate	27.70%	22.05%	10.86%	4.08%	11.55%

^aFor the year ended February 29.

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

^cBased on average daily shares outstanding.

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

Franklin Michigan Tax-Free Income Fund (continued)

	Year Ended February 28,				
	2023	2022	2021	2020 ^a	2019
Advisor Class					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$11.46	\$11.86	\$12.06	\$11.34	\$11.29
Income from investment operations ^b :					
Net investment income ^c	0.31	0.29	0.31	0.32	0.35
Net realized and unrealized gains (losses)	(1.14)	(0.40)	(0.20)	0.74	0.06
Total from investment operations	(0.83)	(0.11)	0.11	1.06	0.41
Less distributions from:					
Net investment income	(0.31)	(0.29)	(0.31)	(0.34)	(0.36)
Net asset value, end of year	\$10.32	\$11.46	\$11.86	\$12.06	\$11.34
Total return	(7.26)%	(1.01)%	0.92%	9.44%	3.67%
Ratios to average net assets					
Expenses ^d	0.58%	0.58%	0.57%	0.57%	0.58%
Net investment income	2.95%	2.41%	2.59%	2.76%	3.11%
Supplemental data					
Net assets, end of year (000's)	\$80,068	\$107,625	\$102,001	\$79,717	\$63,190
Portfolio turnover rate	27.70%	22.05%	10.86%	4.08%	11.55%

^aFor the year ended February 29.

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

^cBased on average daily shares outstanding.

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

Schedule of Investments, February 28, 2023

Franklin Michigan Tax-Free Income Fund

	Principal Amount	Value
Corporate Bonds 0.2%		
Software 0.2%		
^a Haven at Elgin LLC, 5.25%, 12/31/53	\$1,800,000	\$1,768,184
Total Corporate Bonds (Cost \$1,800,000)		1,768,184
Municipal Bonds 98.6%		
California 0.3%		
California Municipal Finance Authority, Revenue, 2022 A-1, 4.25%, 12/01/37	2,650,000	2,206,965
Florida 1.1%		
Capital Trust Agency, Inc., Kingdom Development West Palm Beach Portfolio Obligated Group, Revenue, 2021 A-1, 3.75%, 12/01/36	5,256,000	4,376,526
^b SHI - Lake Osborne LLC, Revenue, 144A, 2021 A-1, 3.68%, 1/01/57	900,000	606,721
^b Leon County Housing Finance Authority, Revenue, 144A, 2022 A, Zero Cpn., 5/01/57	4,100,000	3,331,250
		8,314,497
Illinois 0.5%		
Metropolitan Pier & Exposition Authority, Revenue, 2022 A, Refunding, 4%, 6/15/52	2,500,000	2,005,284
State of Illinois, GO, 2021 A, 4%, 3/01/40	1,860,000	1,707,066
		3,712,350
Kentucky 0.8%		
^b Louisville/Jefferson County Metropolitan Government, PSG Vesta Derby Oaks LLC, Revenue, 144A, Zero Cpn., 5/01/52	8,625,000	5,640,824
Michigan 87.9%		
Ann Arbor School District, GO, 2015, Refunding, 5%, 5/01/29	1,235,000	1,280,658
Battle Creek School District, GO, 2022, 4%, 5/01/45	3,000,000	2,961,723
Belding Area Schools, GO, 2022, 4.25%, 5/01/52	7,330,000	6,891,247
Byron Center Public Schools, GO, 2017 I, 5%, 5/01/34	1,000,000	1,086,558
GO, 2017 I, 5%, 5/01/35	1,920,000	2,076,653
GO, 2017 I, 5%, 5/01/36	650,000	699,305
GO, 2017 I, 5%, 5/01/37	1,480,000	1,584,237
GO, 2017 I, 5%, 5/01/38	1,330,000	1,419,871
GO, 2017 I, 5%, 5/01/39	2,290,000	2,440,775
GO, 2017 I, 5%, 5/01/43	2,250,000	2,387,345
GO, 2017 I, 5%, 5/01/47	4,140,000	4,375,623
Caledonia Community Schools, GO, 2015, Refunding, 5%, 5/01/26	1,000,000	1,062,653
Central Michigan University, Revenue, 2014, Refunding, 5%, 10/01/30	1,910,000	1,949,099
Revenue, 2014, Refunding, 5%, 10/01/31	1,055,000	1,074,970
Revenue, 2014, Refunding, 5%, 10/01/34	1,600,000	1,627,823
Revenue, 2014, Refunding, 5%, 10/01/39	2,000,000	2,028,946
Revenue, 2021, Refunding, 3%, 10/01/46	1,325,000	960,174
Charter Township of Bloomfield, GO, 2016, Refunding, 5%, 5/01/29	470,000	497,548
GO, 2016, Refunding, 5%, 5/01/32	1,000,000	1,056,445
Charter Township of Commerce, GO, 2016, Refunding, 5%, 12/01/38	3,250,000	3,368,181
City of Battle Creek, Water & Wastewater System, Revenue, 2016 A, 5%, 6/01/36	1,300,000	1,368,147
City of Detroit, Great Lakes Water Authority Water Supply System, Revenue, Second Lien, 2003 B, NATL Insured, 5%, 7/01/34	25,000	25,039
Great Lakes Water Authority Water Supply System, Revenue, Senior Lien, 06A, AGMC Insured, 5%, 7/01/34	30,000	30,048
City of Grand Rapids, Sanitary Sewer System, Revenue, 2014, Pre-Refunded, 5%, 1/01/39	80,000	81,235

Franklin Michigan Tax-Free Income Fund (continued)

	Principal Amount	Value
Municipal Bonds (continued)		
Michigan (continued)		
City of Grand Rapids, (continued)		
Sanitary Sewer System, Revenue, 2018, 5%, 1/01/37	\$1,040,000	\$1,108,121
Sanitary Sewer System, Revenue, 2018, 5%, 1/01/43	1,000,000	1,045,547
Sanitary Sewer System, Revenue, 2020, Refunding, 5%, 1/01/45	2,000,000	2,167,145
Water Supply System, Revenue, 2016, Refunding, 5%, 1/01/41	2,190,000	2,248,349
Water Supply System, Revenue, 2016, Refunding, 5%, 1/01/46	2,525,000	2,590,913
Water Supply System, Revenue, 2018, Refunding, 5%, 1/01/43	1,500,000	1,591,342
Water Supply System, Revenue, 2018, Refunding, 5%, 1/01/48	2,000,000	2,113,296
Water Supply System, Revenue, 2020, 5%, 1/01/40	2,400,000	2,608,511
Water Supply System, Revenue, 2020, 5%, 1/01/50	3,000,000	3,220,887
Comstock Public Schools, GO, 2022, 4%, 5/01/52	3,000,000	2,687,704
County of Kent,		
GO, 2016, 5%, 6/01/32	1,305,000	1,380,840
GO, 2016, 5%, 6/01/33	1,275,000	1,347,884
County of Muskegon,		
GO, 2015, Refunding, 5%, 11/01/33	1,360,000	1,416,365
GO, 2015, Refunding, 5%, 11/01/36	1,735,000	1,801,967
Detroit City School District, GO, 2001 A, AGMC Insured, 6%, 5/01/29	9,225,000	10,207,193
DeWitt Public Schools,		
GO, 2017, 5%, 5/01/30	500,000	547,619
GO, 2017, 5%, 5/01/33	815,000	891,265
GO, 2017, 5%, 5/01/34	1,000,000	1,090,671
GO, 2017, 5%, 5/01/35	1,000,000	1,085,681
GO, 2017, 5%, 5/01/36	1,000,000	1,079,918
Downriver Utility Wastewater Authority,		
Revenue, 2018, Refunding, AGMC Insured, 5%, 4/01/34	510,000	553,380
Revenue, 2018, Refunding, AGMC Insured, 5%, 4/01/36	1,600,000	1,717,938
Revenue, 2018, Refunding, AGMC Insured, 5%, 4/01/38	1,500,000	1,587,340
Revenue, 2018, Refunding, AGMC Insured, 5%, 4/01/43	3,000,000	3,141,699
East Lansing School District,		
GO, 2017 I, 5%, 5/01/35	1,500,000	1,606,561
GO, 2017 I, 5%, 5/01/37	1,100,000	1,164,696
GO, 2017 I, 5%, 5/01/42	3,500,000	3,678,211
Farmington Public School District,		
GO, 2015, Refunding, AGMC Insured, 5%, 5/01/27	1,000,000	1,037,607
GO, 2015, Refunding, AGMC Insured, 5%, 5/01/28	2,000,000	2,074,364
GO, 2015, Refunding, AGMC Insured, 5%, 5/01/32	4,035,000	4,173,052
GO, 2015, Refunding, AGMC Insured, 5%, 5/01/33	2,900,000	2,998,606
GO, 2015, Refunding, AGMC Insured, 5%, 5/01/34	3,000,000	3,103,911
GO, 2015, Refunding, AGMC Insured, 5%, 5/01/35	1,000,000	1,034,002
GO, 2018, BAM Insured, 4.5%, 5/01/38	7,225,000	7,408,536
Flat Rock Community School District, GO, 2022 I, 4.5%, 5/01/52	2,100,000	2,051,831
Gerald R Ford International Airport Authority, Revenue, 2021, 5%, 1/01/51	2,000,000	2,082,324
Grand Traverse County Hospital Finance Authority,		
Munson Healthcare Obligated Group, Revenue, 2014 A, 5%, 7/01/44	2,000,000	2,013,148
Munson Healthcare Obligated Group, Revenue, 2014 A, 5%, 7/01/47	2,500,000	2,514,293
Munson Healthcare Obligated Group, Revenue, 2019 A, 5%, 7/01/44	1,110,000	1,136,998
Munson Healthcare Obligated Group, Revenue, 2019 B, 5%, 7/01/39	1,625,000	1,700,343
Munson Healthcare Obligated Group, Revenue, 2021, Refunding, 3%, 7/01/51	10,000,000	7,050,014
Grand Valley State University,		
Revenue, 2016 A, Refunding, 5%, 12/01/32	4,295,000	4,497,196
Revenue, 2018, 5%, 12/01/38	900,000	961,919
Revenue, 2018, 5%, 12/01/43	1,800,000	1,907,264
Grandville Public Schools,		
GO, II, AGMC Insured, 5%, 5/01/29	750,000	777,568
GO, II, AGMC Insured, 5%, 5/01/30	1,000,000	1,034,637

Franklin Michigan Tax-Free Income Fund (continued)

	Principal Amount	Value
Municipal Bonds (continued)		
Michigan (continued)		
Grandville Public Schools, (continued)		
GO, II, AGMC Insured, 5%, 5/01/31	\$1,150,000	\$1,189,833
GO, II, AGMC Insured, 5%, 5/01/32	1,165,000	1,205,105
GO, II, AGMC Insured, 5%, 5/01/34	1,315,000	1,360,826
GO, II, AGMC Insured, 5%, 5/01/35	1,225,000	1,266,134
GO, II, AGMC Insured, 5%, 5/01/37	2,915,000	2,999,971
GO, II, AGMC Insured, 5%, 5/01/40	6,215,000	6,370,085
Great Lakes Water Authority,		
Sewage Disposal System, Revenue, Second Lien, 2022 B, 5.5%, 7/01/52	1,500,000	1,623,385
Water Supply System, Revenue, Second Lien, 2022 B, 5.5%, 7/01/52	5,000,000	5,411,283
Gull Lake Community School District,		
GO, 2018 I, 5%, 5/01/45	4,000,000	4,206,128
GO, 2018 I, 5%, 5/01/48	1,000,000	1,048,697
Holly Area School District,		
GO, 2014, Refunding, 5%, 5/01/30	1,045,000	1,065,497
GO, 2014, Refunding, 5%, 5/01/32	1,040,000	1,060,279
Hudsonville Public Schools,		
GO, 2017, Refunding, 5%, 5/01/37	1,550,000	1,661,669
GO, 2017, Refunding, 5%, 5/01/39	2,500,000	2,668,616
GO, 2017, Refunding, 5%, 5/01/41	2,500,000	2,658,243
Kent Hospital Finance Authority, Mary Free Bed Rehabilitation Hospital Obligated Group, Revenue, 2021 A, 3%, 4/01/51	6,010,000	4,002,999
Kentwood Economic Development Corp.,		
Holland Home Obligated Group, Revenue, 2021, 4%, 11/15/45	1,655,000	1,297,314
Holland Home Obligated Group, Revenue, 2022, Refunding, 4%, 11/15/31	2,000,000	1,858,801
Holland Home Obligated Group, Revenue, 2022, Refunding, 4%, 11/15/43	8,820,000	7,065,601
Kentwood Public Schools,		
GO, 2016, 5%, 5/01/35	1,205,000	1,261,157
GO, 2016, 5%, 5/01/36	1,205,000	1,256,011
GO, 2016, 5%, 5/01/38	1,210,000	1,255,713
GO, 2016, 5%, 5/01/44	2,920,000	3,002,190
Lansing Board of Water & Light, Revenue, 2021 A, 5%, 7/01/51	10,000,000	10,513,217
Lansing Community College, GO, 2017, Refunding, 5%, 5/01/32	2,000,000	2,187,495
Lansing School District,		
GO, 2016 I, 5%, 5/01/39	2,125,000	2,194,379
GO, 2016 I, 5%, 5/01/40	2,200,000	2,271,166
Ludington Area School District, GO, 2022 II, BAM Insured, 4%, 5/01/51	7,820,000	7,209,655
Macomb Interceptor Drain Drainage District, Special Assessment, 2017 A, Refunding, 5%, 5/01/42	7,500,000	7,908,560
Mason County Central School District, GO, 2014, Refunding, 5%, 5/01/26	1,100,000	1,140,433
Mattawan Consolidated School District, GO, 2015 I, Pre-Refunded, 5%, 5/01/32	1,110,000	1,155,526
Melvindale Northern Allen Park Public Schools, GO, 2022, AGMC Insured, 4.375%, 5/01/47	1,500,000	1,529,174
Meridian Public School District,		
GO, 2015, Refunding, 5%, 5/01/27	735,000	761,705
GO, 2015, Refunding, 5%, 5/01/29	775,000	801,516
GO, 2015, Refunding, 5%, 5/01/31	1,130,000	1,167,227
Michigan Finance Authority,		
Albion College, Revenue, 2022, Refunding, 5%, 12/01/36	3,270,000	3,362,057
Albion College, Revenue, 2022, Refunding, 4%, 12/01/46	5,365,000	4,451,616
Albion College, Revenue, 2022, Refunding, 4%, 12/01/51	3,415,000	2,741,587
Bronson Health Care Group Obligated Group, Revenue, 2019 A, Refunding, 5%, 5/15/54	11,000,000	10,898,193
Calvin University Obligated Group, Revenue, 2021, Refunding, 3%, 9/01/50	895,000	592,864
Calvin University Obligated Group, Revenue, 2021, Refunding, 4%, 9/01/50	2,600,000	2,248,581
Clean Water Revolving Fund, Revenue, 2016 B, Refunding, 4%, 10/01/30	2,750,000	2,850,229

Franklin Michigan Tax-Free Income Fund (continued)

	Principal Amount	Value
Municipal Bonds (continued)		
Michigan (continued)		
Michigan Finance Authority, (continued)		
Clean Water Revolving Fund, Revenue, 2018 B, Refunding, 5%, 10/01/38	\$8,055,000	\$8,785,863
County of Wayne, Revenue, Second Lien, 2020, Refunding, BAM Insured, 4%, 11/01/55	4,000,000	3,622,923
Henry Ford Health System Obligated Group, Revenue, 2016, Refunding, 5%, 11/15/41	19,015,000	19,317,040
Henry Ford Health System Obligated Group, Revenue, 2019 A, 5%, 11/15/48	10,000,000	10,159,525
Kalamazoo College, Revenue, 2018, Refunding, 4%, 12/01/47	2,610,000	2,297,688
Kettering University, Revenue, 2020, Refunding, 4%, 9/01/35	400,000	394,030
Kettering University, Revenue, 2020, Refunding, 4%, 9/01/36	565,000	552,358
Kettering University, Revenue, 2020, Refunding, 4%, 9/01/37	640,000	608,945
Kettering University, Revenue, 2020, Refunding, 4%, 9/01/38	675,000	634,809
Kettering University, Revenue, 2020, Refunding, 4%, 9/01/39	645,000	601,576
Kettering University, Revenue, 2020, Refunding, 4%, 9/01/45	3,780,000	3,354,130
Kettering University, Revenue, 2020, Refunding, 4%, 9/01/50	3,000,000	2,594,516
Lawrence Technological University Obligated Group, Revenue, 2022, Refunding, 4%, 2/01/42	745,000	601,837
Michigan Finance Authority Clean Water Revolving Fund, Revenue, 2018 B, Refunding, 5%, 10/01/39	6,000,000	6,521,030
Tobacco Settlement, Revenue, Senior Lien, 2020 A-2, Refunding, 5%, 6/01/40	1,000,000	1,025,751
Tobacco Settlement, Revenue, Senior Lien, 2020 A, 1, Refunding, 4%, 6/01/49	17,170,000	14,616,368
Tobacco Settlement, Revenue, Senior Lien, 2020 B-1, 2, Refunding, 5%, 6/01/49	2,220,000	2,243,985
Trinity Health Corp. Obligated Group, Revenue, 2016 MI, 5%, 12/01/45	19,710,000	20,022,478
Trinity Health Corp. Obligated Group, Revenue, 2016 MI, Pre-Refunded, 5%, 12/01/45	290,000	308,053
Michigan State Building Authority, Revenue, 2013 A-1, Refunding, 5%, 10/15/33	5,000,000	5,061,663
Revenue, 2013 A-1, Refunding, 5.25%, 10/15/47	5,000,000	5,049,347
Revenue, 2016 I, Refunding, 5%, 4/15/41	13,000,000	13,532,515
Revenue, 2016 I, Refunding, 5%, 10/15/46	9,910,000	10,218,915
Revenue, 2016 I, Refunding, 5%, 10/15/51	1,000,000	1,031,273
Revenue, 2019 I, Refunding, 4%, 4/15/54	2,000,000	1,878,347
Revenue, 2021, 3%, 10/15/51	1,500,000	1,113,941
Revenue, 2022 I, 4%, 10/15/52	4,250,000	4,001,535
Michigan State Hospital Finance Authority, Ascension Health Credit Group, Revenue, 1999 B-3, 4%, 11/15/33	5,370,000	5,461,769
Ascension Health Credit Group, Revenue, 2010 F-7, Refunding, 5%, 11/15/47	10,000,000	10,134,962
Ascension Health Credit Group, Revenue, 2010 F-8, Refunding, 5%, 11/15/46	5,000,000	5,071,496
Michigan State Housing Development Authority, Revenue, 2019 B, 3.1%, 12/01/44	15,000,000	11,562,374
Revenue, 2020 A, 2.8%, 12/01/45	4,350,000	3,140,016
Revenue, 2020 A, 2.85%, 6/01/50	5,150,000	3,628,110
Revenue, 2021 A, 2.5%, 6/01/52	3,000,000	1,940,960
Revenue, 2021 A, 2.7%, 10/01/56	5,000,000	3,167,843
Revenue, 2021 A, 2.73%, 10/01/59	5,000,000	3,133,059
Revenue, 2022 A, 4.1%, 6/01/43	5,000,000	4,651,613
Michigan State University, Revenue, 2015 A, 5%, 8/15/40	8,500,000	8,750,443
Michigan Strategic Fund, State of Michigan Department of Transportation, Revenue, 2018, 5%, 6/30/33	2,200,000	2,274,787
State of Michigan Department of Transportation, Revenue, 2018, 5%, 6/30/48	7,000,000	6,844,896
Michigan Technological University, Revenue, 2015 A, 5%, 10/01/45	2,400,000	2,481,935
Revenue, 2023 A, AGMC Insured, 5%, 10/01/47	3,000,000	3,147,629
Revenue, 2023 A, AGMC Insured, 5.25%, 10/01/52	1,675,000	1,781,439
Oakland School District, GO, 2016, Refunding, 5%, 5/01/35	1,500,000	1,576,804
GO, 2016, Refunding, 5%, 5/01/36	1,005,000	1,056,150

Franklin Michigan Tax-Free Income Fund (continued)

	Principal Amount	Value
Municipal Bonds (continued)		
Michigan (continued)		
Oakland University,		
Revenue, 2014, Refunding, 5%, 3/01/31	\$1,260,000	\$1,274,762
Revenue, 2014, Refunding, 5%, 3/01/32	1,000,000	1,011,129
Revenue, 2014, Refunding, 5%, 3/01/33	1,285,000	1,298,548
Revenue, 2014, Refunding, 5%, 3/01/34	1,000,000	1,010,446
Revenue, 2014, Refunding, 5%, 3/01/39	3,000,000	3,019,946
Revenue, 2016, 5%, 3/01/41	5,000,000	5,100,548
Revenue, 2019, 5%, 3/01/50	2,230,000	2,312,163
Plainwell Community Schools, GO, 2022 II, 4%, 5/01/52	7,000,000	6,438,994
Rochester Community School District, GO, 2016 I, 5%, 5/01/36	2,800,000	2,909,176
Roseville Community Schools,		
GO, 2014, Pre-Refunded, 5%, 5/01/30	1,620,000	1,684,717
GO, 2014, Pre-Refunded, 5%, 5/01/31	1,585,000	1,648,318
Saginaw Valley State University,		
Revenue, 2016 A, Refunding, 5%, 7/01/30	1,750,000	1,850,111
Revenue, 2016 A, Refunding, 5%, 7/01/31	2,170,000	2,294,138
Revenue, 2016 A, Refunding, 5%, 7/01/33	1,240,000	1,308,524
Saline Area Schools,		
GO, 2016, 5%, 5/01/34	2,750,000	2,894,192
GO, 2016, 5%, 5/01/36	2,950,000	3,100,142
South Haven Public Schools,		
GO, 2015 B, AGMC Insured, 5%, 5/01/33	350,000	361,975
GO, 2015 B, AGMC Insured, 5%, 5/01/35	1,575,000	1,628,553
Sparta Area Schools, GO, II, 5%, 5/01/48	5,750,000	6,137,946
Trenton Public Schools School District,		
GO, 2018, 5%, 5/01/42	4,920,000	5,275,525
GO, 2018, 5%, 5/01/45	11,480,000	12,265,389
Universal Academy,		
Revenue, 2021, Refunding, 2%, 12/01/26	405,000	380,699
Revenue, 2021, Refunding, 4%, 12/01/31	500,000	474,759
Revenue, 2021, Refunding, 4%, 12/01/40	1,100,000	956,245
University of Michigan,		
Revenue, 2015, Pre-Refunded, 5%, 4/01/46	2,000,000	2,120,466
Revenue, 2017 A, Pre-Refunded, 5%, 4/01/37	2,700,000	2,928,415
Revenue, 2017 A, Pre-Refunded, 5%, 4/01/42	15,635,000	16,957,693
Revenue, 2017 A, Pre-Refunded, 5%, 4/01/47	5,000,000	5,422,991
Walled Lake Consolidated School District,		
GO, 2020, 5%, 5/01/45	2,500,000	2,667,450
GO, 2022, 5%, 5/01/49	1,500,000	1,605,544
Wayne County Airport Authority,		
Detroit Metropolitan Wayne County Airport, Revenue, 2018 A, 5%, 12/01/43	7,750,000	8,073,749
Detroit Metropolitan Wayne County Airport, Revenue, 2021 A, 5%, 12/01/40	3,330,000	3,631,212
Detroit Metropolitan Wayne County Airport, Revenue, 2021 A, 5%, 12/01/46	4,670,000	5,003,075
Detroit Metropolitan Wayne County Airport, Revenue, 2021 B, 5%, 12/01/39	1,675,000	1,766,653
Wayne State University,		
Revenue, 2015 A, Refunding, 5%, 11/15/31	1,860,000	1,896,030
Revenue, 2018 A, 5%, 11/15/43	4,500,000	4,705,292
Revenue, 2018 A, 4%, 11/15/48	10,000,000	9,182,658
Wayne-Westland Community Schools,		
GO, 2022, 3%, 11/01/44	2,830,000	2,112,282
GO, 2022, 3%, 11/01/46	1,475,000	1,074,328
Western Michigan University,		
Revenue, 2015 A, Refunding, 5%, 11/15/28	1,635,000	1,686,146
Revenue, 2015 A, Refunding, 5%, 11/15/29	2,000,000	2,057,852
Revenue, 2015 A, Refunding, 5%, 11/15/30	2,500,000	2,568,576
Revenue, 2015 A, Refunding, 5%, 11/15/40	1,560,000	1,591,189

Franklin Michigan Tax-Free Income Fund (continued)

	Principal Amount	Value
Municipal Bonds (continued)		
Michigan (continued)		
Western Michigan University, (continued)		
Revenue, 2015 A, Refunding, 5%, 11/15/45	\$2,000,000	\$2,037,873
Revenue, 2019 A, Refunding, 5%, 11/15/44	2,315,000	2,455,294
Revenue, 2021 A, AGMC Insured, 5%, 11/15/51	2,785,000	2,947,829
Western School District, GO, 2022, 5.25%, 5/01/52	2,000,000	2,179,859
Zeeland Public Schools,		
GO, 2015 A, AGMC Insured, 5%, 5/01/31	1,530,000	1,580,729
GO, 2015 A, AGMC Insured, 5%, 5/01/33	2,000,000	2,064,199
GO, 2015 A, Pre-Refunded, AGMC Insured, 5%, 5/01/35	2,000,000	2,079,897
		649,344,628
New Jersey 0.1%		
New Jersey Transportation Trust Fund Authority,		
Revenue, 2019 BB, 4%, 6/15/50	500,000	453,139
Revenue, 2020 AA, 3%, 6/15/50	600,000	425,990
		879,129
New York 1.1%		
Metropolitan Transportation Authority, Revenue, 2021 A-1, 4%, 11/15/48	9,300,000	7,994,514
South Carolina 1.0%		
South Carolina Jobs-Economic Development Authority,		
^b Revenue, 144A, 2021 A-1, 3.65%, 12/01/36	1,800,000	1,441,097
AHPC Vista Towers 2021 LLC, Revenue, 2021 A-1, 3.65%, 12/01/36	1,800,000	1,436,680
^b Columbia Portfolio Obligated Group, Revenue, 144A, 2022 A-2, Zero Cpn., 6/01/52	6,200,000	3,883,042
^b South Carolina State Housing Finance & Development Authority, Garden Oaks LP,		
Revenue, 144A, 2021 A, 4.2%, 12/01/39	1,000,000	763,899
		7,524,718
Texas 0.7%		
^b EP Cimarron Ventanas PFC, Revenue, Senior Lien, 144A, 2021 A, 4%, 12/01/51.	2,400,000	1,780,174
Lake Houston Redevelopment Authority,		
City of Houston Reinvestment Zone No. 10, Revenue, 2021, Refunding, 3%, 9/01/39	325,000	250,286
City of Houston Reinvestment Zone No. 10, Revenue, 2021, Refunding, 3%, 9/01/40	300,000	226,050
City of Houston Reinvestment Zone No. 10, Revenue, 2021, Refunding, 3%, 9/01/47	550,000	379,491
^b Pecan Public Facility Corp., Revenue, 144A, 2022 A-2, 5%, 12/01/52	3,500,000	2,560,587
		5,196,588
Washington 0.2%		
^b Washington State Housing Finance Commission, Madison at Rivers Edge Apartments		
LLC, Revenue, 144A, 2021 A, 3.65%, 1/01/37	1,800,000	1,441,159
Wisconsin 0.8%		
^b Public Finance Authority,		
Revenue, 144A, 2022, B-1, 4%, 12/28/44	1,800,000	1,426,237
Gulf Coast Portfolio Obligated Group, Revenue, 144A, 2021, 5.25%, 12/01/23	4,600,000	4,600,000
		6,026,237
U.S. Territories 4.1%		
Guam 0.3%		
Guam Government Waterworks Authority, Revenue, 2020 A, 5%, 1/01/50	1,750,000	1,756,644
Puerto Rico 3.8%		
HTA HRRB Custodial Trust,		
Revenue, 2007 CC, 5.25%, 7/01/32	2,100,000	2,127,659
Revenue, 2007 CC, 5.25%, 7/01/36	1,515,000	1,528,493
HTA TRRB Custodial Trust,		
Revenue, 2005 L, 5.25%, 7/01/41	3,900,000	3,942,848

Franklin Michigan Tax-Free Income Fund (continued)

	Principal Amount	Value
Municipal Bonds (continued)		
U.S. Territories (continued)		
Puerto Rico (continued)		
HTA TRRB Custodial Trust, (continued)		
Revenue, 2007 N, 5.25%, 7/01/34	\$7,420,000	\$7,479,067
Revenue, 2007 N, 5.25%, 7/01/36	500,000	504,453
Puerto Rico Highway & Transportation Authority,		
Revenue, 2022 A, 5%, 7/01/62	95,927	88,972
Revenue, 2022 B, Zero Cpn., 7/01/32	62,340	38,963
Revenue, 2022 C, Zero Cpn., 7/01/53	106,638	59,202
Puerto Rico Sales Tax Financing Corp., Sales Tax, Revenue, A-1, 5%, 7/01/58	12,900,000	11,968,620
		27,738,277
Total U.S. Territories		29,494,921
Total Municipal Bonds (Cost \$775,999,601)		727,776,530
Total Long Term Investments (Cost \$777,799,601)		729,544,714
Short Term Investments 0.0%[†]		
Municipal Bonds 0.0%[†]		
Michigan 0.0%[†]		
^c University of Michigan, Revenue, 2012 D-1, Daily VRDN and Put, 2.55%, 12/01/24	300,000	300,000
Total Municipal Bonds (Cost \$300,000)		300,000
Total Short Term Investments (Cost \$300,000)		300,000
Total Investments (Cost \$778,099,601) 98.8%		\$729,844,714
Other Assets, less Liabilities 1.2%		8,671,403
Net Assets 100.0%		\$738,516,117

See Abbreviations on page 171.

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

^aFair valued using significant unobservable inputs. See Note 12 regarding fair value measurements.

^bSecurity was purchased pursuant to Rule 144A or Regulation S under the Securities Act of 1933. 144A securities may be sold in transactions exempt from registration only to qualified institutional buyers or in a public offering registered under the Securities Act of 1933. Regulation S securities cannot be sold in the United States without either an effective registration statement filed pursuant to the Securities Act of 1933, or pursuant to an exemption from registration. At February 28, 2023, the aggregate value of these securities was \$27,474,990, representing 3.7% of net assets.

^cVariable 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 Minnesota Tax-Free Income Fund

	Year Ended February 28,				Year Ended February 28,
	2023	2022	2021	2020 ^a	2019 ^b
Class A					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$12.20	\$12.62	\$12.82	\$12.10	\$11.97
Income from investment operations ^c :					
Net investment income ^d	0.28	0.23	0.25	0.30	0.16
Net realized and unrealized gains (losses)	(1.18)	(0.42)	(0.20)	0.72	0.13
Total from investment operations	(0.90)	(0.19)	0.05	1.02	0.29
Less distributions from:					
Net investment income	(0.27)	(0.23)	(0.25)	(0.30)	(0.16)
Net asset value, end of year	\$11.03	\$12.20	\$12.62	\$12.82	\$12.10
Total return ^e	(7.35)%	(1.59)%	0.38%	8.56%	2.45%
Ratios to average net assets^f					
Expenses ^g	0.84%	0.83%	0.83%	0.83%	0.83%
Net investment income	2.48%	1.79%	1.96%	2.42%	2.81%
Supplemental data					
Net assets, end of year (000's)	\$173,008	\$193,021	\$160,623	\$96,802	\$39,129
Portfolio turnover rate	19.82%	19.81%	9.45%	16.45%	13.97%

^aFor the year ended February 29.

^bFor the period September 10, 2018 (effective date) to February 28, 2019.

^cThe 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.

^dBased on average daily shares outstanding.

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

^fRatios are annualized for periods less than one year.

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

Franklin Minnesota Tax-Free Income Fund (continued)

	Year Ended February 28,				
	2023	2022	2021	2020 ^a	2019
Class A1					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$12.19	\$12.61	\$12.82	\$12.09	\$12.07
Income from investment operations ^b :					
Net investment income ^c	0.29	0.25	0.27	0.32	0.35
Net realized and unrealized gains (losses)	(1.17)	(0.42)	(0.21)	0.73	0.02
Total from investment operations	(0.88)	(0.17)	0.06	1.05	0.37
Less distributions from:					
Net investment income	(0.29)	(0.25)	(0.27)	(0.32)	(0.35)
Net asset value, end of year	\$11.02	\$12.19	\$12.61	\$12.82	\$12.09
Total return ^d	(7.21)%	(1.44)%	0.45%	8.82%	3.16%
Ratios to average net assets					
Expenses ^e	0.69%	0.69%	0.68%	0.68%	0.68%
Net investment income	2.62%	1.94%	2.13%	2.57%	2.96%
Supplemental data					
Net assets, end of year (000's)	\$376,659	\$506,601	\$583,105	\$606,559	\$588,878
Portfolio turnover rate	19.82%	19.81%	9.45%	16.45%	13.97%

^aFor the year ended February 29.

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

^cBased on average daily shares outstanding.

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

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

Franklin Minnesota Tax-Free Income Fund (continued)

	Year Ended February 28,				
	2023	2022	2021	2020 ^a	2019
Class C					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$12.33	\$12.76	\$12.97	\$12.23	\$12.21
Income from investment operations ^b :					
Net investment income ^c	0.23	0.17	0.20	0.25	0.29
Net realized and unrealized gains (losses)	(1.18)	(0.43)	(0.21)	0.75	0.02
Total from investment operations	(0.95)	(0.26)	(0.01)	1.00	0.31
Less distributions from:					
Net investment income	(0.23)	(0.17)	(0.20)	(0.26)	(0.29)
Net asset value, end of year	\$11.15	\$12.33	\$12.76	\$12.97	\$12.23
Total return ^d	(7.73)%	(2.05)%	(0.10)%	8.23%	2.56%
Ratios to average net assets					
Expenses ^e	1.23%	1.23%	1.23%	1.23%	1.23%
Net investment income	2.03%	1.36%	1.57%	2.02%	2.41%
Supplemental data					
Net assets, end of year (000's)	\$52,613	\$81,058	\$109,387	\$138,417	\$148,269
Portfolio turnover rate	19.82%	19.81%	9.45%	16.45%	13.97%

^aFor the year ended February 29.^bThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.^cBased on average daily shares outstanding.^dTotal return does not reflect sales commissions or contingent deferred sales charges, if applicable.^eBenefit of expense reduction rounds to less than 0.01%.

Franklin Minnesota Tax-Free Income Fund (continued)

	Year Ended February 28,				
	2023	2022	2021	2020 ^a	2019
Class R6					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$12.21	\$12.64	\$12.84	\$12.11	\$12.09
Income from investment operations ^b :					
Net investment income ^c	0.31	0.27	0.29	0.34	0.37
Net realized and unrealized gains (losses)	(1.17)	(0.43)	(0.20)	0.73	0.02
Total from investment operations	(0.86)	(0.16)	0.09	1.07	0.39
Less distributions from:					
Net investment income	(0.31)	(0.27)	(0.29)	(0.34)	(0.37)
Net asset value, end of year	\$11.04	\$12.21	\$12.64	\$12.84	\$12.11
Total return	(7.06)%	(1.28)%	0.60%	8.97%	3.30%
Ratios to average net assets					
Expenses before waiver and payments by affiliates	0.54%	0.54%	0.55%	0.55%	0.56%
Expenses net of waiver and payments by affiliates ^d	0.53%	0.53%	0.53%	0.53%	0.53%
Net investment income	2.77%	2.10%	2.26%	2.72%	3.11%
Supplemental data					
Net assets, end of year (000's)	\$11,973	\$16,571	\$13,889	\$9,693	\$7,177
Portfolio turnover rate	19.82%	19.81%	9.45%	16.45%	13.97%

^aFor the year ended February 29.

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

^cBased on average daily shares outstanding.

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

Franklin Minnesota Tax-Free Income Fund (continued)

	Year Ended February 28,				
	2023	2022	2021	2020 ^a	2019
Advisor Class					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$12.21	\$12.63	\$12.83	\$12.11	\$12.09
Income from investment operations ^b :					
Net investment income ^c	0.31	0.26	0.28	0.33	0.37
Net realized and unrealized gains (losses)	(1.18)	(0.42)	(0.20)	0.73	0.02
Total from investment operations	(0.87)	(0.16)	0.08	1.06	0.39
Less distributions from:					
Net investment income	(0.30)	(0.26)	(0.28)	(0.34)	(0.37)
Net asset value, end of year	\$11.04	\$12.21	\$12.63	\$12.83	\$12.11
Total return	(7.11)%	(1.34)%	0.63%	8.83%	3.26%
Ratios to average net assets					
Expenses ^d	0.59%	0.58%	0.58%	0.58%	0.58%
Net investment income	2.71%	2.04%	2.22%	2.67%	3.06%
Supplemental data					
Net assets, end of year (000's)	\$197,029	\$266,255	\$244,156	\$203,230	\$156,683
Portfolio turnover rate	19.82%	19.81%	9.45%	16.45%	13.97%

^aFor the year ended February 29.^bThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.^cBased on average daily shares outstanding.^dBenefit of expense reduction rounds to less than 0.01%.

Schedule of Investments, February 28, 2023

Franklin Minnesota Tax-Free Income Fund

	Principal Amount	Value
Municipal Bonds 93.9%		
Florida 0.8%		
Capital Trust Agency, Inc., Kingdom Development West Palm Beach Portfolio Obligated Group, Revenue, 2021 A-1, 3.75%, 12/01/36	\$6,192,000	\$5,155,907
^a SHI - Lake Osborne LLC, Revenue, 144A, 2021 A-1, 3.68%, 1/01/57	2,100,000	1,415,682
		<u>6,571,589</u>
Minnesota 90.9%		
Alexandria Independent School District No. 206, GO, 2017 A, Refunding, 3%, 2/01/37	29,905,000	26,683,346
Anoka-Hennepin Independent School District No. 11, GO, 2018 A, 3.25%, 2/01/37	5,355,000	5,004,543
GO, 2018 A, 4%, 2/01/39	8,905,000	9,006,551
GO, 2018 A, 3.375%, 2/01/43	4,020,000	3,573,323
Becker Independent School District No. 726, GO, 2022 A, Zero Cpn., 2/01/41	1,000,000	466,079
GO, 2022 A, Zero Cpn., 2/01/42	1,000,000	444,845
GO, 2022 A, Zero Cpn., 2/01/43	1,700,000	719,637
Blooming Prairie Independent School District No. 756, GO, 2022 A, Refunding, 2.25%, 2/01/45	1,500,000	980,297
Brainerd Independent School District No. 181, GO, 2018 A, 4%, 2/01/32	3,065,000	3,188,300
GO, 2018 A, 4%, 2/01/39	10,600,000	10,775,042
GO, 2018 A, 4%, 2/01/43	1,900,000	1,918,217
Centennial Independent School District No. 12, GO, 2015 A, Refunding, Zero Cpn., 2/01/32	1,450,000	1,036,939
GO, 2015 A, Refunding, Zero Cpn., 2/01/34	1,600,000	1,048,295
GO, 2015 A, Refunding, Zero Cpn., 2/01/35	350,000	219,612
City of Center City, Hazelden Betty Ford Foundation, Revenue, 2019, Refunding, 4%, 11/01/41	1,000,000	896,344
City of Elk River, Electric, Revenue, 2021 B, 2.25%, 8/01/47	1,475,000	925,191
City of Fridley, GO, 2022 A, 4%, 2/01/36	350,000	353,889
GO, 2022 A, 4%, 2/01/37	735,000	735,764
GO, 2022 A, 4%, 2/01/38	800,000	801,987
Fridley Leased Housing Associates I LLLP, Revenue, 2018, FNMA Insured, 3.75%, 11/01/34	9,496,706	9,421,702
City of Minneapolis, GO, 2018, 4%, 12/01/43	5,000,000	5,019,860
GO, 2018, 4%, 12/01/46	3,500,000	3,506,620
GO, 2019, 3%, 12/01/40	3,000,000	2,588,932
14th and Central LLLP, Revenue, 2020, FNMA Insured, 2.35%, 2/01/38	9,410,938	8,039,382
Allina Health Obligated Group, Revenue, 2021, 4%, 11/15/40	6,750,000	6,520,511
Fairview Health Services Obligated Group, Revenue, 2015 A, Refunding, AGMC Insured, 5%, 11/15/44	10,000,000	10,145,415
Fairview Health Services Obligated Group, Revenue, 2018 A, Refunding, AGMC Insured, 5%, 11/15/49	6,000,000	6,188,110
City of Minneapolis St. Paul Housing & Redevelopment Authority, Allina Health Obligated Group, Revenue, 2017 A, Refunding, 5%, 11/15/26	2,000,000	2,127,701
Allina Health Obligated Group, Revenue, 2017 A, Refunding, 5%, 11/15/27	2,000,000	2,151,518
City of Rochester, Electric Utility, Revenue, 2013 B, Pre-Refunded, 5%, 12/01/43	1,000,000	1,013,905
Electric Utility, Revenue, 2017 A, Refunding, 5%, 12/01/42	2,000,000	2,079,161
Electric Utility, Revenue, 2017 A, Refunding, 5%, 12/01/47	9,210,000	9,522,529
Mayo Clinic, Revenue, 2016 B, Refunding, 5%, 11/15/33	4,425,000	5,254,136
Mayo Clinic, Revenue, 2016 B, Refunding, 5%, 11/15/34	10,235,000	12,135,922
Mayo Clinic, Revenue, 2016 B, Refunding, 5%, 11/15/35	1,000,000	1,176,847
Mayo Clinic, Revenue, 2016 B, Refunding, 5%, 11/15/36	8,400,000	9,811,578
Mayo Clinic, Revenue, 2018, 4%, 11/15/48	6,000,000	5,732,866

Franklin Minnesota Tax-Free Income Fund (continued)

	Principal Amount	Value
Municipal Bonds (continued)		
Minnesota (continued)		
City of Rochester, (continued)		
Mayo Clinic, Revenue, 2022, Refunding, 3.25%, 11/15/41	\$4,000,000	\$3,416,408
Mayo Clinic, Revenue, 2022, Refunding, 5%, 11/15/57	2,000,000	2,147,952
City of St. Cloud,		
CentraCare Health System Obligated Group, Revenue, 2016 A, Refunding, 4%, 5/01/37	12,310,000	11,946,668
CentraCare Health System Obligated Group, Revenue, 2016 A, Refunding, 5%, 5/01/46	4,650,000	4,732,145
CentraCare Health System Obligated Group, Revenue, 2019, Refunding, 5%, 5/01/48	10,000,000	10,208,083
City of St. Paul,		
Sales & Use Tax, Revenue, 2014 G, 5%, 11/01/31	1,000,000	1,024,728
Sales & Use Tax, Revenue, 2014 G, 5%, 11/01/32	1,000,000	1,023,262
Cloquet Independent School District No. 94, GO, 2015 B, 5%, 2/01/32	3,615,000	3,713,081
County of Carlton, GO, 2022 A, 4%, 2/01/47	2,000,000	1,985,502
County of Norman, GO, 2022 A, 3.25%, 2/01/52	3,115,000	2,521,442
Dakota County Community Development Agency, Revenue, 2011 A, GNMA Insured, 4.875%, 12/01/33	425,000	425,299
Dawson-Boyd Independent School District No. 378, GO, 2019 A, 3.125%, 2/01/40 . .	2,965,000	2,661,705
Dilworth Glyndon Felton Independent School District No. 2164, GO, 2020 A, 3%, 2/01/37	1,000,000	928,716
GO, 2020 A, 3%, 2/01/39	1,000,000	892,819
GO, 2020 A, 3%, 2/01/41	1,225,000	1,073,249
Duluth Economic Development Authority,		
Essentia Health Obligated Group, Revenue, 2018 A, Refunding, 5.25%, 2/15/53 . .	28,935,000	29,721,725
St. Luke's Hospital of Duluth Obligated Group, Revenue, 2021 A, Refunding, 4%, 6/15/38	150,000	134,529
St. Luke's Hospital of Duluth Obligated Group, Revenue, 2021 A, Refunding, 4%, 6/15/39	155,000	137,325
St. Luke's Hospital of Duluth Obligated Group, Revenue, 2021 A, Refunding, 3%, 6/15/44	850,000	582,768
St. Luke's Hospital of Duluth Obligated Group, Revenue, 2022 A, Refunding, 5%, 6/15/29	400,000	417,609
St. Luke's Hospital of Duluth Obligated Group, Revenue, 2022 A, Refunding, 5%, 6/15/30	425,000	446,622
St. Luke's Hospital of Duluth Obligated Group, Revenue, 2022 A, Refunding, 5%, 6/15/31	450,000	475,493
St. Luke's Hospital of Duluth Obligated Group, Revenue, 2022 A, Refunding, 5%, 6/15/32	500,000	530,432
St. Luke's Hospital of Duluth Obligated Group, Revenue, 2022 A, Refunding, 5%, 6/15/33	600,000	635,126
St. Luke's Hospital of Duluth Obligated Group, Revenue, 2022 A, Refunding, 4%, 6/15/34	520,000	499,946
St. Luke's Hospital of Duluth Obligated Group, Revenue, 2022 A, Refunding, 4%, 6/15/35	425,000	401,890
St. Luke's Hospital of Duluth Obligated Group, Revenue, 2022 A, Refunding, 4%, 6/15/36	400,000	371,113
St. Luke's Hospital of Duluth Obligated Group, Revenue, 2022 A, Refunding, 4%, 6/15/37	375,000	341,411
St. Luke's Hospital of Duluth Obligated Group, Revenue, 2022 A, Refunding, 4%, 6/15/38	400,000	358,745
St. Luke's Hospital of Duluth Obligated Group, Revenue, 2022 A, Refunding, 4%, 6/15/39	250,000	221,492
St. Luke's Hospital of Duluth Obligated Group, Revenue, 2022 B, 5.25%, 6/15/52 . .	5,000,000	5,030,994
Duluth Independent School District No. 709, GO, 2015 B, Refunding, 2.5%, 2/01/26	2,840,000	2,748,367
GO, 2021 C, Zero Cpn., 2/01/29	1,870,000	1,502,462

Franklin Minnesota Tax-Free Income Fund (continued)

	Principal Amount	Value
Municipal Bonds (continued)		
Minnesota (continued)		
Duluth Independent School District No. 709, (continued)		
GO, 2021 C, Zero Cpn., 2/01/30	\$1,275,000	\$985,182
GO, 2021 C, Zero Cpn., 2/01/31	1,325,000	983,037
GO, 2021 C, Zero Cpn., 2/01/32	1,080,000	767,117
GO, 2021 C, Zero Cpn., 2/01/33	1,075,000	730,105
Edina Independent School District No. 273, GO, 2019 A, 3%, 2/01/36	1,630,000	1,532,716
Elk River Independent School District No. 728, GO, 2015 A, 4%, 2/01/32	3,130,000	3,160,354
Fridley Independent School District No. 14, GO, 2016 A, 4%, 2/01/29	2,220,000	2,286,721
Hastings Independent School District No. 200,		
GO, 2018 A, Zero Cpn., 2/01/38	4,685,000	2,516,634
GO, 2018 A, Zero Cpn., 2/01/39	4,685,000	2,353,341
GO, 2018 A, Zero Cpn., 2/01/40	4,685,000	2,223,460
Hennepin County Regional Railroad Authority,		
County of Hennepin, GO, 2019 A, 5%, 12/01/35	1,480,000	1,647,385
County of Hennepin, GO, 2019 A, 5%, 12/01/36	5,220,000	5,777,487
County of Hennepin, GO, 2019 A, 5%, 12/01/37	1,000,000	1,096,754
County of Hennepin, GO, 2019 A, 5%, 12/01/38	2,000,000	2,186,363
Hermantown Independent School District No. 700, GO, 2014 A, Refunding, 4%, 2/01/29	2,310,000	2,323,808
Hopkins Independent School District No. 270,		
GO, 2019 A, 3%, 2/01/33	5,640,000	5,419,650
GO, 2019 A, 3%, 2/01/34	2,450,000	2,361,178
Lakeview Independent School District No. 2167, GO, 2021 A, 2%, 2/01/38	1,055,000	755,010
Lakeville Independent School District No. 194, GO, 2021 B, 2.125%, 2/01/42	4,085,000	2,725,611
Mankato Independent School District No. 77, COP, 2022 A, 3%, 2/01/42	2,730,000	2,149,857
Maple River Independent School District No. 2135, GO, 2020 A, 4%, 2/01/50	10,000,000	10,055,883
Metropolitan Council,		
GO, 2016 C, Refunding, 3%, 3/01/30	3,305,000	3,271,306
GO, 2020 B, 2.125%, 3/01/36	4,500,000	3,476,407
GO, 2020 B, 2.125%, 3/01/37	4,000,000	2,987,182
GO, 2020 B, 2.125%, 3/01/38	4,000,000	2,908,940
GO, 2022 C, 4%, 3/01/40	3,275,000	3,335,693
GO, 2022 C, 4%, 3/01/41	3,410,000	3,454,485
Minneapolis-St Paul Metropolitan Airports Commission, Revenue, 2022 A, Refunding, 4.25%, 1/01/52	2,990,000	2,858,607
Minneapolis-St. Paul Metropolitan Airports Commission,		
Revenue, Senior Lien, 2016 C, 5%, 1/01/34	2,870,000	3,061,856
Revenue, Senior Lien, 2016 C, 5%, 1/01/35	4,025,000	4,278,088
Revenue, Senior Lien, 2016 C, 5%, 1/01/41	5,180,000	5,383,042
Revenue, Senior Lien, 2016 C, 5%, 1/01/46	29,975,000	30,873,749
Minnesota Higher Education Facilities Authority,		
Carleton College, Revenue, 2017, Refunding, 4%, 3/01/47	3,575,000	3,420,841
Macalester College, Revenue, 2017, Refunding, 3%, 3/01/33	3,010,000	2,947,514
Macalester College, Revenue, 2017, Refunding, 4%, 3/01/42	900,000	879,113
Macalester College, Revenue, 2021, Refunding, 4%, 3/01/36	125,000	128,589
Macalester College, Revenue, 2021, Refunding, 4%, 3/01/37	125,000	127,543
Macalester College, Revenue, 2021, Refunding, 3%, 3/01/40	365,000	307,422
Macalester College, Revenue, 2021, Refunding, 3%, 3/01/43	330,000	261,714
St. John's University, Revenue, 2021, Refunding, 4%, 10/01/32	255,000	261,956
St. John's University, Revenue, 2021, Refunding, 4%, 10/01/33	240,000	244,112
St. John's University, Revenue, 2021, Refunding, 4%, 10/01/34	355,000	358,902
St. John's University, Revenue, 2021, Refunding, 3%, 10/01/37	250,000	206,692
St. John's University, Revenue, 2021, Refunding, 3%, 10/01/38	250,000	201,953
St. Olaf College, Revenue, 2021, 3%, 10/01/41	2,600,000	2,062,505
St. Olaf College, Revenue, Eight N, Refunding, 4%, 10/01/33	1,500,000	1,520,720
St. Olaf College, Revenue, Eight N, Refunding, 4%, 10/01/35	500,000	502,733

Franklin Minnesota Tax-Free Income Fund (continued)

	Principal Amount	Value
Municipal Bonds (continued)		
Minnesota (continued)		
Minnesota Higher Education Facilities Authority, (continued)		
University of St. Thomas, Revenue, 2016 8-L, Refunding, 4%, 4/01/31	\$4,200,000	\$4,278,053
University of St. Thomas, Revenue, 2016 8-L, Refunding, 5%, 4/01/35	1,720,000	1,803,290
University of St. Thomas, Revenue, 2017 A, Refunding, 4%, 10/01/36	750,000	750,991
University of St. Thomas, Revenue, 2017 A, Refunding, 4%, 10/01/37	750,000	741,375
University of St. Thomas, Revenue, 2022 A, 5%, 10/01/52	10,000,000	10,373,704
Minnesota Housing Finance Agency,		
Revenue, 2009, 4%, 8/01/29	3,675,000	3,678,339
Revenue, 2011, 5%, 8/01/31	2,225,000	2,228,497
Revenue, 2020 B, GNMA Insured, 2.8%, 1/01/44	2,870,000	2,375,135
Revenue, 2020 D, 4%, 8/01/42	1,815,000	1,750,967
Revenue, 2020 E, GNMA Insured, 2.5%, 7/01/40	1,840,000	1,489,649
Revenue, 2020 E, GNMA Insured, 2.7%, 7/01/44	2,580,000	2,091,782
Revenue, 2020 G, GNMA Insured, 2.45%, 7/01/45	2,115,000	1,695,939
Revenue, 2021 B, GNMA Insured, 2.1%, 7/01/36	950,000	734,459
Revenue, 2021 B, GNMA Insured, 2.3%, 7/01/41	3,345,000	2,420,227
Revenue, 2021 B, GNMA Insured, 2.45%, 7/01/46	3,320,000	2,380,064
Revenue, 2021 H, GNMA Insured, 2.55%, 1/01/46	3,950,000	3,095,811
Revenue, 2022 A, GNMA Insured, 2.75%, 7/01/42	2,660,000	2,078,042
Revenue, 2022 A, GNMA Insured, 2.9%, 1/01/45	1,280,000	1,015,752
Revenue, 2022 C, GNMA Insured, 3%, 7/01/43	1,725,000	1,377,919
^b Minnesota Municipal Gas Agency, Revenue, 2022 A, Mandatory Put, 4%, 12/01/27 ..	5,000,000	5,016,070
Minnesota Municipal Power Agency,		
Revenue, 2014 A, Refunding, 4%, 10/01/31	1,265,000	1,284,755
Revenue, 2014 A, Refunding, 4%, 10/01/32	1,200,000	1,216,749
Revenue, 2014 A, Refunding, 4%, 10/01/33	1,000,000	1,012,912
Revenue, 2014 A, Refunding, 5%, 10/01/34	1,000,000	1,023,720
Revenue, 2014 A, Refunding, 5%, 10/01/35	1,005,000	1,028,371
Revenue, 2016, 4%, 10/01/41	4,680,000	4,554,622
Revenue, 2016, 5%, 10/01/47	4,650,000	4,816,060
Minnesota Public Facilities Authority, Revenue, 2010 A, 5%, 3/01/24	9,010,000	9,177,575
Minnetonka Independent School District No. 276, COP, 2022 A, 4%, 2/01/52	1,850,000	1,826,812
Moorhead Independent School District No. 152, GO, 2020 A, 2.5%, 2/01/37	9,295,000	7,422,746
Nashwaub Keewatin Independent School District No. 319, GO, 2022 A, Refunding, 4%, 2/01/48	5,020,000	4,990,700
North St. Paul-Maplewood-Oakdale Independent School District No. 622, GO, 2019 A, 3%, 2/01/42	5,975,000	4,743,734
GO, 2019 A, 3%, 2/01/46	23,965,000	17,834,029
Northern Municipal Power Agency,		
Revenue, 2013 A, 5%, 1/01/30	1,190,000	1,191,479
Revenue, 2017, Refunding, 5%, 1/01/41	800,000	825,033
Norwood Young America Independent School District No. 108, GO, 2022 A, 2.25%, 2/01/45	1,700,000	1,117,031
Prior Lake-Savage Independent School District No. 719, GO, 2018 B, Zero Cpn., 2/01/27	10,545,000	9,152,163
GO, 2018 B, Zero Cpn., 2/01/28	13,055,000	10,983,523
GO, 2018 B, Zero Cpn., 2/01/30	9,010,000	7,067,055
GO, 2018 B, Zero Cpn., 2/01/31	5,310,000	4,012,602
Red Rock Central Independent School District No. 2884, GO, 2022 A, 2.375%, 2/01/47	3,000,000	1,957,829
Roseville Independent School District No. 623, GO, 2018 A, 5%, 2/01/30	3,700,000	3,989,022
GO, 2018 A, 4%, 2/01/35	4,900,000	5,043,089
GO, 2018 A, 4%, 2/01/37	5,000,000	5,095,863
Sartell-St. Stephen Independent School District No. 748, GO, 2016 B, Zero Cpn., 2/01/36	3,000,000	1,774,759
GO, 2016 B, Zero Cpn., 2/01/37	2,820,000	1,557,769

Franklin Minnesota Tax-Free Income Fund (continued)

	Principal Amount	Value
Municipal Bonds (continued)		
Minnesota (continued)		
Sartell-St. Stephen Independent School District No. 748, (continued)		
GO, 2016 B, Zero Cpn., 2/01/38	\$5,220,000	\$2,711,435
GO, 2016 B, Zero Cpn., 2/01/39	3,020,000	1,479,671
^a Scott County Community Development Agency, Spero BP Senior LLC, Revenue, Senior Lien, 144A, 2022 A, 5.25%, 8/01/37	8,000,000	7,260,858
Southern Minnesota Municipal Power Agency, Revenue, 1994 A, NATL Insured, Zero Cpn., 1/01/26	5,395,000	4,873,619
Revenue, 1994 A, NATL Insured, Zero Cpn., 1/01/27	6,600,000	5,753,517
Revenue, 2015 A, Refunding, 5%, 1/01/46	9,345,000	9,601,542
Revenue, 2017 A, 5%, 1/01/42	1,315,000	1,409,823
Revenue, 2019 A, 5%, 1/01/32	700,000	792,644
Revenue, 2019 A, 5%, 1/01/33	560,000	631,655
Revenue, 2019 A, 5%, 1/01/34	610,000	686,696
St. Cloud Independent School District No. 742, COP, 2017 A, 4%, 2/01/38	1,000,000	994,936
GO, 2015 A, 4%, 2/01/28	2,080,000	2,118,805
GO, 2017 B, Refunding, 4%, 2/01/30	4,060,000	4,176,935
GO, 2017 B, Refunding, 4%, 2/01/36	2,500,000	2,572,004
GO, 2017 B, Refunding, 4%, 2/01/37	2,250,000	2,314,804
St. Francis Independent School District No. 15, GO, 2018 A, 4%, 2/01/37	1,025,000	1,025,369
GO, 2018 A, 3.5%, 2/01/41	3,350,000	3,001,289
St. Paul Port Authority, Revenue, 2021-2, 4%, 10/01/40	1,100,000	1,028,233
District Energy St. Paul Obligated Group, Revenue, 2021-1, Refunding, 3%, 10/01/34	300,000	271,628
District Energy St. Paul Obligated Group, Revenue, 2021-1, Refunding, 4%, 10/01/41	675,000	632,825
State of Minnesota, COP, 2014, 5%, 6/01/36	3,615,000	3,671,272
GO, 2013 F, Refunding, 4%, 10/01/25	15,000,000	15,075,779
GO, 2019 A, 5%, 8/01/34	1,900,000	2,142,388
Revenue, 2014 A, 5%, 6/01/38	8,500,000	8,516,552
Stearns County Housing & Redevelopment Authority, Revenue, 2021 A, Refunding, 3%, 2/01/61	1,105,000	754,468
University of Minnesota, Revenue, 2014 B, 5%, 1/01/38	4,500,000	4,532,237
Revenue, 2014 B, 4%, 1/01/44	3,750,000	3,681,822
Revenue, 2015 A, Refunding, 5%, 8/01/28	7,225,000	7,513,141
Revenue, 2016 A, 5%, 4/01/41	5,000,000	5,174,239
Revenue, 2017 A, 5%, 9/01/39	1,500,000	1,595,204
Revenue, 2017 A, 5%, 9/01/41	3,000,000	3,187,390
Revenue, 2017 B, Refunding, 5%, 12/01/30	5,575,000	6,119,308
Revenue, 2019 A, 5%, 4/01/40	2,110,000	2,283,701
Revenue, 2019 A, 5%, 4/01/41	6,045,000	6,521,376
Revenue, 2019 A, 5%, 4/01/44	3,505,000	3,756,757
Revenue, 2020 A, 5%, 11/01/42	5,230,000	5,691,166
Virginia Independent School District No. 706, Rock Ridge Independent School District No. 2909, GO, 2019 A, 3%, 2/01/40	2,295,000	1,972,813
Watertown-Mayer Independent School District No. 111, GO, 2020 A, Zero Cpn., 2/01/33	2,470,000	1,705,512
GO, 2020 A, Zero Cpn., 2/01/34	2,470,000	1,627,655
GO, 2020 A, Zero Cpn., 2/01/36	1,470,000	868,532
GO, 2020 A, Zero Cpn., 2/01/37	2,470,000	1,381,261

Franklin Minnesota Tax-Free Income Fund (continued)

	Principal Amount	Value
Municipal Bonds (continued)		
Minnesota (continued)		
Waterville-Elysian-Morristown Independent School District No. 2143, GO, 2019 A, 3%, 2/01/32	\$1,995,000	\$1,958,968
West St. Paul-Mendota Heights-Eagan Independent School District No. 197, GO, 2018 A, 4%, 2/01/34	2,655,000	2,747,506
Western Minnesota Municipal Power Agency, Revenue, 2014 A, Pre-Refunded, 5%, 1/01/40	8,075,000	8,199,713
Revenue, 2014 A, Pre-Refunded, 5%, 1/01/46	6,870,000	6,976,102
Revenue, 2015 A, Refunding, 5%, 1/01/35	3,000,000	3,131,399
Revenue, 2015 A, Refunding, 5%, 1/01/36	2,035,000	2,117,985
Revenue, 2018 A, 5%, 1/01/49	5,000,000	5,301,267
Zumbro Education District, COP, 2021 A, 4%, 2/01/32	200,000	199,777
COP, 2021 A, 4%, 2/01/33	150,000	149,621
COP, 2021 A, 4%, 2/01/34	125,000	124,687
COP, 2021 A, 2.125%, 2/01/35	325,000	252,365
COP, 2021 A, 4%, 2/01/38	390,000	364,510
COP, 2021 A, 4%, 2/01/41	635,000	578,874
		737,123,023
South Carolina 0.7%		
South Carolina Jobs-Economic Development Authority, ^a Revenue, 144A, 2021 A-1, 3.65%, 12/01/36	2,100,000	1,681,280
AHPC Vista Towers 2021 LLC, Revenue, 2021 A-1, 3.65%, 12/01/36	2,100,000	1,676,127
^a South Carolina State Housing Finance & Development Authority, Garden Oaks LP, Revenue, 144A, 2021 A, 4.2%, 12/01/39	3,500,000	2,673,645
		6,031,052
Texas 0.4%		
^a Pecan Public Facility Corp., Revenue, 144A, 2022 A-2, 5%, 12/01/52	4,000,000	2,926,385
Washington 0.2%		
^a Washington State Housing Finance Commission, Madison at Rivers Edge Apartments LLC, Revenue, 144A, 2021 A, 3.65%, 1/01/37	2,100,000	1,681,353
Wisconsin 0.9%		
^a Public Finance Authority, Revenue, 144A, 2022, B-1, 4%, 12/28/44	2,100,000	1,663,944
Gulf Coast Portfolio Obligated Group, Revenue, 144A, 2021, 5.25%, 12/01/23	5,600,000	5,600,000
		7,263,944
Total Municipal Bonds (Cost \$812,668,260)		761,597,346

Franklin Minnesota Tax-Free Income Fund (continued)

Short Term Investments 5.6%

	Principal Amount	Value
Municipal Bonds 5.6%		
Minnesota 5.6%		
°City of Minneapolis, Fairview Health Services Obligated Group, Revenue, 2018 C, Refunding, LOC Wells Fargo Bank NA, Daily VRDN and Put, 2.65%, 11/15/48	\$24,500,000	\$24,500,000
°City of Minneapolis St. Paul Housing & Redevelopment Authority, Allina Health Obligated Group, Revenue, B-2, LOC JPMorgan Chase Bank NA, Daily VRDN and Put, 2.45%, 11/15/35	6,300,000	6,300,000
°City of Rochester, Mayo Clinic, Revenue, 2008 B, SPA Northern Trust Co. (The), Daily VRDN and Put, 3.5%, 11/15/38	14,440,000	14,440,000
		45,240,000
Total Municipal Bonds (Cost \$45,240,000)		45,240,000
Total Short Term Investments (Cost \$45,240,000)		45,240,000
Total Investments (Cost \$857,908,260) 99.5%		\$806,837,346
Other Assets, less Liabilities 0.5%		4,443,725
Net Assets 100.0%		\$811,281,071

See Abbreviations on page 171.

°Security was purchased pursuant to Rule 144A or Regulation S under the Securities Act of 1933. 144A securities may be sold in transactions exempt from registration only to qualified institutional buyers or in a public offering registered under the Securities Act of 1933. Regulation S securities cannot be sold in the United States without either an effective registration statement filed pursuant to the Securities Act of 1933, or pursuant to an exemption from registration. At February 28, 2023, the aggregate value of these securities was \$24,903,147, representing 3.1% of net assets.

°The maturity date shown represents the mandatory put date.

°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 Ohio Tax-Free Income Fund

	Year Ended February 28,				Year Ended February 28,
	2023	2022	2021	2020 ^a	2019 ^b
Class A					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$12.54	\$12.90	\$13.20	\$12.49	\$12.38
Income from investment operations ^c :					
Net investment income ^d	0.31	0.25	0.30	0.35	0.17
Net realized and unrealized gains (losses)	(1.26)	(0.36)	(0.30)	0.71	0.11
Total from investment operations	(0.95)	(0.11)	—	1.06	0.28
Less distributions from:					
Net investment income	(0.30)	(0.25)	(0.30)	(0.35)	(0.17)
Net asset value, end of year	\$11.29	\$12.54	\$12.90	\$13.20	\$12.49
Total return ^e	(7.57)%	(0.90)%	0.02%	8.60%	2.30%
Ratios to average net assets^f					
Expenses ^g	0.81%	0.81%	0.80%	0.81%	0.80%
Net investment income	2.66%	1.94%	2.31%	2.69%	2.88%
Supplemental data					
Net assets, end of year (000's)	\$269,364	\$315,516	\$261,661	\$160,174	\$75,132
Portfolio turnover rate	26.92%	24.59%	20.64%	4.56%	13.09%

^aFor the year ended February 29.

^bFor the period September 10, 2018 (effective date) to February 28, 2019.

^cThe 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.

^dBased on average daily shares outstanding.

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

^fRatios are annualized for periods less than one year.

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

Franklin Ohio Tax-Free Income Fund (continued)

	Year Ended February 28,				
	2023	2022	2021	2020 ^a	2019
Class A1					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$12.54	\$12.90	\$13.20	\$12.49	\$12.46
Income from investment operations ^b :					
Net investment income ^c	0.32	0.27	0.33	0.37	0.38
Net realized and unrealized gains (losses)	(1.26)	(0.36)	(0.31)	0.71	0.03
Total from investment operations	(0.94)	(0.09)	0.02	1.08	0.41
Less distributions from:					
Net investment income	(0.32)	(0.27)	(0.32)	(0.37)	(0.38)
Net asset value, end of year	\$11.28	\$12.54	\$12.90	\$13.20	\$12.49
Total return ^d	(7.51)%	(0.75)%	0.17%	8.76%	3.34%
Ratios to average net assets					
Expenses ^e	0.66%	0.66%	0.65%	0.66%	0.65%
Net investment income	2.80%	2.10%	2.49%	2.84%	3.03%
Supplemental data					
Net assets, end of year (000's)	\$628,747	\$850,932	\$929,798	\$996,280	\$985,590
Portfolio turnover rate	26.92%	24.59%	20.64%	4.56%	13.09%

^aFor the year ended February 29.

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

^cBased on average daily shares outstanding.

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

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

Franklin Ohio Tax-Free Income Fund (continued)

	Year Ended February 28,				
	2023	2022	2021	2020 ^a	2019
Class C					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$12.71	\$13.08	\$13.38	\$12.66	\$12.63
Income from investment operations ^b :					
Net investment income ^c	0.26	0.20	0.25	0.30	0.31
Net realized and unrealized gains (losses)	(1.28)	(0.37)	(0.30)	0.72	0.03
Total from investment operations	(1.02)	(0.17)	(0.05)	1.02	0.34
Less distributions from:					
Net investment income	(0.25)	(0.20)	(0.25)	(0.30)	(0.31)
Net asset value, end of year	\$11.44	\$12.71	\$13.08	\$13.38	\$12.66
Total return ^d	(8.00)%	(1.36)%	(0.37)%	8.16%	2.72%
Ratios to average net assets					
Expenses ^e	1.20%	1.20%	1.20%	1.21%	1.20%
Net investment income	2.20%	1.52%	1.92%	2.29%	2.48%
Supplemental data					
Net assets, end of year (000's)	\$78,486	\$125,479	\$169,258	\$203,367	\$215,045
Portfolio turnover rate	26.92%	24.59%	20.64%	4.56%	13.09%

^aFor the year ended February 29.^bThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.^cBased on average daily shares outstanding.^dTotal return does not reflect sales commissions or contingent deferred sales charges, if applicable.^eBenefit of expense reduction rounds to less than 0.01%.

Franklin Ohio Tax-Free Income Fund (continued)

	Year Ended February 28,				
	2023	2022	2021	2020 ^a	2019
Class R6					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$12.55	\$12.91	\$13.22	\$12.50	\$12.47
Income from investment operations ^b :					
Net investment income ^c	0.34	0.29	0.34	0.38	0.39
Net realized and unrealized gains (losses)	(1.25)	(0.36)	(0.31)	0.73	0.03
Total from investment operations	(0.91)	(0.07)	0.03	1.11	0.42
Less distributions from:					
Net investment income	(0.34)	(0.29)	(0.34)	(0.39)	(0.39)
Net asset value, end of year	\$11.30	\$12.55	\$12.91	\$13.22	\$12.50
Total return	(7.29)%	(0.61)%	0.31%	8.90%	3.47%
Ratios to average net assets					
Expenses before waiver and payments by affiliates	0.54%	0.53%	0.54%	0.53%	0.53%
Expenses net of waiver and payments by affiliates ^d	0.52%	0.52%	0.51%	0.52%	0.51%
Net investment income	2.94%	2.23%	2.59%	2.98%	3.17%
Supplemental data					
Net assets, end of year (000's)	\$14,734	\$21,433	\$16,977	\$10,638	\$6,942
Portfolio turnover rate	26.92%	24.59%	20.64%	4.56%	13.09%

^aFor the year ended February 29.

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

^cBased on average daily shares outstanding.

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

Franklin Ohio Tax-Free Income Fund (continued)

	Year Ended February 28,				
	2023	2022	2021	2020 ^a	2019
Advisor Class					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$12.55	\$12.91	\$13.21	\$12.50	\$12.47
Income from investment operations ^b :					
Net investment income ^c	0.33	0.29	0.34	0.38	0.39
Net realized and unrealized gains (losses)	(1.25)	(0.37)	(0.30)	0.71	0.03
Total from investment operations	(0.92)	(0.08)	0.04	1.09	0.42
Less distributions from:					
Net investment income	(0.33)	(0.28)	(0.34)	(0.38)	(0.39)
Net asset value, end of year	\$11.30	\$12.55	\$12.91	\$13.21	\$12.50
Total return	(7.33)%	(0.65)%	0.27%	8.86%	3.43%
Ratios to average net assets					
Expenses ^d	0.56%	0.56%	0.55%	0.56%	0.55%
Net investment income	2.89%	2.20%	2.58%	2.94%	3.13%
Supplemental data					
Net assets, end of year (000's)	\$209,487	\$299,002	\$295,666	\$243,913	\$179,427
Portfolio turnover rate	26.92%	24.59%	20.64%	4.56%	13.09%

^aFor the year ended February 29.^bThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.^cBased on average daily shares outstanding.^dBenefit of expense reduction rounds to less than 0.01%.

Schedule of Investments, February 28, 2023

Franklin Ohio Tax-Free Income Fund

	Principal Amount	Value
Corporate Bonds 0.3%		
Software 0.3%		
^a Haven at Elgin LLC, 5.25%, 12/31/53	\$3,200,000	\$3,143,438
Total Corporate Bonds (Cost \$3,200,000)		3,143,438
Municipal Bonds 95.9%		
California 0.2%		
California Municipal Finance Authority, Revenue, 2022 A-1, 4.25%, 12/01/37	2,800,000	2,331,887
Florida 0.8%		
Capital Trust Agency, Inc., Kingdom Development West Palm Beach Portfolio Obligated Group, Revenue, 2021 A-1, 3.75%, 12/01/36	9,144,000	7,613,957
^b SHI - Lake Osborne LLC, Revenue, 144A, 2021 A-1, 3.68%, 1/01/57	2,200,000	1,483,095
		9,097,052
Illinois 0.1%		
State of Illinois, GO, 2021 A, 5%, 3/01/32	1,250,000	1,330,417
Kentucky 0.8%		
^b Louisville/Jefferson County Metropolitan Government, PSG Vesta Derby Oaks LLC, Revenue, 144A, Zero Cpn., 5/01/52	15,210,000	9,947,471
New Jersey 0.3%		
New Jersey Transportation Trust Fund Authority, Revenue, 2020 AA, 4%, 6/15/35	1,500,000	1,514,627
Revenue, 2022 A, 4%, 6/15/38	2,000,000	1,950,571
		3,465,198
New York 0.6%		
Metropolitan Transportation Authority, Revenue, 2020 A-1, 4%, 11/15/40	6,750,000	6,147,328
Revenue, 2021 A-1, 4%, 11/15/48	750,000	644,719
		6,792,047
Ohio 88.6%		
Akron Bath Copley Joint Township Hospital District, Summa Health System Obligated Group, Revenue, 2020, Refunding, 3%, 11/15/40	5,400,000	4,017,977
American Municipal Power, Inc., Revenue, 2015 A, Refunding, 5%, 2/15/28	5,000,000	5,078,537
Revenue, 2016 A, Refunding, 4%, 2/15/35	1,000,000	1,006,161
Revenue, 2016 A, 5%, 2/15/41	5,000,000	5,098,246
Revenue, 2016 A, Refunding, 5%, 2/15/46	7,500,000	7,609,959
Revenue, 2017 A, Refunding, 5%, 2/15/37	3,700,000	3,911,408
Revenue, 2017 A, Refunding, 5%, 2/15/38	3,500,000	3,681,375
Revenue, 2019 A, 5%, 2/15/44	3,345,000	3,473,754
Anthony Wayne Local School District, GO, 2017 A, 4%, 12/01/39	3,000,000	2,994,740
Apollo Joint Vocational School District, GO, 2017, Refunding, 4%, 12/01/39	6,530,000	6,532,217
Berkshire Local School District, GO, 2021, Refunding, 3%, 10/01/56	735,000	518,582
Bethel Local School District, COP, 2020, BAM Insured, 3%, 12/01/45	2,095,000	1,589,393
COP, 2020, BAM Insured, 2.75%, 12/01/49	4,000,000	2,783,461
Big Walnut Local School District, GO, 2019, 5%, 12/01/53	9,155,000	9,677,645
Bloom-Carroll Local School District, GO, 2018 A, 5%, 11/01/55	7,025,000	7,510,119
Bowling Green State University, Revenue, 2017 B, Refunding, 5%, 6/01/42	3,250,000	3,397,699
Brooklyn City School District, GO, 2017, Refunding, AGMC Insured, 5%, 12/01/38	1,905,000	2,011,672
GO, 2017, Refunding, AGMC Insured, 5%, 12/01/49	9,000,000	9,334,941

Franklin Ohio Tax-Free Income Fund (continued)

	Principal Amount	Value
Municipal Bonds (continued)		
Ohio (continued)		
Buckeye Tobacco Settlement Financing Authority,		
Revenue, Senior Lien, 2020 A-2, 1, Refunding, 3%, 6/01/48	\$18,215,000	\$13,168,478
Revenue, Senior Lien, 2020 A-2, 1, Refunding, 4%, 6/01/48	3,245,000	2,841,416
Butler County Port Authority,		
Community First Solutions Obligated Group, Revenue, 2021 A, Refunding, 4%, 5/15/32	100,000	101,257
Community First Solutions Obligated Group, Revenue, 2021 A, Refunding, 4%, 5/15/33	135,000	136,453
Community First Solutions Obligated Group, Revenue, 2021 A, Refunding, 4%, 5/15/34	185,000	186,698
Community First Solutions Obligated Group, Revenue, 2021 A, Refunding, 4%, 5/15/35	195,000	195,662
Community First Solutions Obligated Group, Revenue, 2021 A, Refunding, 4%, 5/15/36	205,000	203,545
Community First Solutions Obligated Group, Revenue, 2021 A, Refunding, 4%, 5/15/37	210,000	205,925
Community First Solutions Obligated Group, Revenue, 2021 A, Refunding, 4%, 5/15/38	220,000	213,862
Community First Solutions Obligated Group, Revenue, 2021 A, Refunding, 4%, 5/15/39	225,000	216,565
Community First Solutions Obligated Group, Revenue, 2021 A, Refunding, 4%, 5/15/40	240,000	229,457
Community First Solutions Obligated Group, Revenue, 2021 A, Refunding, 4%, 5/15/41	245,000	232,293
Community First Solutions Obligated Group, Revenue, 2021 A, Refunding, 4%, 5/15/46	900,000	833,873
Community First Solutions Obligated Group, Revenue, 2021 A, Refunding, 4%, 5/15/51	1,000,000	908,498
Canal Winchester Local School District,		
GO, 2005, NATL Insured, Zero Cpn., 12/01/32	3,955,000	2,834,164
GO, 2005, NATL Insured, Zero Cpn., 12/01/33	2,000,000	1,373,382
Chillicothe City School District,		
GO, 2006, Refunding, NATL Insured, Zero Cpn., 12/01/23	1,905,000	1,853,297
GO, 2006, Refunding, NATL Insured, Zero Cpn., 12/01/24	1,905,000	1,786,902
Cincinnati City School District,		
GO, 2006, Refunding, NATL Insured, 5.25%, 12/01/27	14,900,000	16,560,492
GO, 2006, Refunding, NATL Insured, 5.25%, 12/01/28	8,180,000	9,303,672
City of Chillicothe,		
Adena Health System Obligated Group, Revenue, 2017, Refunding, 5%, 12/01/37	2,890,000	2,968,893
Adena Health System Obligated Group, Revenue, 2017, Refunding, 5%, 12/01/47	2,110,000	2,127,801
City of Cincinnati, GO, 2015 A, Pre-Refunded, 5.25%, 12/01/40	6,500,000	6,806,157
City of Cleveland,		
GO, 2012, 5%, 12/01/30	35,000	35,051
GO, 2020 A, 4%, 12/01/35	1,000,000	1,028,365
GO, 2020 A, 2%, 12/01/36	1,215,000	934,221
Water Pollution Control, Revenue, 2016, 5%, 11/15/41	2,000,000	2,035,631
City of Columbus,		
GO, 2016-3, Refunding, 5%, 2/15/27	5,000,000	5,408,264
GO, 2018 A, 5%, 4/01/34	7,000,000	7,800,536
GO, 2019 A, 5%, 4/01/40	3,000,000	3,240,142
GO, 2021 A, 5%, 4/01/40	1,900,000	2,078,297
Sewerage, Revenue, 2014, Refunding, 4%, 6/01/31	15,000,000	15,280,594
Sewerage, Revenue, 2015, Refunding, 5%, 6/01/30	5,000,000	5,325,627
City of Marysville,		
Wastewater Treatment System, Revenue, 2015, Refunding, BAM Insured, 4%, 12/01/40	3,015,000	2,988,582

Franklin Ohio Tax-Free Income Fund (continued)

	Principal Amount	Value
Municipal Bonds (continued)		
Ohio (continued)		
City of Marysville, (continued)		
Wastewater Treatment System, Revenue, 2015, Refunding, BAM Insured, 5%, 12/01/47	\$5,035,000	\$5,114,880
Wastewater Treatment System, Revenue, 2016, Refunding, BAM Insured, 4%, 12/01/46	9,370,000	8,922,520
City of Mount Vernon,		
Mount Vernon Nazarene University, Revenue, 2022, Refunding, 4%, 2/01/37	995,000	924,303
Mount Vernon Nazarene University, Revenue, 2022, Refunding, 4%, 2/01/52	1,675,000	1,403,662
City of St. Bernard, Income Tax, Revenue, 2013, AGMC Insured, 5%, 12/01/43	3,760,000	3,779,824
City of Westerville, Revenue, 2014, 5%, 12/01/30	2,765,000	2,818,890
Cleveland Department of Public Utilities Division of Public Power,		
Revenue, 2020 A, Refunding, AGMC Insured, 4%, 11/15/38	600,000	587,479
Revenue, B-2, NATL Insured, Zero Cpn., 11/15/38	10,000,000	4,951,196
Cleveland Department of Public Utilities Division of Water,		
Revenue, 2020 FF, Refunding, 5%, 1/01/32	1,000,000	1,137,002
Revenue, 2020 FF, Refunding, 5%, 1/01/33	1,000,000	1,135,911
Cleveland-Cuyahoga County Port Authority,		
Cleveland Museum of Natural History (The), Revenue, 2021, 5%, 7/01/35	600,000	670,061
Cleveland Museum of Natural History (The), Revenue, 2021, 4%, 7/01/37	700,000	703,464
Cleveland Museum of Natural History (The), Revenue, 2021, 4%, 7/01/38	100,000	100,027
Cleveland Museum of Natural History (The), Revenue, 2021, 4%, 7/01/39	700,000	688,966
Cleveland Museum of Natural History (The), Revenue, 2021, 4%, 7/01/40	100,000	96,896
Cleveland Museum of Natural History (The), Revenue, 2021, 4%, 7/01/41	800,000	766,002
Cleveland Museum of Natural History (The), Revenue, 2021, 4%, 7/01/46	500,000	438,395
Cleveland Museum of Natural History (The), Revenue, 2021, 4%, 7/01/51	2,000,000	1,719,230
Euclid Avenue Development Corp., Revenue, 2022 A, 5.5%, 8/01/52	9,000,000	9,631,325
Columbus-Franklin County Finance Authority,		
Revenue, 2021 C, 2.5%, 11/15/41	900,000	656,184
Revenue, 2021 C, 3%, 5/15/51	2,180,000	1,536,899
County of Butler,		
Cincinnati Children's Hospital Medical Center Obligated Group, Revenue, 2016 X, Refunding, 5%, 5/15/29	6,750,000	7,453,835
UC Health Obligated Group, Revenue, 2016, Refunding, 5%, 11/15/45	20,270,000	20,392,455
UC Health Obligated Group, Revenue, 2017, Refunding, 4%, 11/15/36	4,140,000	3,897,318
UC Health Obligated Group, Revenue, 2017, Refunding, 4%, 11/15/37	1,500,000	1,402,521
County of Cuyahoga,		
GO, 2020 A, Refunding, 4%, 12/01/34	750,000	788,040
GO, 2020 A, Refunding, 3%, 12/01/36	1,100,000	967,737
Excise Tax, Revenue, 2015, Pre-Refunded, 5%, 12/01/25	500,000	506,953
County of Franklin,		
Nationwide Children's Hospital, Inc., Revenue, 2016 C, Refunding, 5%, 11/01/34 . .	2,600,000	2,782,995
Nationwide Children's Hospital, Inc., Revenue, 2016 C, Refunding, 4%, 11/01/40 . .	5,000,000	4,866,592
Ohio Living Obligated Group, Revenue, 2022, Refunding, 4%, 7/01/33	5,270,000	4,801,120
Ohio Living Obligated Group, Revenue, 2022, Refunding, 4%, 7/01/34	2,240,000	2,016,163
Ohio Living Obligated Group, Revenue, 2022, Refunding, 4%, 7/01/35	2,900,000	2,570,278
Ohio Living Obligated Group, Revenue, 2022, Refunding, 4%, 7/01/36	2,640,000	2,315,587
Ohio Living Obligated Group, Revenue, 2022, Refunding, 4%, 7/01/40	2,590,000	2,171,834
OhioHealth Obligated Group, Revenue, 2015, 5%, 5/15/33	6,290,000	6,529,336
Sales Tax, Revenue, 2018, 5%, 6/01/48	6,000,000	6,363,527
Trinity Health Corp. Obligated Group, Revenue, 2017, 5%, 12/01/46	3,515,000	3,578,780
Trinity Health Corp. Obligated Group, Revenue, 2017 A-OH, 5%, 12/01/47	11,800,000	12,014,825
Trinity Health Corp. Obligated Group, Revenue, 2019 A, 4%, 12/01/49	6,030,000	5,406,354
County of Hamilton,		
Sewer System, Revenue, 2019 A, Refunding, 5%, 12/01/33	6,965,000	7,851,486
Sewer System, Revenue, 2020 A, Refunding, 5%, 12/01/32	2,115,000	2,437,250
Sewer System, Revenue, 2020 A, Refunding, 5%, 12/01/35	2,000,000	2,261,064

Franklin Ohio Tax-Free Income Fund (continued)

	Principal Amount	Value
Municipal Bonds (continued)		
Ohio (continued)		
County of Hamilton, (continued)		
TriHealth Obligated Group, Revenue, 2017 A, 5%, 8/15/42	\$5,000,000	\$5,087,857
County of Lucas, GO, 2022, 4.75%, 12/01/52	3,000,000	3,093,151
County of Mahoning,		
Sewer System, Revenue, 2022, Refunding, 5%, 12/01/46	3,000,000	3,184,412
Western Reserve Care System, Revenue, 1995, NATL Insured, ETM, 5.5%, 10/15/25	1,700,000	1,757,868
County of Miami, Kettering Health Network Obligated Group, Revenue, 2019,		
Refunding, 5%, 8/01/45	5,000,000	5,112,052
County of Montgomery,		
Kettering Health Network Obligated Group, Revenue, 2021, Refunding, 4%, 8/01/41	1,000,000	963,651
Premier Health Partners Obligated Group, Revenue, 2019 A, Refunding, 4%,		
11/15/39	5,000,000	4,623,077
County of Ross, Adena Health System Obligated Group, Revenue, 2019, Refunding,		
5%, 12/01/44	4,705,000	4,755,461
County of Union, GO, 2018, 5%, 12/01/47	5,000,000	5,213,840
Cuyahoga Falls City School District, GO, 2021, BAM Insured, 4%, 12/01/51	1,485,000	1,326,623
Dayton City School District, GO, 2014, Refunding, 5%, 11/01/30	5,000,000	5,709,550
Dayton-Montgomery County Port Authority,		
Southwest Ohio Regional Bond Fund, Revenue, 2021 C, 2%, 11/15/31	430,000	360,811
Southwest Ohio Regional Bond Fund, Revenue, 2021 C, 2.5%, 11/15/41	1,615,000	1,158,303
Southwest Ohio Regional Bond Fund, Revenue, 2021 C, 3%, 5/15/51	1,000,000	685,930
Deer Park Community City School District, GO, 2017 A, 5.25%, 12/01/53	3,000,000	3,073,619
Dublin City School District, GO, 2019 A, 4%, 12/01/44	10,000,000	9,771,032
Elyria City School District, GO, 2017 A, 5%, 12/01/43	5,500,000	5,735,252
Franklin County Convention Facilities Authority, Revenue, 2014, Pre-Refunded, 5%,		
12/01/35	20,000,000	20,665,832
Fremont City School District, GO, 2017 A, 5%, 1/15/49	13,970,000	14,292,415
Grandview Heights City School District, GO, 2019, 5%, 12/01/53	2,150,000	2,287,381
Great Oaks Career Campuses Board of Education, COP, 2021, 3%, 12/01/44	1,455,000	1,172,693
Green Local School District, COP, 2022, AGMC Insured, 5%, 11/01/52	2,000,000	2,081,986
Hilliard School District, GO, 2017, 4%, 12/01/46	10,000,000	9,666,004
Hillsdale Local School District, COP, 2020, BAM Insured, 4%, 12/01/40	1,435,000	1,385,424
Hudson City School District, GO, 2018, 4%, 12/01/45	18,870,000	18,325,546
Indian Creek Local School District,		
GO, 2018 A, 5%, 11/01/55	3,000,000	3,113,746
GO, 2018 B, BAM Insured, 5%, 11/01/55	3,910,000	4,128,761
Lakota Local School District,		
GO, 2005, Refunding, NATL Insured, 5.25%, 12/01/26	2,000,000	2,167,599
GO, 2014 C, Pre-Refunded, 5%, 12/01/30	4,035,000	4,169,331
Licking Heights Local School District, GO, 2022, 4.5%, 10/01/51	1,800,000	1,805,426
Little Miami Local School District,		
GO, 2018, 5%, 11/01/43	1,000,000	1,025,265
GO, 2018, 5%, 11/01/48	2,460,000	2,512,163
Madeira City School District, GO, Refunding, AGMC Insured, 5.25%, 12/01/32	9,605,000	11,182,515
Miami University,		
Revenue, 2014, Refunding, 5%, 9/01/31	2,320,000	2,369,936
Revenue, 2014, Refunding, 5%, 9/01/34	3,500,000	3,564,573
Revenue, 2017, Refunding, 5%, 9/01/41	5,000,000	5,226,674
Revenue, 2022 A, Refunding, 5%, 9/01/34	1,000,000	1,144,070
Miami Valley Career Technology Center, GO, 2018, 5%, 12/01/44	20,000,000	21,169,240
Northeast Ohio Medical University,		
Revenue, 2021 A, Refunding, 3%, 12/01/23	75,000	74,638
Revenue, 2021 A, Refunding, 5%, 12/01/25	125,000	128,720
Revenue, 2021 A, Refunding, 5%, 12/01/27	100,000	105,472
Revenue, 2021 A, Refunding, 5%, 12/01/29	110,000	118,276

Franklin Ohio Tax-Free Income Fund (continued)

	Principal Amount	Value
Municipal Bonds (continued)		
Ohio (continued)		
Northeast Ohio Medical University, (continued)		
Revenue, 2021 A, Refunding, 3%, 12/01/40	\$500,000	\$386,942
Revenue, 2021 A, Refunding, 4%, 12/01/45	450,000	394,925
Revenue, 2022, BAM Insured, 5%, 12/01/43	1,000,000	1,041,946
Northeast Ohio Regional Sewer District, Revenue, 2019, Refunding, 3%, 11/15/35 . .	4,500,000	4,101,549
Northeastern Local School District,		
GO, 2018, AGMC Insured, 5.25%, 12/01/45	5,420,000	5,837,155
GO, 2018, AGMC Insured, 4%, 12/01/55	5,000,000	4,473,540
Norwood City School District,		
GO, 2017 A, Pre-Refunded, 5%, 11/01/46	5,000,000	5,310,151
GO, 2017 A, Pre-Refunded, 5.25%, 11/01/51	7,645,000	8,176,555
Ohio Air Quality Development Authority,		
Ohio Valley Electric Corp., Revenue, 2009 B, Mandatory Put, 1.375%, 11/01/24 . . .	1,875,000	1,761,340
Ohio Valley Electric Corp., Revenue, 2009 C, Mandatory Put, 1.5%, 11/04/25	2,000,000	1,816,746
Ohio Center Local Government Capital Asset Financing Program, GO, 2003, AGMC Insured, 5.25%, 12/01/23	120,000	120,222
Ohio Higher Educational Facility Commission,		
Ashtabula County Medical Center Obligated Group, Revenue, 2022, 5.25%, 1/01/52	4,895,000	4,955,348
Baldwin Wallace University, Revenue, 2022, 6%, 12/01/52	5,970,000	6,315,107
Capital University, Revenue, 2022, Refunding, 6%, 9/01/42	4,900,000	5,097,989
Capital University, Revenue, 2022, Refunding, 6%, 9/01/47	2,000,000	2,062,319
Capital University, Revenue, 2022, Refunding, 6%, 9/01/52	5,100,000	5,234,790
Case Western Reserve University, Revenue, 2016, Refunding, 5%, 12/01/40	6,000,000	6,224,752
Cleveland Institute of Music (The), Revenue, 2022, 5%, 12/01/32	300,000	318,322
Cleveland Institute of Music (The), Revenue, 2022, 5.125%, 12/01/42	3,390,000	3,425,003
Cleveland Institute of Music (The), Revenue, 2022, 5.375%, 12/01/52	3,100,000	3,142,225
Denison University, Revenue, 2021, 3%, 11/01/50	4,250,000	2,914,494
John Carroll University, Revenue, 2020, 4%, 10/01/45	1,100,000	933,846
John Carroll University, Revenue, 2020, 4%, 10/01/50	3,500,000	2,885,325
John Carroll University, Revenue, 2022, Refunding, 4%, 10/01/47	11,360,000	9,525,505
John Carroll University, Revenue, 2022, Refunding, 4%, 10/01/52	5,000,000	4,070,228
Judson Obligated Group, Revenue, 2020 A, Refunding, 5%, 12/01/42	1,540,000	1,435,531
Judson Obligated Group, Revenue, 2020 A, Refunding, 5%, 12/01/45	1,360,000	1,245,848
Judson Obligated Group, Revenue, 2020 A, Refunding, 5%, 12/01/50	2,900,000	2,603,637
Kenyon College, Revenue, 2016, Refunding, 5%, 7/01/42	5,320,000	5,472,539
Kenyon College, Revenue, 2016, Refunding, 4%, 7/01/44	5,180,000	4,779,646
Kenyon College, Revenue, 2017, 5%, 7/01/42	1,250,000	1,295,716
Kenyon College, Revenue, 2017, 4%, 7/01/47	4,000,000	3,570,306
Otterbein Homes Obligated Group, Revenue, 2021 B, Refunding, 4%, 7/01/46	1,085,000	920,065
Otterbein University, Revenue, 2022 A, Refunding, 4%, 12/01/37	1,050,000	974,956
Otterbein University, Revenue, 2022 A, Refunding, 4%, 12/01/38	1,055,000	968,932
Otterbein University, Revenue, 2022 A, Refunding, 4%, 12/01/39	1,105,000	1,002,357
Otterbein University, Revenue, 2022 A, Refunding, 4%, 12/01/40	1,225,000	1,097,188
Otterbein University, Revenue, 2022 A, Refunding, 4%, 12/01/41	1,275,000	1,128,461
Otterbein University, Revenue, 2022 A, Refunding, 4%, 12/01/46	1,975,000	1,679,223
University of Dayton, Revenue, 2018 A, 4%, 12/01/43	11,885,000	11,164,489
University of Dayton, Revenue, 2020, Refunding, 5%, 2/01/28	150,000	161,795
University of Dayton, Revenue, 2020, Refunding, 5%, 2/01/29	415,000	454,367
University of Dayton, Revenue, 2020, Refunding, 5%, 2/01/30	400,000	443,943
University of Dayton, Revenue, 2020, Refunding, 5%, 2/01/31	550,000	605,297
University of Dayton, Revenue, 2020, Refunding, 5%, 2/01/32	340,000	373,815
University of Dayton, Revenue, 2020, Refunding, 5%, 2/01/33	130,000	142,793
University of Dayton, Revenue, 2020, Refunding, 5%, 2/01/34	500,000	547,351
University of Dayton, Revenue, 2020, Refunding, 5%, 2/01/35	1,000,000	1,087,560
University of Dayton, Revenue, 2020, Refunding, 4%, 2/01/36	900,000	904,484
University of Dayton, Revenue, 2020, Refunding, 3%, 2/01/37	1,335,000	1,099,194
University of Dayton, Revenue, 2020, Refunding, 4%, 2/01/39	480,000	463,850

Franklin Ohio Tax-Free Income Fund (continued)

	Principal Amount	Value
Municipal Bonds (continued)		
Ohio (continued)		
Ohio Higher Educational Facility Commission, (continued)		
University of Dayton, Revenue, 2020, Refunding, 3%, 2/01/40	\$500,000	\$385,089
University of Dayton, Revenue, 2020, Refunding, 4%, 2/01/41	250,000	236,836
University of Dayton, Revenue, 2020, Refunding, 3%, 2/01/42	325,000	241,070
Ohio Housing Finance Agency, Revenue, 2020 B, GNMA Insured, 2.1%, 9/01/35	500,000	411,453
Ohio State University (The),		
Revenue, 2014 A, 4%, 12/01/30	4,325,000	4,392,833
Revenue, 2021 A, 4%, 12/01/48	10,020,000	9,528,408
Ohio Turnpike & Infrastructure Commission,		
Revenue, 2018 A, 5%, 2/15/43	16,325,000	17,183,699
Revenue, 2018 A, 5%, 2/15/43	17,025,000	17,959,817
Revenue, Junior Lien, 2013 A-2, BAM Insured, Zero Cpn., 2/15/38	3,665,000	1,962,658
Revenue, Junior Lien, 2013 A-2, Zero Cpn., 2/15/43	10,485,000	4,162,826
Revenue, Junior Lien, 2022 A, Refunding, 5%, 2/15/39	5,000,000	5,646,410
Ohio University, Revenue, 2017 A, Refunding, 5%, 12/01/44	7,000,000	7,288,247
Ohio Water Development Authority,		
Revenue, 2019, 5%, 12/01/39	5,000,000	5,493,096
Revenue, 2019, 5%, 6/01/44	5,650,000	6,098,479
Revenue, 2021, 5%, 6/01/46	10,555,000	11,470,032
Water Pollution Control Loan Fund, Revenue, 2019 B, Refunding, 5%, 12/01/44 . . .	10,000,000	10,793,769
Water Pollution Control Loan Fund, Revenue, 2020 A, 5%, 12/01/39	5,000,000	5,515,288
Water Pollution Control Loan Fund, Revenue, 2020 A, 5%, 12/01/50	2,500,000	2,672,576
Olentangy Local School District,		
GO, 2016, 4%, 12/01/46	15,235,000	14,726,157
GO, 2020 A, 3%, 12/01/38	500,000	438,923
Princeton City School District,		
GO, 2014, Pre-Refunded, 5%, 12/01/39	12,000,000	12,399,499
GO, 2014, Refunding, Zero Cpn., 12/01/40	6,000,000	2,901,810
GO, 2014, Refunding, Zero Cpn., 12/01/41	6,000,000	2,774,260
Reading Community City School District, GO, 2016 A, 5%, 11/01/46	2,000,000	2,031,296
Springboro Community City School District,		
GO, 2007, Refunding, AGMC Insured, 5.25%, 12/01/27	5,175,000	5,659,987
GO, 2007, Refunding, AGMC Insured, 5.25%, 12/01/28	2,000,000	2,229,567
State of Ohio,		
GO, 2017 A, 5%, 3/15/36	5,000,000	5,078,785
GO, 2018 A, 5%, 6/15/38	10,000,000	10,418,424
GO, 2019 A, 5%, 6/15/38	6,500,000	7,145,374
GO, 2020 C, 5%, 3/01/38	2,300,000	2,583,078
GO, V, 5%, 5/01/33	1,000,000	1,109,489
GO, V, 5%, 5/01/34	4,000,000	4,413,527
Cleveland Clinic Health System Obligated Group, Revenue, 2017 A, Refunding, 3.25%, 1/01/35	10,000,000	9,669,196
Cleveland Clinic Health System Obligated Group, Revenue, 2021 B, Refunding, 5%, 1/01/29	4,850,000	5,392,428
Department of Administrative Services, Revenue, 2021 A, 5%, 4/01/39	1,000,000	1,104,479
Department of Administrative Services, Revenue, 2021 A, 5%, 4/01/40	1,110,000	1,220,101
Department of Administrative Services, Revenue, 2021 A, 5%, 4/01/41	750,000	820,983
Premier Health Partners Obligated Group, Revenue, 2020, Refunding, 4%, 11/15/37	1,000,000	928,942
Premier Health Partners Obligated Group, Revenue, 2020, Refunding, 4%, 11/15/39	875,000	796,682
University Hospitals Health System, Inc. Obligated Group, Revenue, 2020 A, Refunding, 3%, 1/15/45	5,000,000	3,725,103
University Hospitals Health System, Inc. Obligated Group, Revenue, 2021 A, Refunding, 4%, 1/15/46	18,795,000	17,026,565

Franklin Ohio Tax-Free Income Fund (continued)

	Principal Amount	Value
Municipal Bonds (continued)		
Ohio (continued)		
Summit County Development Finance Authority, City of Akron, Revenue, 2022, 4%, 5/15/46	\$5,585,000	\$4,903,899
Sycamore Community City School District, GO, 2020, 4%, 12/01/45	6,000,000	5,826,883
Sylvania City School District, GO, 2015, Refunding, BAM Insured, 5%, 12/01/36	9,700,000	9,985,294
Three Rivers Local School District, GO, 2014, Refunding, 5%, 12/01/39.	5,885,000	6,016,306
Toledo-Lucas County Port Authority, Revenue, 2021 A, 2%, 11/15/31	430,000	364,620
Revenue, 2021 A, 3%, 5/15/51	1,160,000	782,852
ParkUToledo, Inc., Revenue, 2021, 4%, 1/01/46	1,625,000	1,295,749
ParkUToledo, Inc., Revenue, 2021, 4%, 1/01/51	2,840,000	2,160,617
ParkUToledo, Inc., Revenue, 2021, 4%, 1/01/57	6,000,000	4,447,351
Triway Local School District, COP, 2021, BAM Insured, 4%, 12/01/39	2,200,000	2,175,808
University of Akron (The), Revenue, 2015 A, Refunding, 5%, 1/01/31	4,365,000	4,455,138
Revenue, 2016 A, Refunding, BAM Insured, 5%, 1/01/34	6,000,000	6,140,846
Revenue, 2016 A, Refunding, 5%, 1/01/36	11,065,000	11,293,718
Revenue, 2016 A, Refunding, 5%, 1/01/38	13,225,000	13,461,405
Revenue, 2018 A, Refunding, 5%, 1/01/42	5,725,000	5,886,594
University of Cincinnati, Revenue, 2018 A, Refunding, 4%, 6/01/48	10,000,000	9,415,854
Upper Arlington City School District, GO, 2018 A, Pre-Refunded, 5%, 12/01/48	13,000,000	14,317,169
Village of Bluffton, Blanchard Valley Health System Obligated Group, Revenue, 2017, Refunding, 4%, 12/01/33	1,655,000	1,670,744
Blanchard Valley Health System Obligated Group, Revenue, 2017, Refunding, 4%, 12/01/34	1,900,000	1,917,889
Warren County Port Authority, Ohio Communities Accelerator Fund, Revenue, 2021 C, 4%, 12/01/41	2,075,000	1,757,403
Ohio Communities Accelerator Fund, Revenue, 2021 C, 4%, 12/01/55	3,500,000	2,711,595
Ohio Communities Accelerator Fund, Revenue, 2021 D, 5%, 12/01/46	3,895,000	3,229,555
Ohio Communities Accelerator Fund, Revenue, 2021 H, 4%, 12/01/41	570,000	483,965
Ohio Communities Accelerator Fund, Revenue, 2021 H, 4%, 12/01/53	1,375,000	1,074,206
Ohio Communities Accelerator Fund, Revenue, 2022 A, 5.5%, 12/01/50	3,210,000	3,117,898
Ohio Communities Accelerator Fund, Revenue, 2022 B, 4.75%, 12/01/34	1,100,000	1,104,539
Warren County Port Authority Ohio Communities Accelerator Fund, Revenue, 2020 D-1, Refunding, 3%, 12/01/30	525,000	472,379
Warren County Port Authority Ohio Communities Accelerator Fund, Revenue, 2020 D-1, Refunding, 4%, 12/01/40	1,390,000	1,188,677
Warren County Port Authority Ohio Communities Accelerator Fund, Revenue, 2020 D-1, Refunding, 4%, 12/01/52	1,930,000	1,512,060
Warrensville Heights City School District, GO, 2019 A, BAM Insured, 5%, 12/01/44	190,000	193,400
GO, 2019 A, Pre-Refunded, BAM Insured, 5%, 12/01/44	460,000	474,917
GO, 2019 A, Pre-Refunded, BAM Insured, 5.25%, 12/01/55	1,740,000	1,803,766
West Carrollton City School District, GO, 2020 A, 3%, 12/01/44	2,540,000	1,967,348
Westerville City School District, GO, 2006, Refunding, XLCA Insured, 5%, 12/01/27. .	3,820,000	4,134,412
Westlake City School District, GO, 2021 A, Refunding, 4%, 12/01/49	3,965,000	3,727,792
Willoughby-Eastlake City School District, GO, 2016, Pre-Refunded, 5%, 12/01/46 . .	10,000,000	10,527,000
Winton Woods City School District, GO, 2017, Refunding, 4%, 11/01/43	7,000,000	6,807,282
GO, 2022, Refunding, BAM Insured, 4%, 11/01/53	2,000,000	1,815,272
Wright State University, Revenue, 2021 A, Refunding, BAM Insured, 5%, 5/01/30 . . .	1,285,000	1,444,886
Xenia Community School District, GO, 2014, Pre-Refunded, 5%, 12/01/40.	7,285,000	7,514,957
		<u>1,064,096,232</u>

Franklin Ohio Tax-Free Income Fund (continued)

	Principal Amount	Value
Municipal Bonds (continued)		
South Carolina 0.9%		
South Carolina Jobs-Economic Development Authority,		
^b Revenue, 144A, 2021 A-1, 3.65%, 12/01/36	\$3,200,000	\$2,561,950
AHPC Vista Towers 2021 LLC, Revenue, 2021 A-1, 3.65%, 12/01/36	3,200,000	2,554,098
^b Columbia Portfolio Obligated Group, Revenue, 144A, 2022 A-1, Zero Cpn., 6/01/37	5,250,000	3,441,742
^b South Carolina State Housing Finance & Development Authority, Garden Oaks LP,		
Revenue, 144A, 2021 A, 4.2%, 12/01/39	3,200,000	2,444,476
		11,002,266
Tennessee 0.1%		
^c Tennessee Energy Acquisition Corp., Revenue, 2021 A, Mandatory Put, 5%, 11/01/31	1,500,000	1,571,433
Texas 0.7%		
^b EP Cimarron Ventanas PFC, Revenue, Senior Lien, 144A, 2021 A, 4%, 12/01/51. . . .	4,300,000	3,189,478
Lake Houston Redevelopment Authority,		
City of Houston Reinvestment Zone No. 10, Revenue, 2021, Refunding, 3%, 9/01/38	300,000	235,252
City of Houston Reinvestment Zone No. 10, Revenue, 2021, Refunding, 3%, 9/01/47	1,000,000	689,983
^b Pecan Public Facility Corp., Revenue, 144A, 2022 A-2, 5%, 12/01/52	6,000,000	4,389,578
		8,504,291
Washington 0.2%		
^b Washington State Housing Finance Commission, Madison at Rivers Edge Apartments		
LLC, Revenue, 144A, 2021 A, 3.65%, 1/01/37	3,200,000	2,562,061
Wisconsin 1.1%		
^b Public Finance Authority,		
Revenue, 144A, 2022, B-1, 4%, 12/28/44	3,100,000	2,456,297
FAH Tree House LLC, Revenue, 144A, 2023 A, 6.5%, 8/01/53	2,800,000	2,792,424
Gulf Coast Portfolio Obligated Group, Revenue, 144A, 2021, 5.25%, 12/01/23	8,200,000	8,200,000
		13,448,721
U.S. Territories 1.5%		
Puerto Rico 1.5%		
HTA HRRB Custodial Trust,		
Revenue, 2007 CC, 5.5%, 7/01/31	3,370,000	3,474,099
Revenue, 2007 CC, 5.25%, 7/01/32	2,890,000	2,928,064
Revenue, 2007 CC, 5.25%, 7/01/34	800,000	806,368
HTA TRRB Custodial Trust,		
Revenue, 2005 L, 5.25%, 7/01/41	4,515,000	4,564,608
Revenue, 2007 N, 5.25%, 7/01/36	1,575,000	1,589,028
Revenue, 2007 N, 5.25%, 7/01/39	540,000	545,518
Puerto Rico Electric Power Authority,		
Revenue, VV, Refunding, NATL Insured, 5.25%, 7/01/32	1,000,000	1,002,594
Revenue, VV, Refunding, NATL Insured, 5.25%, 7/01/34	1,000,000	1,002,976
Puerto Rico Industrial Tourist Educational Medical & Environmental Control Facilities		
Financing Authority,		
Hospital Auxilio Mutuo Obligated Group, Revenue, 2021, Refunding, 5%, 7/01/33. .	440,000	480,902
Hospital Auxilio Mutuo Obligated Group, Revenue, 2021, Refunding, 5%, 7/01/35. .	235,000	252,888
Puerto Rico Sales Tax Financing Corp., Sales Tax, Revenue, A-1, 5%, 7/01/58	1,100,000	1,020,580
		17,667,625
Total U.S. Territories		17,667,625
Total Municipal Bonds (Cost \$1,210,685,723)		1,151,816,701
Total Long Term Investments (Cost \$1,213,885,723)		1,154,960,139

Franklin Ohio Tax-Free Income Fund (continued)

Short Term Investments 2.5%

	Principal Amount	Value
Municipal Bonds 2.5%		
Ohio 2.5%		
^d County of Allen Hospital Facilities, Bon Secours Mercy Health, Inc., Revenue, 2010 C, LOC Bank of Montreal, Daily VRDN and Put, 2.65%, 6/01/34	\$30,335,000	\$30,335,000
Total Municipal Bonds (Cost \$30,335,046)		30,335,000
Total Short Term Investments (Cost \$30,335,046)		30,335,000
Total Investments (Cost \$1,244,220,769) 98.7%		\$1,185,295,139
Other Assets, less Liabilities 1.3%		15,523,528
Net Assets 100.0%		\$1,200,818,667

See Abbreviations on page 171.

^aFair valued using significant unobservable inputs. See Note 12 regarding fair value measurements.

^bSecurity was purchased pursuant to Rule 144A or Regulation S under the Securities Act of 1933. 144A securities may be sold in transactions exempt from registration only to qualified institutional buyers or in a public offering registered under the Securities Act of 1933. Regulation S securities cannot be sold in the United States without either an effective registration statement filed pursuant to the Securities Act of 1933, or pursuant to an exemption from registration. At February 28, 2023, the aggregate value of these securities was \$43,468,572, representing 3.6% of net assets.

^cThe maturity date shown represents the mandatory put date.

^dVariable 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 Oregon Tax - Free Income Fund

	Year Ended February 28,				Year Ended February 28,
	2023	2022	2021	2020 ^a	2019 ^b
Class A					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$11.45	\$11.73	\$12.00	\$11.37	\$11.30
Income from investment operations ^c :					
Net investment income ^d	0.27	0.23	0.26	0.30	0.16
Net realized and unrealized gains (losses)	(1.10)	(0.28)	(0.27)	0.64	0.07
Total from investment operations	(0.83)	(0.05)	(0.01)	0.94	0.23
Less distributions from:					
Net investment income	(0.27)	(0.23)	(0.26)	(0.31)	(0.16)
Net asset value, end of year	\$10.35	\$11.45	\$11.73	\$12.00	\$11.37
Total return ^e	(7.27)%	(0.48)%	(0.07)%	8.39%	2.09%
Ratios to average net assets^f					
Expenses ^g	0.81%	0.80%	0.80%	0.80%	0.80%
Net investment income	2.56%	1.93%	2.20%	2.58%	3.05%
Supplemental data					
Net assets, end of year (000's)	\$208,460	\$251,006	\$218,010	\$162,664	\$62,119
Portfolio turnover rate	32.94%	19.83%	18.23%	15.49%	9.09%

^aFor the year ended February 29.

^bFor the period September 10, 2018 (effective date) to February 28, 2019.

^cThe 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.

^dBased on average daily shares outstanding.

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

^fRatios are annualized for periods less than one year.

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

Franklin Oregon Tax - Free Income Fund (continued)

	Year Ended February 28,				
	2023	2022	2021	2020 ^a	2019
Class A1					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$11.44	\$11.72	\$11.99	\$11.36	\$11.37
Income from investment operations ^b :					
Net investment income ^c	0.29	0.25	0.28	0.32	0.36
Net realized and unrealized gains (losses)	(1.11)	(0.28)	(0.27)	0.64	(0.01)
Total from investment operations	(0.82)	(0.03)	0.01	0.96	0.35
Less distributions from:					
Net investment income	(0.28)	(0.25)	(0.28)	(0.33)	(0.36)
Net asset value, end of year	\$10.34	\$11.44	\$11.72	\$11.99	\$11.36
Total return ^d	(7.14)%	(0.33)%	0.08%	8.56%	3.13%
Ratios to average net assets					
Expenses ^e	0.66%	0.65%	0.65%	0.65%	0.65%
Net investment income	2.71%	2.08%	2.37%	2.73%	3.20%
Supplemental data					
Net assets, end of year (000's)	\$562,620	\$731,732	\$805,688	\$866,593	\$843,042
Portfolio turnover rate	32.94%	19.83%	18.23%	15.49%	9.09%

^aFor the year ended February 29.

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

^cBased on average daily shares outstanding.

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

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

Franklin Oregon Tax - Free Income Fund (continued)

	Year Ended February 28,				
	2023	2022	2021	2020 ^a	2019
Class C					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$11.63	\$11.91	\$12.19	\$11.54	\$11.55
Income from investment operations ^b :					
Net investment income ^c	0.23	0.18	0.22	0.26	0.30
Net realized and unrealized gains (losses)	(1.14)	(0.28)	(0.29)	0.66	(0.01)
Total from investment operations	(0.91)	(0.10)	(0.07)	0.92	0.29
Less distributions from:					
Net investment income	(0.22)	(0.18)	(0.21)	(0.27)	(0.30)
Net asset value, end of year	\$10.50	\$11.63	\$11.91	\$12.19	\$11.54
Total return ^d	(7.79)%	(0.79)%	(0.63)%	8.05%	2.51%
Ratios to average net assets					
Expenses ^e	1.20%	1.19%	1.19%	1.20%	1.20%
Net investment income	2.10%	1.50%	1.80%	2.18%	2.65%
Supplemental data					
Net assets, end of year (000's)	\$43,030	\$72,237	\$98,075	\$127,898	\$128,133
Portfolio turnover rate	32.94%	19.83%	18.23%	15.49%	9.09%

^aFor the year ended February 29.^bThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.^cBased on average daily shares outstanding.^dTotal return does not reflect sales commissions or contingent deferred sales charges, if applicable.^eBenefit of expense reduction rounds to less than 0.01%.

Franklin Oregon Tax - Free Income Fund (continued)

	Year Ended February 28,				
	2023	2022	2021	2020 ^a	2019
Class R6					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$11.45	\$11.73	\$12.00	\$11.37	\$11.38
Income from investment operations ^b :					
Net investment income ^c	0.30	0.26	0.29	0.33	0.38
Net realized and unrealized gains (losses)	(1.10)	(0.28)	(0.27)	0.64	(0.02)
Total from investment operations	(0.80)	(0.02)	0.02	0.97	0.36
Less distributions from:					
Net investment income	(0.30)	(0.26)	(0.29)	(0.34)	(0.37)
Net asset value, end of year	\$10.35	\$11.45	\$11.73	\$12.00	\$11.37
Total return	(7.01)%	(0.12)%	0.12%	8.69%	3.24%
Ratios to average net assets					
Expenses before waiver and payments by affiliates	0.53%	0.52%	0.52%	0.53%	0.53%
Expenses net of waiver and payments by affiliates ^d	0.52%	0.52% ^e	0.52% ^e	0.52%	0.52%
Net investment income	2.85%	2.21%	2.49%	2.86%	3.33%
Supplemental data					
Net assets, end of year (000's)	\$21,344	\$26,269	\$22,928	\$19,823	\$13,308
Portfolio turnover rate	32.94%	19.83%	18.23%	15.49%	9.09%

^aFor the year ended February 29.

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

^cBased on average daily shares outstanding.

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

^eBenefit of waiver and payments by affiliates rounds to less than 0.01%.

Franklin Oregon Tax - Free Income Fund (continued)

	Year Ended February 28,				
	2023	2022	2021	2020 ^a	2019
Advisor Class					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$11.46	\$11.73	\$12.01	\$11.37	\$11.38
Income from investment operations ^b :					
Net investment income ^c	0.30	0.26	0.29	0.33	0.37
Net realized and unrealized gains (losses)	(1.12)	(0.27)	(0.28)	0.65	(0.01)
Total from investment operations	(0.82)	(0.01)	0.01	0.98	0.36
Less distributions from:					
Net investment income	(0.29)	(0.26)	(0.29)	(0.34)	(0.37)
Net asset value, end of year	\$10.35	\$11.46	\$11.73	\$12.01	\$11.37
Total return	(7.12)%	(0.15)%	0.09%	8.75%	3.22%
Ratios to average net assets					
Expenses ^d	0.56%	0.55%	0.55%	0.55%	0.55%
Net investment income	2.80%	2.18%	2.45%	2.83%	3.30%
Supplemental data					
Net assets, end of year (000's)	\$134,222	\$181,163	\$171,322	\$145,073	\$107,253
Portfolio turnover rate	32.94%	19.83%	18.23%	15.49%	9.09%

^aFor the year ended February 29.^bThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.^cBased on average daily shares outstanding.^dBenefit of expense reduction rounds to less than 0.01%.

Schedule of Investments, February 28, 2023

Franklin Oregon Tax-Free Income Fund

	Principal Amount	Value
Corporate Bonds 0.3%		
Software 0.3%		
^a Haven at Elgin LLC, 5.25%, 12/31/53	\$2,500,000	\$2,455,810
Total Corporate Bonds (Cost \$2,500,000)		2,455,810
Municipal Bonds 98.5%		
California 0.3%		
California Municipal Finance Authority, Revenue, 2022 A-1, 4.25%, 12/01/37	3,500,000	2,914,859
Florida 0.6%		
^b Capital Trust Agency, Inc., SHI - Lake Osborne LLC, Revenue, 144A, 2021 A-1, 3.68%, 1/01/57	1,500,000	1,011,201
^b Leon County Housing Finance Authority, Revenue, 144A, 2022 A, Zero Cpn., 5/01/57	5,600,000	4,550,000
		5,561,201
Illinois 0.4%		
Metropolitan Pier & Exposition Authority, Revenue, 2022 A, Refunding, 4%, 12/15/42	5,000,000	4,308,189
Kentucky 0.6%		
^b Louisville/Jefferson County Metropolitan Government, PSG Vesta Derby Oaks LLC, Revenue, 144A, Zero Cpn., 5/01/52	8,300,000	5,428,271
New Jersey 0.8%		
New Jersey Transportation Trust Fund Authority, Revenue, 2019 BB, 5%, 6/15/44	2,250,000	2,309,982
Revenue, 2020 AA, 4%, 6/15/45	2,000,000	1,833,887
Revenue, 2020 AA, 3%, 6/15/50	1,000,000	709,984
Revenue, 2021 A, Refunding, 4%, 6/15/36	1,000,000	1,000,086
Revenue, 2022 A, 4%, 6/15/38	2,165,000	2,111,494
		7,965,433
New York 0.5%		
Metropolitan Transportation Authority, Revenue, 2021 A-1, 4%, 11/15/47	5,500,000	4,752,284
Oregon 88.8%		
Astoria Hospital Facilities Authority, Columbia Lutheran Charities Obligated Group, Revenue, 2016, 5%, 8/01/41	4,250,000	4,302,007
Columbia Lutheran Charities Obligated Group, Revenue, 2016, 4%, 8/01/46	1,750,000	1,525,420
Benton & Polk School District No. 17J, GO, 2010 B, Zero Cpn., 6/15/31	1,000,000	730,078
Central Lincoln People's Utility District JATC, Inc., Revenue, 2016, 5%, 12/01/45	2,900,000	2,980,960
City of Beaverton, Water, Revenue, 2020, 5%, 4/01/36	1,760,000	1,966,691
Water, Revenue, 2020, 5%, 4/01/37	1,850,000	2,053,940
Water, Revenue, 2020, 5%, 4/01/38	1,940,000	2,140,161
Water, Revenue, 2020, 5%, 4/01/39	2,040,000	2,240,613
Water, Revenue, 2020, 5%, 4/01/40	2,140,000	2,340,366
City of Eugene, Electric Utility System, Revenue, 2017, 5%, 8/01/47	3,580,000	3,745,424
City of Forest Grove, Oak Tree Foundation, Inc., Revenue, 2017, Refunding, 4%, 3/01/37	3,500,000	3,271,270
Pacific University, Revenue, 2015 A, Refunding, 5%, 5/01/36	4,075,000	4,144,447
Pacific University, Revenue, 2022 A, Refunding, 5%, 5/01/26	335,000	345,233
Pacific University, Revenue, 2022 A, Refunding, 5%, 5/01/27	1,195,000	1,243,900
Pacific University, Revenue, 2022 A, Refunding, 5%, 5/01/29	1,315,000	1,393,741
Pacific University, Revenue, 2022 A, Refunding, 5%, 5/01/30	1,385,000	1,477,343
Pacific University, Revenue, 2022 A, Refunding, 5%, 5/01/31	1,450,000	1,555,215
Pacific University, Revenue, 2022 A, Refunding, 5%, 5/01/32	1,525,000	1,631,469
Pacific University, Revenue, 2022 A, Refunding, 5%, 5/01/33	1,600,000	1,706,670
Pacific University, Revenue, 2022 A, Refunding, 4%, 5/01/35	490,000	472,362
Pacific University, Revenue, 2022 A, Refunding, 4%, 5/01/37	1,905,000	1,783,203
Pacific University, Revenue, 2022 A, Refunding, 4%, 5/01/38	3,960,000	3,673,546

Franklin Oregon Tax-Free Income Fund (continued)

	Principal Amount	Value
Municipal Bonds (continued)		
Oregon (continued)		
City of Forest Grove, (continued)		
Pacific University, Revenue, 2022 A, Refunding, 4%, 5/01/39	\$1,750,000	\$1,605,991
City of Keizer, Special Assessment, 2008, 5.2%, 6/01/31	1,245,000	1,267,304
City of Portland, Water System, Revenue, Second Lien, 2019 A, 5%, 5/01/44.	5,500,000	5,915,001
City of Tigard, Water, Revenue, 2015, 5%, 8/01/45	23,545,000	24,120,557
Clackamas Community College District,		
GO, 2017 A, 5%, 6/15/38	760,000	806,764
GO, 2017 A, 5%, 6/15/39	1,000,000	1,059,076
GO, 2017 A, 5%, 6/15/40	1,250,000	1,320,277
Clackamas County School District No. 12 North Clackamas,		
GO, 2017 A, Zero Cpn., 6/15/40	10,000,000	4,567,229
GO, 2017 A, Zero Cpn., 6/15/41	17,030,000	7,377,805
GO, 2017 A, Zero Cpn., 6/15/42	16,625,000	6,852,236
GO, 2017 B, 5%, 6/15/34	8,000,000	8,568,026
GO, 2017 B, 5%, 6/15/37	10,000,000	10,582,599
GO, 2018, 5%, 6/15/42	1,750,000	1,853,149
Clackamas County School District No. 46 Oregon Trail,		
GO, Zero Cpn., 6/15/37	12,130,000	6,497,949
GO, Zero Cpn., 6/15/38	12,495,000	6,337,504
Clackamas County School District No. 7J Lake Oswego, GO, 2005, Refunding, AGMC		
Insured, 5.25%, 6/01/25	3,075,000	3,223,252
Clackamas River Water, Revenue, 2016, 5%, 11/01/43	1,970,000	2,014,630
Coos County School District No. 9 Coos Bay, GO, 2018, 5%, 6/15/43	5,005,000	5,335,892
County of Yamhill,		
George Fox University, Revenue, 2021, Refunding, 4%, 12/01/24	750,000	754,666
George Fox University, Revenue, 2021, Refunding, 4%, 12/01/29	910,000	939,446
George Fox University, Revenue, 2021, Refunding, 4%, 12/01/31	990,000	1,021,584
George Fox University, Revenue, 2021, Refunding, 4%, 12/01/36	2,585,000	2,535,424
George Fox University, Revenue, 2021, Refunding, 4%, 12/01/46	3,830,000	3,385,206
Linfield University, Revenue, 2020 A, Refunding, 5%, 10/01/40	7,010,000	7,144,626
Linfield University, Revenue, 2020 A, Refunding, 5%, 10/01/45	9,285,000	9,355,825
Deschutes County Hospital Facilities Authority, St. Charles Health System Obligated		
Group, Revenue, 2016 A, Refunding, 5%, 1/01/48	8,440,000	8,533,205
Hospital Facilities Authority of Multnomah County Oregon, Terwilliger Plaza, Inc.		
Obligated Group, Revenue, 2012, Refunding, 5%, 12/01/29	3,690,000	3,654,355
Jackson County School District No. 5 Ashland,		
GO, 2019, 5%, 6/15/42	5,970,000	6,401,790
GO, 2019, 5%, 6/15/43	6,495,000	6,955,438
GO, 2019, 5%, 6/15/44	6,000,000	6,412,521
Jackson County School District No. 6 Central Point,		
GO, 2019 B, Zero Cpn., 6/15/40	705,000	324,174
GO, 2019 B, Zero Cpn., 6/15/41	710,000	307,589
GO, 2019 B, Zero Cpn., 6/15/42	610,000	248,594
GO, 2019 B, Zero Cpn., 6/15/43	820,000	316,160
GO, 2019 B, Zero Cpn., 6/15/44	1,115,000	405,340
GO, 2019 B, Zero Cpn., 6/15/45	985,000	337,241
GO, 2019 B, Zero Cpn., 6/15/46	1,190,000	384,255
GO, 2019 B, Zero Cpn., 6/15/47	1,170,000	356,194
GO, 2019 B, Zero Cpn., 6/15/48	1,320,000	378,918
Klamath Falls Intercommunity Hospital Authority, Sky Lakes Medical Center, Inc.,		
Revenue, 2016, Refunding, 5%, 9/01/46	1,000,000	1,013,630
Lane & Douglas Counties School District No. 28J Fern Ridge,		
GO, 2014 A, 5%, 6/15/30	695,000	738,403
GO, 2014 A, Pre-Refunded, 5%, 6/15/30	2,480,000	2,640,151
GO, 2014 A, Pre-Refunded, 5%, 6/15/33	2,115,000	2,255,001
GO, 2014 A, Pre-Refunded, 5%, 6/15/36	2,000,000	2,132,389

Franklin Oregon Tax-Free Income Fund (continued)

	Principal Amount	Value
Municipal Bonds (continued)		
Oregon (continued)		
Marion & Linn Counties School District No. 14J Jefferson, GO, 2017 B, 5%, 6/15/41 .	\$1,360,000	\$1,433,695
Medford Hospital Facilities Authority,		
Asante Health System Obligated Group, Revenue, 2020 A, Refunding, AGMC		
Insured, 4%, 8/15/45	5,620,000	5,287,676
Asante Health System Obligated Group, Revenue, 2020 A, Refunding, 5%, 8/15/45	8,245,000	8,578,707
Asante Health System Obligated Group, Revenue, 2020 A, Refunding, 4%, 8/15/50	5,685,000	4,985,486
Asante Health System Obligated Group, Revenue, 2020 A, Refunding, 5%, 8/15/50	4,500,000	4,656,430
Rogue Valley Manor, Revenue, 2013 A, Refunding, 5%, 10/01/33	1,500,000	1,511,931
Rogue Valley Manor, Revenue, 2013 A, Refunding, 5%, 10/01/42	9,420,000	9,462,507
Metro,		
County of Multnomah, Revenue, 2017, 5%, 6/15/42	7,500,000	7,885,108
County of Multnomah, Revenue, 2017, 5%, 6/15/47	10,950,000	11,441,554
Multnomah & Clackamas Counties School District No. 10JT Gresham-Barlow,		
GO, 2017 B, 5%, 6/15/37	7,885,000	8,386,344
GO, 2019 A, Zero Cpn., 6/15/39	9,500,000	4,555,750
Multnomah County School District No. 40,		
GO, 2012 B, Zero Cpn., 6/15/24	1,640,000	1,562,839
GO, 2012 B, Zero Cpn., 6/15/25	1,325,000	1,218,027
GO, 2012 B, Zero Cpn., 6/15/26	2,585,000	2,296,850
GO, 2012 B, Zero Cpn., 6/15/27	2,655,000	2,280,200
GO, 2012 B, Zero Cpn., 6/15/28	2,495,000	2,071,791
GO, 2012 B, Zero Cpn., 6/15/29	2,595,000	2,080,703
GO, 2012 B, Zero Cpn., 6/15/30	1,885,000	1,455,379
GO, 2012 B, Zero Cpn., 6/15/31	2,030,000	1,506,367
GO, 2012 B, Zero Cpn., 6/15/32	2,000,000	1,422,799
Multnomah-Clackamas Counties Centennial School District No. 28JT, GO, 2020,		
Refunding, 5%, 6/15/45	13,000,000	14,071,931
Oregon City School District No. 62, GO, 2018 B, Refunding, 5%, 6/15/49	17,000,000	18,041,614
Oregon Health & Science University, Oregon Health & Science University Obligated		
Group, Revenue, 2017 A, 5%, 7/01/42	10,000,000	10,454,612
Oregon State Facilities Authority,		
^b CHNW Clifton House LLC, Revenue, 144A, A, 4%, 10/01/26	1,170,000	1,130,177
^b CHNW Clifton House LLC, Revenue, 144A, A, 5%, 10/01/36	1,670,000	1,561,932
^b CHNW Clifton House LLC, Revenue, 144A, A, 5%, 10/01/48	4,000,000	3,575,884
Legacy Health Obligated Group, Revenue, 2016 A, Refunding, 5%, 6/01/46	31,395,000	31,887,016
Legacy Health Obligated Group, Revenue, 2022 A, 4.125%, 6/01/52	3,000,000	2,743,140
Providence St. Joseph Health Obligated Group, Revenue, 2015 C, 5%, 10/01/45 . .	4,000,000	4,010,598
Samaritan Health Services, Inc. Obligated Group, Revenue, 2016 A, Refunding, 5%,		
10/01/41	7,800,000	7,866,469
Samaritan Health Services, Inc. Obligated Group, Revenue, 2016 A, 5%, 10/01/46 .	3,280,000	3,297,595
Samaritan Health Services, Inc. Obligated Group, Revenue, 2016 A, Pre-Refunded,		
5%, 10/01/46	220,000	234,517
Samaritan Health Services, Inc. Obligated Group, Revenue, 2020 A, Refunding, 5%,		
10/01/40	11,025,000	11,201,578
Willamette University, Revenue, 2016 B, Refunding, 5%, 10/01/40	1,950,000	1,979,563
Willamette University, Revenue, 2021 A, Refunding, 4%, 10/01/51	47,505,000	39,932,404
Oregon State University, Revenue, 2015 A, 5%, 4/01/45	12,500,000	12,767,216
Port of Portland,		
Airport, Revenue, 25 B, 5%, 7/01/49	6,300,000	6,439,563
Airport, Revenue, Twenty Eight, 4%, 7/01/47	5,000,000	4,565,020
Airport, Revenue, Twenty Five A, 5%, 7/01/49	7,825,000	8,177,518
Airport, Revenue, Twenty Five B, 5%, 7/01/44	4,830,000	4,974,690
Airport, Revenue, Twenty Four A, 5%, 7/01/47	4,700,000	4,848,717
Airport, Revenue, Twenty Four B, 5%, 7/01/42	7,645,000	7,791,419
Airport, Revenue, Twenty Four B, 5%, 7/01/47	1,750,000	1,774,377
Airport, Revenue, Twenty Seven A, 5%, 7/01/30	1,585,000	1,729,820
Airport, Revenue, Twenty Seven A, 5%, 7/01/31	3,880,000	4,233,913

Franklin Oregon Tax-Free Income Fund (continued)

	Principal Amount	Value
Municipal Bonds (continued)		
Oregon (continued)		
Port of Portland, (continued)		
Airport, Revenue, Twenty Seven A, 5%, 7/01/32	\$3,170,000	\$3,455,375
Airport, Revenue, Twenty Seven A, 5%, 7/01/45	15,670,000	16,165,747
Salem Hospital Facility Authority,		
Capital Manor, Inc. Obligated Group, Revenue, 2018, 5%, 5/15/33	545,000	539,385
Capital Manor, Inc. Obligated Group, Revenue, 2018, 5%, 5/15/38	500,000	485,961
Capital Manor, Inc. Obligated Group, Revenue, 2018, 5%, 5/15/43	2,250,000	2,134,650
Capital Manor, Inc. Obligated Group, Revenue, 2018, 5%, 5/15/48	2,700,000	2,502,993
Capital Manor, Inc. Obligated Group, Revenue, 2018, 5%, 5/15/53	1,000,000	914,336
Capital Manor, Inc. Obligated Group, Revenue, 2022, Refunding, 5%, 5/15/23	105,000	105,053
Capital Manor, Inc. Obligated Group, Revenue, 2022, Refunding, 5%, 5/15/24	110,000	110,144
Capital Manor, Inc. Obligated Group, Revenue, 2022, Refunding, 5%, 5/15/25	130,000	130,044
Capital Manor, Inc. Obligated Group, Revenue, 2022, Refunding, 5%, 5/15/26	135,000	134,674
Capital Manor, Inc. Obligated Group, Revenue, 2022, Refunding, 5%, 5/15/27	260,000	258,717
Capital Manor, Inc. Obligated Group, Revenue, 2022, Refunding, 5%, 5/15/28	310,000	307,459
Capital Manor, Inc. Obligated Group, Revenue, 2022, Refunding, 4%, 5/15/29	515,000	479,707
Capital Manor, Inc. Obligated Group, Revenue, 2022, Refunding, 4%, 5/15/30	385,000	353,594
Capital Manor, Inc. Obligated Group, Revenue, 2022, Refunding, 4%, 5/15/31	400,000	362,512
Capital Manor, Inc. Obligated Group, Revenue, 2022, Refunding, 4%, 5/15/32	370,000	330,808
Capital Manor, Inc. Obligated Group, Revenue, 2022, Refunding, 4%, 5/15/40	1,540,000	1,250,868
Capital Manor, Inc. Obligated Group, Revenue, 2022, Refunding, 4%, 5/15/57	2,750,000	1,930,300
Salem Health Obligated Group, Revenue, 2016 A, Refunding, 5%, 5/15/46	17,105,000	17,415,663
Salem-Keizer School District No. 24J,		
GO, 2009 B, Zero Cpn., 6/15/30	8,500,000	6,647,857
GO, 2020 C, 4%, 6/15/38	6,000,000	6,079,067
Santiam Canyon School District 129J,		
GO, 2019, 5%, 6/15/39	1,000,000	1,090,192
GO, 2019, 5%, 6/15/44	2,330,000	2,522,735
Seaside School District No. 10,		
GO, 2017 B, 5%, 6/15/35	2,000,000	2,137,871
GO, 2017 B, 5%, 6/15/36	2,500,000	2,657,929
State of Oregon,		
GO, 2007 A, 4.7%, 8/01/42	3,050,000	2,955,854
GO, 2017 A, 5%, 5/01/42	2,500,000	2,615,995
GO, 2017 H, 5%, 8/01/42	15,000,000	15,742,810
GO, 2019 A, 5%, 5/01/44	5,000,000	5,366,288
GO, 2019 G, 5%, 8/01/44	5,370,000	5,777,673
GO, L, Refunding, 5%, 8/01/42	3,270,000	3,431,933
Department of Transportation, Revenue, Sub. Lien, 2019 A, Refunding, 5%, 11/15/37	12,500,000	13,741,779
Department of Transportation, Revenue, Sub. Lien, 2019 A, Refunding, 5%, 11/15/39	23,175,000	25,272,727
Department of Transportation, Revenue, Sub. Lien, 2019 A, Refunding, 5%, 11/15/42	6,825,000	7,376,986
^b State of Oregon Housing & Community Services Department, Union at Pacific Highway		
LP, Revenue, 144A, 2022 II-1, 5.5%, 12/01/39	20,000,000	19,954,778
Tillamook & Yamhill Counties School District No. 101 Nestucca Valley,		
GO, 2018 B, 5%, 6/15/36	2,850,000	3,118,118
GO, 2018 B, 5%, 6/15/37	2,520,000	2,735,381
Tri-County Metropolitan Transportation District of Oregon,		
Revenue, 2015 A, Pre-Refunded, 5%, 9/01/40	6,000,000	6,290,434
Revenue, 2018 A, 5%, 10/01/31	5,025,000	5,463,479
Revenue, 2018 A, 5%, 10/01/32	1,865,000	2,026,183
Revenue, 2018 A, Pre-Refunded, 5%, 9/01/48	18,505,000	20,211,527
Revenue, Senior Lien, 2017 A, Pre-Refunded, 5%, 9/01/41	18,650,000	19,976,664
Union County Hospital Facility Authority,		
Grande Ronde Hospital, Inc. Obligated Group, Revenue, 2022, 5%, 7/01/47	2,250,000	2,256,936
Grande Ronde Hospital, Inc. Obligated Group, Revenue, 2022, 5%, 7/01/52	2,250,000	2,221,190

Franklin Oregon Tax-Free Income Fund (continued)

	Principal Amount	Value
Municipal Bonds (continued)		
Oregon (continued)		
University of Oregon,		
Revenue, 2015 A, 5%, 4/01/45	\$20,000,000	\$20,463,716
Revenue, 2016 A, 5%, 4/01/46	11,690,000	12,093,932
Revenue, 2020 A, 5%, 4/01/50	30,000,000	31,725,879
^b Warm Springs Reservation Confederated Tribe,		
Revenue, 144A, 2019 B, Refunding, 5%, 11/01/33	250,000	275,525
Revenue, 144A, 2019 B, Refunding, 5%, 11/01/34	300,000	329,612
Revenue, 144A, 2019 B, Refunding, 5%, 11/01/39	2,200,000	2,358,273
Washington & Clackamas Counties School District No. 23J Tigard-Tualatin,		
GO, 2017, 5%, 6/15/36	9,400,000	10,013,123
GO, 2017, 5%, 6/15/37	6,000,000	6,369,188
Washington & Multnomah Counties School District No. 48J Beaverton,		
GO, 2017 D, 5%, 6/15/35	10,000,000	10,639,927
GO, 2017 D, 5%, 6/15/36	10,000,000	10,578,518
Washington Clackamas & Yamhill Counties School District No. 88J,		
GO, 2018 A, Zero Cpn., 6/15/38	2,350,000	1,195,497
GO, 2018 A, Zero Cpn., 6/15/39	3,275,000	1,570,535
Washington County School District No. 15 Forest Grove,		
GO, 2012 B, Zero Cpn., 6/15/29	2,545,000	2,067,267
GO, 2012 B, Zero Cpn., 6/15/30	2,490,000	1,951,621
GO, 2012 B, Zero Cpn., 6/15/31	3,140,000	2,370,231
Yachats Rural Fire Protection District, GO, 2017, AGMC Insured, 5%, 6/15/47	1,600,000	1,670,852
		861,046,923
South Carolina 1.2%		
South Carolina Jobs-Economic Development Authority,		
^b Revenue, 144A, 2021 A-1, 3.65%, 12/01/36	2,500,000	2,001,523
AHPC Vista Towers 2021 LLC, Revenue, 2021 A-1, 3.65%, 12/01/36	2,500,000	1,995,389
^b Columbia Portfolio Obligated Group, Revenue, 144A, 2022 A-1, Zero Cpn., 6/01/37	7,650,000	5,015,110
^b South Carolina State Housing Finance & Development Authority, Garden Oaks LP,		
Revenue, 144A, 2021 A, 4.2%, 12/01/39	3,000,000	2,291,696
		11,303,718
Texas 0.6%		
^b EP Cimarron Ventanas PFC, Revenue, Senior Lien, 144A, 2021 A, 4%, 12/01/51	3,300,000	2,447,739
Lake Houston Redevelopment Authority,		
City of Houston Reinvestment Zone No. 10, Revenue, 2021, Refunding, 5%, 9/01/30	250,000	260,293
City of Houston Reinvestment Zone No. 10, Revenue, 2021, Refunding, 5%, 9/01/31	250,000	261,316
^b Pecan Public Facility Corp., Revenue, 144A, 2022 A-2, 5%, 12/01/52	4,200,000	3,072,705
		6,042,053
Washington 0.2%		
^b Washington State Housing Finance Commission, Madison at Rivers Edge Apartments		
LLC, Revenue, 144A, 2021 A, 3.65%, 1/01/37	2,500,000	2,001,610
Wisconsin 0.8%		
^b Public Finance Authority,		
Revenue, 144A, 2022, B-1, 4%, 12/28/44	2,400,000	1,901,650
Gulf Coast Portfolio Obligated Group, Revenue, 144A, 2021, 5.25%, 12/01/23	6,300,000	6,300,000
		8,201,650
U.S. Territories 3.7%		
Puerto Rico 3.7%		
Children's Trust Fund, Revenue, 2002, 5.625%, 5/15/43	6,000,000	6,060,322
HTA TRRB Custodial Trust,		
Revenue, 2005 L, 5.25%, 7/01/41	400,000	404,394
Revenue, 2007 N, 5.25%, 7/01/36	1,100,000	1,109,797

Franklin Oregon Tax-Free Income Fund (continued)

	Principal Amount	Value
Municipal Bonds (continued)		
U.S. Territories (continued)		
Puerto Rico (continued)		
Puerto Rico Electric Power Authority,		
Revenue, VV, Refunding, NATL Insured, 5.25%, 7/01/32	\$1,300,000	\$1,303,373
Revenue, VV, Refunding, NATL Insured, 5.25%, 7/01/34	1,000,000	1,002,975
^c Revenue, WW, 5.25%, 7/01/33.	7,040,000	4,945,600
Puerto Rico Highway & Transportation Authority,		
Revenue, 2022 A, 5%, 7/01/62	94,046	87,228
Revenue, 2022 B, Zero Cpn., 7/01/32.	61,117	38,198
Revenue, 2022 C, Zero Cpn., 7/01/53	104,547	58,041
Puerto Rico Sales Tax Financing Corp.,		
Sales Tax, Revenue, A-1, 5%, 7/01/58	19,745,000	18,319,411
Sales Tax, Revenue, A-2, 4.329%, 7/01/40	3,000,000	2,726,107
		36,055,446
Total U.S. Territories		36,055,446
Total Municipal Bonds (Cost \$994,982,382)		955,581,637
Total Long Term Investments (Cost \$997,482,382)		958,037,447
Short Term Investments 0.2%		
Municipal Bonds 0.2%		
Oregon 0.2%		
^d Oregon State Facilities Authority,		
PeaceHealth Obligated Group, Revenue, 2018 A, Refunding, LOC US Bank NA,		
Daily VRDN and Put, 2.62%, 8/01/34	800,000	800,000
PeaceHealth Obligated Group, Revenue, 2018 B, Refunding, LOC TD Bank NA,		
Daily VRDN and Put, 2.5%, 8/01/34	600,000	600,000
^d State of Oregon, GO, 2022 E, Daily VRDN and Put, 2.5%, 6/01/45	500,000	500,000
		1,900,000
Total Municipal Bonds (Cost \$1,900,000)		1,900,000
Total Short Term Investments (Cost \$1,900,000)		1,900,000
Total Investments (Cost \$999,382,382) 99.0%		\$959,937,447
Other Assets, less Liabilities 1.0%		9,737,404
Net Assets 100.0%		\$969,674,851

See Abbreviations on page 171.

^aFair valued using significant unobservable inputs. See Note 12 regarding fair value measurements.^bSecurity was purchased pursuant to Rule 144A or Regulation S under the Securities Act of 1933. 144A securities may be sold in transactions exempt from registration only to qualified institutional buyers or in a public offering registered under the Securities Act of 1933. Regulation S securities cannot be sold in the United States without either an effective registration statement filed pursuant to the Securities Act of 1933, or pursuant to an exemption from registration. At February 28, 2023, the aggregate value of these securities was \$65,207,686, representing 6.7% of net assets.^cSee Note 7 regarding defaulted securities.^dVariable 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 Pennsylvania Tax-Free Income Fund

	Year Ended February 28,				Year Ended February 28, 2019 ^b
	2023	2022	2021	2020 ^a	
Class A					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$9.64	\$9.89	\$10.11	\$9.73	\$9.74
Income from investment operations ^c :					
Net investment income ^d	0.22	0.20	0.26	0.29	0.16
Net realized and unrealized gains (losses)	(1.00)	(0.25)	(0.23)	0.39	(0.01)
Total from investment operations	(0.78)	(0.05)	0.03	0.68	0.15
Less distributions from:					
Net investment income	(0.22)	(0.20)	(0.25)	(0.30)	(0.16)
Net asset value, end of year	\$8.64	\$9.64	\$9.89	\$10.11	\$9.73
Total return ^e	(8.13)%	(0.56)%	0.32%	7.14%	1.59%
Ratios to average net assets^f					
Expenses ^g	0.82%	0.81%	0.81%	0.82%	0.83%
Net investment income	2.48%	2.00%	2.59%	2.98%	3.40%
Supplemental data					
Net assets, end of year (000's)	\$150,381	\$175,896	\$146,124	\$105,032	\$52,673
Portfolio turnover rate	30.73%	36.04%	28.44%	13.61%	6.40%

^aFor the year ended February 29.

^bFor the period September 10, 2018 (effective date) to February 28, 2019.

^cThe 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.

^dBased on average daily shares outstanding.

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

^fRatios are annualized for periods less than one year.

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

Franklin Pennsylvania Tax-Free Income Fund (continued)

	Year Ended February 28,				
	2023	2022	2021	2020 ^a	2019
Class A1					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$9.64	\$9.89	\$10.11	\$9.73	\$9.78
Income from investment operations ^b :					
Net investment income ^c	0.23	0.22	0.27	0.31	0.34
Net realized and unrealized gains (losses)	(1.00)	(0.25)	(0.23)	0.39	(0.04)
Total from investment operations	(0.77)	(0.03)	0.04	0.70	0.30
Less distributions from:					
Net investment income	(0.23)	(0.22)	(0.26)	(0.32)	(0.35)
Net asset value, end of year	\$8.64	\$9.64	\$9.89	\$10.11	\$9.73
Total return ^d	(7.99)%	(0.41)%	0.47%	7.29%	3.17%
Ratios to average net assets					
Expenses ^e	0.67%	0.66%	0.67%	0.67%	0.68%
Net investment income	2.63%	2.16%	2.77%	3.13%	3.55%
Supplemental data					
Net assets, end of year (000's)	\$494,179	\$644,308	\$709,450	\$772,506	\$784,367
Portfolio turnover rate	30.73%	36.04%	28.44%	13.61%	6.40%

^aFor the year ended February 29.^bThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.^cBased on average daily shares outstanding.^dTotal return does not reflect sales commissions or contingent deferred sales charges, if applicable.^eBenefit of expense reduction rounds to less than 0.01%.

Franklin Pennsylvania Tax-Free Income Fund (continued)

	Year Ended February 28,				
	2023	2022	2021	2020 ^a	2019
Class C					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$9.77	\$10.02	\$10.24	\$9.86	\$9.91
Income from investment operations ^b :					
Net investment income ^c	0.18	0.16	0.22	0.26	0.30
Net realized and unrealized gains (losses)	(1.01)	(0.25)	(0.23)	0.39	(0.05)
Total from investment operations	(0.83)	(0.09)	(0.01)	0.65	0.25
Less distributions from:					
Net investment income	(0.18)	(0.16)	(0.21)	(0.27)	(0.30)
Net asset value, end of year	\$8.76	\$9.77	\$10.02	\$10.24	\$9.86
Total return ^d	(8.49)%	(0.95)%	(0.08)%	6.64%	2.56%
Ratios to average net assets					
Expenses ^e	1.22%	1.21%	1.21%	1.22%	1.23%
Net investment income	2.03%	1.60%	2.21%	2.58%	3.00%
Supplemental data					
Net assets, end of year (000's)	\$41,736	\$63,426	\$104,823	\$146,042	\$173,240
Portfolio turnover rate	30.73%	36.04%	28.44%	13.61%	6.40%

^aFor the year ended February 29.

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

^cBased on average daily shares outstanding.

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

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

Franklin Pennsylvania Tax-Free Income Fund (continued)

	Year Ended February 28,				
	2023	2022	2021	2020 ^a	2019
Class R6					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$9.66	\$9.90	\$10.12	\$9.75	\$9.80
Income from investment operations ^b :					
Net investment income ^c	0.25	0.23	0.28	0.32	0.36
Net realized and unrealized gains (losses)	(1.02)	(0.24)	(0.22)	0.38	(0.04)
Total from investment operations	(0.77)	(0.01)	0.06	0.70	0.32
Less distributions from:					
Net investment income	(0.24)	(0.23)	(0.28)	(0.33)	(0.37)
Net asset value, end of year	\$8.65	\$9.66	\$9.90	\$10.12	\$9.75
Total return	(7.95)%	(0.17)%	0.61%	7.32%	3.30%
Ratios to average net assets					
Expenses before waiver and payments by affiliates	0.55%	0.56%	0.55%	0.55%	0.57%
Expenses net of waiver and payments by affiliates ^d	0.54%	0.52%	0.53%	0.53%	0.54%
Net investment income	2.84%	2.29%	2.86%	3.27%	3.69%
Supplemental data					
Net assets, end of year (000's)	\$8,556	\$5,802	\$4,300	\$2,905	\$2,282
Portfolio turnover rate	30.73%	36.04%	28.44%	13.61%	6.40%

^aFor the year ended February 29.

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

^cBased on average daily shares outstanding.

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

Franklin Pennsylvania Tax-Free Income Fund (continued)

	Year Ended February 28,				
	2023	2022	2021	2020 ^a	2019
Advisor Class					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$9.66	\$9.90	\$10.12	\$9.75	\$9.80
Income from investment operations ^b :					
Net investment income ^c	0.24	0.23	0.28	0.32	0.36
Net realized and unrealized gains (losses)	(1.01)	(0.24)	(0.23)	0.38	(0.05)
Total from investment operations	(0.77)	(0.01)	0.05	0.70	0.31
Less distributions from:					
Net investment income	(0.24)	(0.23)	(0.27)	(0.33)	(0.36)
Net asset value, end of year	\$8.65	\$9.66	\$9.90	\$10.12	\$9.75
Total return	(7.99)%	(0.21)%	0.57%	7.28%	3.27%
Ratios to average net assets					
Expenses ^d	0.57%	0.56%	0.56%	0.57%	0.58%
Net investment income	2.71%	2.26%	2.85%	3.23%	3.65%
Supplemental data					
Net assets, end of year (000's)	\$71,451	\$106,979	\$105,603	\$98,190	\$81,595
Portfolio turnover rate	30.73%	36.04%	28.44%	13.61%	6.40%

^aFor the year ended February 29.

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

^cBased on average daily shares outstanding.

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

Schedule of Investments, February 28, 2023

Franklin Pennsylvania Tax-Free Income Fund

	Principal Amount	Value
Corporate Bonds 0.2%		
Software 0.2%		
^a Haven at Elgin LLC, 5.25%, 12/31/53	\$2,000,000	\$1,964,649
Total Corporate Bonds (Cost \$2,000,000)		1,964,649
Municipal Bonds 97.6%		
Florida 0.7%		
Capital Trust Agency, Inc., Kingdom Development West Palm Beach Portfolio Obligated Group, Revenue, 2021 A-1, 3.75%, 12/01/36	5,688,000	4,736,241
^b SHI - Lake Osborne LLC, Revenue, 144A, 2021 A-1, 3.68%, 1/01/57	1,000,000	674,134
		5,410,375
Illinois 0.7%		
Metropolitan Pier & Exposition Authority, Revenue, 2022 A, Refunding, 4%, 12/15/42	2,750,000	2,369,504
Revenue, 2022 A, Refunding, 4%, 6/15/52	2,000,000	1,604,227
State of Illinois, GO, 2017 C, 5%, 11/01/29	1,500,000	1,568,742
		5,542,473
New Jersey 0.2%		
New Jersey Economic Development Authority, Revenue, 2021 QQQ, 4%, 6/15/46 . . .	1,000,000	911,414
New Jersey Transportation Trust Fund Authority, Revenue, 2020 AA, 4%, 6/15/37 . . .	1,000,000	983,130
		1,894,544
New York 1.5%		
Metropolitan Transportation Authority, Revenue, 2021 A-1, 4%, 11/15/44	6,700,000	5,905,631
Revenue, 2021 A-1, 4%, 11/15/46	6,050,000	5,259,523
		11,165,154
Pennsylvania 90.3%		
Allegheny County Airport Authority, Revenue, 2021 A, 5%, 1/01/32	4,345,000	4,715,569
Revenue, 2021 A, 5%, 1/01/35	5,755,000	6,174,319
Revenue, 2021 A, 5%, 1/01/51	8,500,000	8,658,865
Revenue, 2021 B, 5%, 1/01/36	2,735,000	3,012,928
Allegheny County Higher Education Building Authority, Chatham University, Revenue, 2022, Refunding, 5.25%, 9/01/33	700,000	719,657
Chatham University, Revenue, 2022, Refunding, 5.25%, 9/01/34	1,090,000	1,110,827
Duquesne University of the Holy Spirit, Revenue, 2021 A, Refunding, 4%, 3/01/40 .	2,115,000	1,981,284
Duquesne University of the Holy Spirit, Revenue, 2021 A, Refunding, 4%, 3/01/41 .	3,000,000	2,799,751
Robert Morris University, Revenue, 2017, 5%, 10/15/37	1,000,000	996,061
Robert Morris University, Revenue, 2017, 5%, 10/15/47	1,300,000	1,219,906
Allegheny County Sanitary Authority, Revenue, 2018, 5%, 6/01/43	7,000,000	7,323,328
Allentown Neighborhood Improvement Zone Development Authority, Revenue, 2022, Refunding, 5%, 5/01/32	1,560,000	1,642,041
Revenue, 2022, Refunding, 5%, 5/01/33	1,800,000	1,891,345
Revenue, 2022, Refunding, 5%, 5/01/34	1,550,000	1,619,063
Revenue, 2022, Refunding, 5%, 5/01/35	1,400,000	1,446,222
Revenue, 2022, Refunding, 5%, 5/01/42	8,875,000	8,746,477
Berks County Industrial Development Authority, Highlands at Wyomissing Obligated Group, Revenue, 2017 A, Refunding, 5%, 5/15/42	1,000,000	925,440
Highlands at Wyomissing Obligated Group, Revenue, 2017 A, Refunding, 5%, 5/15/47	600,000	542,985
Highlands at Wyomissing Obligated Group, Revenue, 2017 C, 5%, 5/15/37	1,245,000	1,209,164
Highlands at Wyomissing Obligated Group, Revenue, 2018, Refunding, 5%, 5/15/38	1,030,000	990,659

Franklin Pennsylvania Tax-Free Income Fund (continued)

	Principal Amount	Value
Municipal Bonds (continued)		
Pennsylvania (continued)		
Berks County Industrial Development Authority, (continued)		
Highlands at Wyomissing Obligated Group, Revenue, 2018, Refunding, 5%, 5/15/48	\$1,000,000	\$914,374
Blue Mountain School District,		
GO, 2021 B, AGMC Insured, 4%, 8/01/32	1,000,000	1,054,010
GO, 2021 B, AGMC Insured, 4%, 8/01/35	1,000,000	1,034,893
Bristol Township School District, GO, 2021 C, BAM Insured, 3%, 6/01/37	1,250,000	1,103,950
Bucks County Industrial Development Authority,		
Delaware Valley University, Revenue, 2022 B, Refunding, 5%, 11/01/37	1,000,000	993,721
Delaware Valley University, Revenue, 2022 B, Refunding, 5%, 11/01/42	1,080,000	1,049,777
Delaware Valley University, Revenue, 2022 B, Refunding, 5%, 11/01/52	2,500,000	2,344,337
St. Luke's Hospital Obligated Group, Revenue, 2019, 4%, 8/15/44	1,500,000	1,353,262
St. Luke's Hospital Obligated Group, Revenue, 2021, 3%, 8/15/53	12,000,000	8,102,485
Butler County Hospital Authority, Butler Health System Obligated Group, Revenue,		
2015 A, Refunding, 5%, 7/01/35	1,885,000	1,903,465
Canon Mcmillan School District,		
GO, 2019, Refunding, BAM Insured, 4%, 6/01/44	6,075,000	5,676,406
GO, 2019, Refunding, BAM Insured, 4%, 6/01/50	3,000,000	2,740,061
Central Bradford Progress Authority, Guthrie Clinic (The), Revenue, 2021 B, 4%,		
12/01/51	5,000,000	4,457,538
Centre County Hospital Authority,		
Mount Nittany Medical Center Obligated Group, Revenue, 2018 A, Refunding, 5%,		
11/15/42	1,215,000	1,236,344
Mount Nittany Medical Center Obligated Group, Revenue, 2018 A, Refunding, 4%,		
11/15/47	1,840,000	1,683,678
Chester County Industrial Development Authority,		
University Student Housing LLC, Revenue, 2013 A, 5%, 8/01/35	500,000	492,261
University Student Housing LLC, Revenue, 2013 A, 5%, 8/01/45	1,500,000	1,405,771
City of Erie Higher Education Building Authority,		
Gannon University, Revenue, 2021 TT-1, 4%, 5/01/36	400,000	361,901
Gannon University, Revenue, 2021 TT-1, 4%, 5/01/41	1,000,000	838,434
Gannon University, Revenue, 2021 TT-1, 5%, 5/01/47	2,430,000	2,294,045
City of Philadelphia,		
GO, 2019 B, 5%, 2/01/36	3,300,000	3,543,518
GO, 2019 B, 5%, 2/01/38	4,055,000	4,298,606
GO, 2019 B, 5%, 2/01/39	6,050,000	6,398,292
GO, 2021 A, 4%, 5/01/37	5,000,000	5,018,558
GO, 2021 A, 4%, 5/01/38	5,000,000	4,983,337
Airport, Revenue, 2017 B, Refunding, 5%, 7/01/47	10,000,000	10,116,683
Airport, Revenue, 2020 C, Refunding, 4%, 7/01/45	5,225,000	4,723,808
Airport, Revenue, 2021, Refunding, 5%, 7/01/51	3,100,000	3,160,980
Water & Wastewater, Revenue, 2015 A, Pre-Refunded, 5%, 7/01/40	5,000,000	5,124,777
Water & Wastewater, Revenue, 2015 A, Pre-Refunded, 5%, 7/01/45	5,000,000	5,124,777
Water & Wastewater, Revenue, 2017 A, 5%, 10/01/47	5,000,000	5,176,013
Water & Wastewater, Revenue, 2019 B, 5%, 11/01/49	5,000,000	5,220,788
Water & Wastewater, Revenue, 2020 A, Refunding, 5%, 11/01/45	6,300,000	6,661,782
Water & Wastewater, Revenue, 2022 C, 5.5%, 6/01/47	5,000,000	5,506,635
Colonial School District, GO, 2021 A, 3%, 2/15/40	1,650,000	1,414,112
Commonwealth Financing Authority, Commonwealth of Pennsylvania Department of		
Community & Economic Development, Revenue, 2015 A, 5%, 6/01/34	10,000,000	10,281,046
Commonwealth of Pennsylvania,		
GO, 2022, 5%, 10/01/40	5,000,000	5,534,910
GO, First Series, 2018, 5%, 3/01/28	5,000,000	5,512,769
Conestoga Valley School District,		
GO, 2021 A, 4%, 2/01/36	1,100,000	1,130,976
Revenue, 2021 B, 4%, 2/01/36	1,020,000	1,036,983

Franklin Pennsylvania Tax-Free Income Fund (continued)

	Principal Amount	Value
Municipal Bonds (continued)		
Pennsylvania (continued)		
County of Beaver, GO, 2017, BAM Insured, 4%, 4/15/29	\$1,660,000	\$1,721,292
County of Jefferson,		
GO, 2021, Refunding, AGMC Insured, 3%, 12/15/35	650,000	593,550
GO, 2021, Refunding, AGMC Insured, 3%, 12/15/37	770,000	675,433
GO, 2021, Refunding, AGMC Insured, 3%, 12/15/39	520,000	435,646
County of York, GO, 2020 B, 4%, 6/01/38	860,000	862,204
Dallas Area Municipal Authority, Misericordia University, Revenue, 2014, Refunding, 5%, 5/01/37	2,500,000	2,442,895
Delaware County Authority,		
Elwyn Obligated Group, Revenue, 2017, Refunding, 5%, 6/01/27	2,475,000	2,438,584
Elwyn Obligated Group, Revenue, 2017, Refunding, 5%, 6/01/32	1,620,000	1,525,887
Villanova University, Revenue, 2015, 4%, 8/01/45	2,120,000	2,007,251
Delaware County Regional Water Quality Control Authority, Revenue, 2016, 4%, 11/01/36	2,005,000	2,019,140
Delaware County Vocational & Technical School Authority, Delaware County Intermediate Unit, Revenue, 2013, Pre-Refunded, BAM Insured, 5%, 11/01/38	1,250,000	1,265,057
DuBois Hospital Authority,		
Penn Highlands Healthcare Obligated Group, Revenue, 2018, Refunding, 5%, 7/15/43	3,410,000	3,471,145
Penn Highlands Healthcare Obligated Group, Revenue, 2020, 4%, 7/15/50	3,500,000	2,991,384
Penn Highlands Healthcare Obligated Group, Revenue, 2021, Refunding, 4%, 7/15/41	1,000,000	907,844
Penn Highlands Healthcare Obligated Group, Revenue, 2021, Refunding, 4%, 7/15/51	4,000,000	3,397,306
East Hempfield Township Industrial Development Authority,		
Student Services, Inc., Revenue, 2013, Pre-Refunded, 5%, 7/01/45	3,250,000	3,265,164
Student Services, Inc., Revenue, 2015, Pre-Refunded, 5%, 7/01/47	3,750,000	3,904,559
Easton Area School District, GO, 2021, 4%, 4/01/32	1,450,000	1,534,786
Erie City Water Authority, Revenue, 2016, Pre-Refunded, 5%, 12/01/43	6,000,000	6,460,948
Fairview School District,		
GO, 2021, BAM Insured, 3%, 9/15/37	1,195,000	1,046,966
GO, 2021, BAM Insured, 3%, 9/15/38	1,000,000	856,240
GO, 2021, BAM Insured, 3%, 9/15/39	1,000,000	840,765
Geisinger Authority,		
Geisinger Health System Obligated Group, Revenue, 2017 A-1, Refunding, 5%, 2/15/45	5,555,000	5,654,876
Geisinger Health System Obligated Group, Revenue, 2017 A-2, Refunding, 5%, 2/15/39	13,155,000	13,556,705
General Authority of Southcentral Pennsylvania, WellSpan Health Obligated Group, Revenue, 2014 A, Pre-Refunded, 5%, 6/01/44	11,955,000	12,211,552
Governor Mifflin School District,		
GO, 2021, 3%, 4/01/35	810,000	755,873
GO, 2021, 3%, 4/01/36	625,000	567,956
GO, 2021, 3%, 4/01/37	1,000,000	885,786
GO, 2021, 3%, 4/01/38	1,000,000	876,151
GO, 2021, 3%, 4/01/39	1,015,000	871,456
Huntingdon County General Authority, Juniata College, Revenue, 2021 TT-3, Refunding, 5%, 10/01/51	2,520,000	2,524,981
Lancaster County Hospital Authority, University of Pennsylvania Health System Obligated Group (The), Revenue, 2016 B, Refunding, 5%, 8/15/46	4,165,000	4,251,667
Lancaster Higher Education Authority,		
Elizabethtown College, Revenue, 2022 A, Refunding, 5%, 10/01/46	5,000,000	4,888,850
Elizabethtown College, Revenue, 2022 A, Refunding, 5%, 10/01/51	5,000,000	4,822,400
Lancaster Industrial Development Authority,		
Landis Homes Obligated Group, Revenue, 2021, Refunding, 4%, 7/01/51	2,780,000	2,078,502
Landis Homes Obligated Group, Revenue, 2021, Refunding, 4%, 7/01/56	520,000	377,802
Willow Valley Communities Obligated Group, Revenue, 2019, 5%, 12/01/44	1,850,000	1,906,588

Franklin Pennsylvania Tax-Free Income Fund (continued)

	Principal Amount	Value
Municipal Bonds (continued)		
Pennsylvania (continued)		
Lancaster Industrial Development Authority, (continued)		
Willow Valley Communities Obligated Group, Revenue, 2019, 5%, 12/01/49	\$2,300,000	\$2,354,984
Lancaster School District,		
GO, 2020, AGMC Insured, 4%, 6/01/34	1,000,000	1,038,705
GO, 2020, AGMC Insured, 4%, 6/01/35	1,850,000	1,911,230
Latrobe Industrial Development Authority,		
Seton Hill University, Revenue, 2021, Refunding, 4%, 3/01/46	750,000	598,044
Seton Hill University, Revenue, 2021, Refunding, 4%, 3/01/51	800,000	614,468
St. Vincent College Corp., Revenue, 2013, Pre-Refunded, 5%, 5/01/43	4,120,000	4,130,763
Lehigh County Authority,		
Revenue, 2013 A, 5%, 12/01/43	2,435,000	2,351,349
Revenue, 2013 A, Pre-Refunded, 5%, 12/01/43	2,805,000	2,844,004
Lehigh County General Purpose Authority,		
Good Shepherd Obligated Group (The), Revenue, 2021 A, Refunding, 4%, 11/01/41	4,345,000	3,918,057
Lehigh Valley Academy Regional Charter School, Revenue, 2022, 4%, 6/01/42	14,390,000	12,674,106
Lehigh Valley Academy Regional Charter School, Revenue, 2022, 4%, 6/01/57	5,000,000	3,998,435
Lycoming County Authority,		
Lycoming College, Revenue, 2013 MM-1, 5.25%, 11/01/38	1,400,000	1,418,588
Lycoming College, Revenue, 2013 MM-1, 5.25%, 11/01/43	1,495,000	1,515,343
Montgomery County Higher Education and Health Authority,		
Gwynedd Mercy University, Revenue, 2022, Refunding, 5.25%, 5/01/37	2,665,000	2,703,605
Gwynedd Mercy University, Revenue, 2022, Refunding, 5%, 5/01/42	3,700,000	3,529,083
Thomas Jefferson University Obligated Group, Revenue, 2018, Refunding, 5%, 9/01/48	8,250,000	8,361,817
Thomas Jefferson University Obligated Group, Revenue, 2019, Refunding, 4%, 9/01/44	10,000,000	9,185,464
Thomas Jefferson University Obligated Group, Revenue, 2022 B, Refunding, 4%, 5/01/52	4,000,000	3,549,617
Thomas Jefferson University Obligated Group, Revenue, 2022 B, Refunding, 5%, 5/01/52	5,000,000	5,045,784
Montgomery County Industrial Development Authority,		
ACTS Retirement-Life Communities, Inc. Obligated Group, Revenue, 2020 C, 4%, 11/15/43	600,000	494,718
ACTS Retirement-Life Communities, Inc. Obligated Group, Revenue, 2020 C, 5%, 11/15/45	1,985,000	1,889,141
Meadowood Corp. Obligated Group (The), Revenue, 2018 A, Refunding, 5%, 12/01/38	2,500,000	2,483,656
Public School of Germantown (The), Revenue, 2021 A, Refunding, 4%, 10/01/51	2,450,000	1,929,112
Waverly Heights Ltd. Obligated Group, Revenue, 2019, Refunding, 5%, 12/01/49	2,000,000	2,025,587
New Kensington Municipal Sanitary Authority, Revenue, 2021 A, AGMC Insured, 3%, 12/01/38	500,000	432,539
Northampton County General Purpose Authority,		
St. Luke's Hospital Obligated Group, Revenue, 2016 A, Refunding, 5%, 8/15/46	7,500,000	7,531,920
St. Luke's Hospital Obligated Group, Revenue, 2018 A, Refunding, 5%, 8/15/48	2,500,000	2,548,025
Northeastern Pennsylvania Hospital and Education Authority, King's College, Revenue, 2019, 5%, 5/01/44	1,000,000	984,448
Northeastern School District,		
GO, 2021 A, BAM Insured, 3%, 3/01/38	850,000	735,298
GO, 2021 A, BAM Insured, 3%, 3/01/41	775,000	632,512
Northern Lebanon School District, GO, 2021, BAM Insured, 3%, 9/01/36	1,895,000	1,704,412
Pennsylvania Economic Development Financing Authority,		
City of Philadelphia Water & Wastewater, Revenue, 2020, Refunding, 4%, 1/01/29	500,000	500,482
City of Philadelphia Water & Wastewater, Revenue, 2020, Refunding, 4%, 1/01/32	1,300,000	1,292,001
Commonwealth of Pennsylvania Department of Transportation, Revenue, 2022, 5.25%, 6/30/53	8,500,000	8,663,625
UPMC Obligated Group, Revenue, 2014 A, 5%, 2/01/45	5,000,000	5,044,064
UPMC Obligated Group, Revenue, 2017 A, Refunding, 4%, 11/15/42	5,000,000	4,732,387

Franklin Pennsylvania Tax-Free Income Fund (continued)

	Principal Amount	Value
Municipal Bonds (continued)		
Pennsylvania (continued)		
Pennsylvania Economic Development Financing Authority, (continued)		
UPMC Obligated Group, Revenue, 2020 A, 4%, 4/15/45	\$8,835,000	\$8,175,684
UPMC Obligated Group, Revenue, 2021 A, Refunding, 4%, 10/15/39	1,325,000	1,272,950
UPMC Obligated Group, Revenue, 2021 A, Refunding, 4%, 10/15/40	1,200,000	1,146,449
UPMC Obligated Group, Revenue, 2021 A, Refunding, 4%, 10/15/41	1,300,000	1,236,350
Pennsylvania Higher Educational Facilities Authority,		
Bryn Mawr College, Revenue, 2014, Refunding, 5%, 12/01/44	6,365,000	6,455,238
St. Joseph's University, Revenue, 2012, 5%, 11/01/42	5,000,000	5,000,854
Thomas Jefferson University Obligated Group, Revenue, 2015 A, Refunding, 5.25%, 9/01/50	7,465,000	7,545,720
Trustees of the University of Pennsylvania (The), Revenue, 2017 A, 5%, 8/15/36	2,750,000	2,941,370
Trustees of the University of Pennsylvania (The), Revenue, 2017 A, 5%, 8/15/46	14,000,000	14,708,632
Trustees of the University of Pennsylvania (The), Revenue, 2018 A, 5%, 2/15/48	5,000,000	5,259,890
University of Pennsylvania Health System Obligated Group (The), Revenue, 2015, Refunding, 5%, 8/15/40	6,475,000	6,628,466
University of Pennsylvania Health System Obligated Group (The), Revenue, 2017 A, 5%, 8/15/42	9,000,000	9,308,322
Widener University, Revenue, 2021 A, Refunding, 4%, 7/15/51	11,030,000	9,090,360
Pennsylvania Housing Finance Agency,		
Revenue, 2019-129, 3.4%, 10/01/49	6,000,000	4,654,251
Revenue, 2020-132 A, 2.55%, 10/01/41	11,280,000	8,345,633
Pennsylvania State University (The),		
Revenue, 2015 A, Refunding, 5%, 9/01/40	10,490,000	10,808,814
Revenue, 2016 A, Refunding, 5%, 9/01/41	10,000,000	10,380,055
Revenue, 2018, 5%, 9/01/48	5,955,000	6,292,238
Pennsylvania Turnpike Commission,		
Revenue, 2013 C, 5%, 12/01/43	2,405,000	2,423,557
Revenue, 2013 C, Pre-Refunded, 5%, 12/01/43	7,595,000	7,689,336
Revenue, 2021 A, Refunding, 4%, 12/01/39	2,655,000	2,644,039
Revenue, 2021 B, 4%, 12/01/37	1,500,000	1,490,727
Revenue, 2021 B, 4%, 12/01/46	10,950,000	10,124,126
Philadelphia Authority for Industrial Development,		
Beech International LLC, Revenue, 2010 A, 5.625%, 6/15/42	4,000,000	3,772,898
Children's Hospital of Philadelphia Obligated Group, Revenue, 2014 A, Pre- Refunded, 5%, 7/01/42	5,000,000	5,114,906
MaST Community Charter School II, Revenue, 2020 A, 5%, 8/01/30	200,000	206,595
MaST Community Charter School II, Revenue, 2020 A, 5%, 8/01/40	300,000	301,179
MaST Community Charter School II, Revenue, 2020 A, 5%, 8/01/50	2,515,000	2,482,901
St. Joseph's University, Revenue, 2022, 5.5%, 11/01/60	8,410,000	9,002,191
Temple University-of The Commonwealth System of Higher Education, Revenue, First Series, 2015, Refunding, 5%, 4/01/40	5,000,000	5,057,021
Thomas Jefferson University Obligated Group, Revenue, 2017, Refunding, 5%, 9/01/42	3,500,000	3,559,666
Thomas Jefferson University Obligated Group, Revenue, 2017 A, Refunding, 5%, 9/01/47	2,400,000	2,427,927
Philadelphia Gas Works Co.,		
Revenue, 14th, Refunding, 5%, 10/01/32	1,000,000	1,044,890
Revenue, 15th, Refunding, 5%, 8/01/42	5,000,000	5,115,167
Revenue, 15th, Refunding, 5%, 8/01/47	6,000,000	6,145,814
Pittsburgh Water & Sewer Authority,		
Revenue, First Lien, 2022 A, 5.25%, 9/01/39	1,490,000	1,624,440
Revenue, First Lien, 2022 A, 5.25%, 9/01/40	1,365,000	1,471,270
Revenue, First Lien, 2022 A, 5.25%, 9/01/41	1,650,000	1,767,546
Revenue, First Lien, 2022 A, 5.25%, 9/01/42	1,685,000	1,799,398
Revenue, First Lien, 2022 A, 5%, 9/01/52	2,640,000	2,758,959

Franklin Pennsylvania Tax-Free Income Fund (continued)

	Principal Amount	Value
Municipal Bonds (continued)		
Pennsylvania (continued)		
Pocono Mountains Industrial Park Authority, St. Luke's Hospital Obligated Group, Revenue, 2015 A, 5%, 8/15/40	\$5,000,000	\$5,047,486
Radnor Township School District, GO, 2021, 3%, 8/15/35	1,400,000	1,300,940
GO, 2021, 4%, 8/15/36	1,600,000	1,646,315
GO, 2021, 4%, 8/15/37	3,445,000	3,530,146
GO, 2021, 4%, 8/15/38	1,430,000	1,457,649
School District of Philadelphia (The), GO, 2021 A, 4%, 9/01/37	4,000,000	3,981,461
Scranton School District, GO, 2020, 4%, 12/01/40	1,535,000	1,430,540
GO, 2020, 4%, 12/01/42	2,835,000	2,591,755
GO, 2020, 4%, 12/01/45	3,670,000	3,246,139
Scranton-Lackawanna Health and Welfare Authority, University of Scranton, Revenue, 2016, Refunding, 5%, 11/01/37	4,000,000	4,115,098
Southeastern Pennsylvania Transportation Authority, Revenue, 2022, 5.25%, 6/01/52	5,000,000	5,513,795
State College Area School District, GO, 2015, 5%, 3/15/40	16,400,000	16,757,641
GO, 2018, 5%, 5/15/37	1,075,000	1,173,904
GO, 2018, 5%, 5/15/44	3,500,000	3,756,061
State Public School Building Authority, School District of Philadelphia (The), Revenue, 2016 A, Refunding, AGMC Insured, 5%, 6/01/32	7,095,000	7,418,679
School District of Philadelphia (The), Revenue, 2016 A, Refunding, AGMC Insured, 5%, 6/01/33	3,000,000	3,130,452
Swarthmore Borough Authority, Swarthmore College, Revenue, 2013, 5%, 9/15/43 ..	1,000,000	1,005,795
Township of Northampton, GO, 2021, 4%, 5/15/39	1,495,000	1,481,856
Township of Upper St. Clair, GO, 2021, 4%, 5/15/37	535,000	538,717
GO, 2021, 4%, 5/15/39	1,000,000	991,268
Upper Merion Area School District, GO, 2021 A, 3%, 1/15/39	1,000,000	875,560
GO, 2021 A, 3%, 1/15/40	1,500,000	1,290,122
GO, 2021 A, 3%, 1/15/41	1,275,000	1,080,060
Westmoreland County Industrial Development Authority, Excelsa Health Obligated Group, Revenue, 2020 A, Refunding, 5%, 7/01/29	725,000	758,377
Excelsa Health Obligated Group, Revenue, 2020 A, Refunding, 5%, 7/01/30	1,270,000	1,337,435
Excelsa Health Obligated Group, Revenue, 2020 A, Refunding, 4%, 7/01/37	2,400,000	2,190,938
Wilkes-Barre Finance Authority, Wilkes University, Revenue, 2021, Refunding, 4%, 3/01/42	2,500,000	2,077,229
		691,999,765
South Carolina 0.5%		
South Carolina Jobs-Economic Development Authority, ^b Revenue, 144A, 2021 A-1, 3.65%, 12/01/36	2,000,000	1,601,219
AHPC Vista Towers 2021 LLC, Revenue, 2021 A-1, 3.65%, 12/01/36	2,000,000	1,596,311
^b South Carolina State Housing Finance & Development Authority, Garden Oaks LP, Revenue, 144A, 2021 A, 4.2%, 12/01/39	1,000,000	763,899
		3,961,429
Texas 0.6%		
^b EP Cimarron Ventanas PFC, Revenue, Senior Lien, 144A, 2021 A, 4%, 12/01/51. . .	2,600,000	1,928,522
^b Pecan Public Facility Corp., Revenue, 144A, 2022 A-2, 5%, 12/01/52	3,300,000	2,414,268
		4,342,790

Franklin Pennsylvania Tax-Free Income Fund (continued)

	Principal Amount	Value
Municipal Bonds (continued)		
Washington 0.2%		
^b Washington State Housing Finance Commission, Madison at Rivers Edge Apartments LLC, Revenue, 144A, 2021 A, 3.65%, 1/01/37	\$2,000,000	\$1,601,288
Wisconsin 0.9%		
^b Public Finance Authority, Revenue, 144A, 2022, B-1, 4%, 12/28/44	1,900,000	1,505,473
Gulf Coast Portfolio Obligated Group, Revenue, 144A, 2021, 5.25%, 12/01/23	5,100,000	5,100,000
		6,605,473
U.S. Territories 2.0%		
Puerto Rico 2.0%		
HTA HRRB Custodial Trust, Revenue, 2007 CC, 5.5%, 7/01/28	755,000	779,516
HTA TRRB Custodial Trust, Revenue, 2005 L, 5.25%, 7/01/41	1,290,000	1,304,172
Revenue, 2007 N, 5.5%, 7/01/29	2,500,000	2,585,916
Revenue, 2007 N, 5.25%, 7/01/36	950,000	958,461
Puerto Rico Electric Power Authority, Revenue, VV, Refunding, NATL Insured, 5.25%, 7/01/32	1,100,000	1,102,854
Revenue, VV, Refunding, NATL Insured, 5.25%, 7/01/34	1,000,000	1,002,975
^c Revenue, XX, 5.25%, 7/01/40	5,175,000	3,635,438
Puerto Rico Sales Tax Financing Corp., Sales Tax, Revenue, A-1, 5%, 7/01/58	4,000,000	3,711,200
		15,080,532
Total U.S. Territories		15,080,532
Total Municipal Bonds (Cost \$811,287,997)		747,603,823
Total Long Term Investments (Cost \$813,287,997)		749,568,472
Short Term Investments 0.7%		
Municipal Bonds 0.7%		
Pennsylvania 0.7%		
^d Allegheny County Higher Education Building Authority, Carnegie Mellon University, Revenue, 2008 A, Refunding, SPA Bank of New York Mellon (The), Daily VRDN and Put, 2.65%, 12/01/37	5,100,000	5,100,000
Total Municipal Bonds (Cost \$5,100,000)		5,100,000
Total Short Term Investments (Cost \$5,100,000)		5,100,000
Total Investments (Cost \$818,387,997) 98.5%		\$754,668,472
Other Assets, less Liabilities 1.5%		11,635,108
Net Assets 100.0%		\$766,303,580

See Abbreviations on page 171.

^aFair valued using significant unobservable inputs. See Note 12 regarding fair value measurements.^bSecurity was purchased pursuant to Rule 144A or Regulation S under the Securities Act of 1933. 144A securities may be sold in transactions exempt from registration only to qualified institutional buyers or in a public offering registered under the Securities Act of 1933. Regulation S securities cannot be sold in the United States without either an effective registration statement filed pursuant to the Securities Act of 1933, or pursuant to an exemption from registration. At February 28, 2023, the aggregate value of these securities was \$15,588,803, representing 2.0% of net assets.^cSee Note 7 regarding defaulted securities.^dVariable rate demand notes (VRDNs) are obligations which contain a floating or variable interest rate adjustment formula and an unconditional right of demand to receive payment of the principal balance plus accrued interest at specified dates. Unless otherwise noted, the coupon rate is determined based on factors including supply and demand, underlying credit, tax treatment, and current short term rates. The coupon rate shown represents the rate at period end.

Statements of Assets and Liabilities

February 28, 2023

	Franklin Arizona Tax- Free Income Fund	Franklin Colorado Tax- Free Income Fund	Franklin Connecticut Tax-Free Income Fund	Franklin Michigan Tax- Free Income Fund
Assets:				
Investments in securities:				
Cost - Unaffiliated issuers	\$811,338,293	\$571,417,946	\$156,012,458	\$778,099,601
Value - Unaffiliated issuers	\$769,184,670	\$535,294,335	\$142,506,389	\$729,844,714
Cash	1,942,631	88,738	28,930	52,190
Receivables:				
Capital shares sold	146,630	206,475	21,500	28,778
Interest	6,981,275	7,014,887	1,352,797	10,152,042
Total assets	778,255,206	542,604,435	143,909,616	740,077,724
Liabilities:				
Payables:				
Capital shares redeemed	1,108,398	1,342,353	128,969	801,542
Management fees	316,261	227,981	17,765	303,313
Distribution fees	88,751	57,375	15,168	78,034
Transfer agent fees	134,493	107,872	31,870	122,532
Professional fees	38,284	37,355	35,363	38,160
Trustees' fees and expenses	2,453	2,652	2,356	2,709
Distributions to shareholders	201,559	61,521	52,709	177,245
Accrued expenses and other liabilities	38,444	27,168	17,318	38,072
Total liabilities	1,928,643	1,864,277	301,518	1,561,607
Net assets, at value	\$776,326,563	\$540,740,158	\$143,608,098	\$738,516,117
Net assets consist of:				
Paid-in capital	\$896,676,900	\$633,127,154	\$193,461,195	\$861,291,111
Total distributable earnings (losses)	(120,350,337)	(92,386,996)	(49,853,097)	(122,774,994)
Net assets, at value	\$776,326,563	\$540,740,158	\$143,608,098	\$738,516,117

Statements of Assets and Liabilities (continued)

February 28, 2023

	Franklin Arizona Tax- Free Income Fund	Franklin Colorado Tax- Free Income Fund	Franklin Connecticut Tax-Free Income Fund	Franklin Michigan Tax- Free Income Fund
Class A:				
Net assets, at value	\$212,661,704	\$117,510,793	\$27,697,796	\$120,384,246
Shares outstanding	22,141,838	11,450,016	3,126,393	11,685,938
Net asset value per share ^a	\$9.60	\$10.26	\$8.86	\$10.30
Maximum offering price per share (net asset value per share ÷ 96.25%, 96.25%, 96.25% and 96.25%, respectively)	\$9.97	\$10.66	\$9.21	\$10.70
Class A1:				
Net assets, at value	\$396,929,471	\$287,012,999	\$93,653,281	\$497,643,495
Shares outstanding	41,400,459	27,980,200	10,583,095	48,369,179
Net asset value per share ^a	\$9.59	\$10.26	\$8.85	\$10.29
Maximum offering price per share (net asset value per share ÷ 96.25%, 96.25%, 96.25% and 96.25%, respectively)	\$9.96	\$10.66	\$9.19	\$10.69
Class C:				
Net assets, at value	\$32,465,847	\$23,345,988	\$4,828,121	\$30,730,116
Shares outstanding	3,328,141	2,247,848	541,158	2,938,345
Net asset value and maximum offering price per share ^a	\$9.75	\$10.39	\$8.92	\$10.46
Class R6:				
Net assets, at value	\$19,946,049	\$15,147,051	\$2,951,556	\$9,690,323
Shares outstanding	2,073,751	1,475,514	333,467	938,044
Net asset value and maximum offering price per share	\$9.62	\$10.27	\$8.85	\$10.33
Advisor Class:				
Net assets, at value	\$114,323,492	\$97,723,327	\$14,477,344	\$80,067,937
Shares outstanding	11,888,422	9,526,472	1,636,969	7,756,749
Net asset value and maximum offering price per share	\$9.62	\$10.26	\$8.84	\$10.32

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

Statements of Assets and Liabilities (continued)

February 28, 2023

	Franklin Minnesota Tax- Free Income Fund	Franklin Ohio Tax-Free Income Fund	Franklin Oregon Tax- Free Income Fund	Franklin Pennsylvania Tax-Free Income Fund
Assets:				
Investments in securities:				
Cost - Unaffiliated issuers	\$857,908,260	\$1,244,220,769	\$999,382,382	\$818,387,997
Value - Unaffiliated issuers	\$806,837,346	\$1,185,295,139	\$959,937,447	\$754,668,472
Cash	73,446	6,416,218	276,281	3,250,590
Receivables:				
Investment securities sold	—	3,049,770	—	657,070
Capital shares sold	94,482	354,249	616,748	118,133
Interest	6,326,139	12,243,970	11,198,182	9,020,493
Total assets	813,331,413	1,207,359,346	972,028,658	767,714,758
Liabilities:				
Payables:				
Investment securities purchased	—	2,678,353	—	—
Capital shares redeemed	1,263,160	2,660,603	1,473,593	580,183
Management fees	330,762	479,623	391,410	314,054
Distribution fees	90,009	141,630	106,666	89,280
Transfer agent fees	202,192	229,709	157,686	135,216
Trustees' fees and expenses	2,796	3,053	3,019	2,878
Distributions to shareholders	79,339	183,639	130,609	185,053
Accrued expenses and other liabilities	82,084	164,069	90,824	104,514
Total liabilities	2,050,342	6,540,679	2,353,807	1,411,178
Net assets, at value	\$811,281,071	\$1,200,818,667	\$969,674,851	\$766,303,580
Net assets consist of:				
Paid-in capital	\$897,489,285	\$1,343,588,134	\$1,120,889,870	\$938,982,313
Total distributable earnings (losses)	(86,208,214)	(142,769,467)	(151,215,019)	(172,678,733)
Net assets, at value	\$811,281,071	\$1,200,818,667	\$969,674,851	\$766,303,580

Statements of Assets and Liabilities (continued)

February 28, 2023

	Franklin Minnesota Tax- Free Income Fund	Franklin Ohio Tax-Free Income Fund	Franklin Oregon Tax- Free Income Fund	Franklin Pennsylvania Tax-Free Income Fund
Class A:				
Net assets, at value	\$173,007,701	\$269,363,913	\$208,460,170	\$150,381,365
Shares outstanding	15,692,276	23,857,009	20,148,210	17,395,354
Net asset value per share ^a	\$11.03	\$11.29	\$10.35	\$8.64
Maximum offering price per share (net asset value per share ÷ 96.25%, 96.25%, 96.25% and 96.25%, respectively)	\$11.46	\$11.73	\$10.75	\$8.98
Class A1:				
Net assets, at value	\$376,658,793	\$628,747,291	\$562,619,564	\$494,179,200
Shares outstanding	34,169,470	55,722,276	54,426,956	57,182,956
Net asset value per share ^a	\$11.02	\$11.28	\$10.34	\$8.64
Maximum offering price per share (net asset value per share ÷ 96.25%, 96.25%, 96.25% and 96.25%, respectively)	\$11.45	\$11.72	\$10.74	\$8.98
Class C:				
Net assets, at value	\$52,612,519	\$78,485,946	\$43,030,103	\$41,736,364
Shares outstanding	4,718,439	6,859,838	4,096,671	4,765,945
Net asset value and maximum offering price per share ^a	\$11.15	\$11.44	\$10.50	\$8.76
Class R6:				
Net assets, at value	\$11,973,148	\$14,734,055	\$21,343,501	\$8,555,981
Shares outstanding	1,084,330	1,304,033	2,063,127	988,750
Net asset value and maximum offering price per share	\$11.04	\$11.30	\$10.35	\$8.65
Advisor Class:				
Net assets, at value	\$197,028,910	\$209,487,462	\$134,221,513	\$71,450,670
Shares outstanding	17,852,861	18,544,366	12,965,686	8,255,967
Net asset value and maximum offering price per share	\$11.04	\$11.30	\$10.35	\$8.65

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

Statements of Operations

for the year ended February 28, 2023

	Franklin Arizona Tax- Free Income Fund	Franklin Colorado Tax- Free Income Fund	Franklin Connecticut Tax-Free Income Fund	Franklin Michigan Tax- Free Income Fund
Investment income:				
Interest:				
Unaffiliated issuers	\$30,091,413	\$20,737,739	\$5,239,695	\$28,084,670
Expenses:				
Management fees (Note 3a)	3,959,003	2,905,717	898,487	3,792,491
Distribution fees: (Note 3c)				
Class A	496,517	305,726	75,330	302,660
Class A1	441,005	322,269	102,741	542,072
Class C	252,482	182,530	37,771	231,982
Transfer agent fees: (Note 3e)				
Class A	127,808	89,169	23,608	85,451
Class A1	286,751	236,018	80,765	383,939
Class C	25,336	20,632	4,616	25,340
Class R6	8,367	6,787	817	3,742
Advisor Class	87,619	78,551	12,452	60,903
Custodian fees (Note 4)	4,407	3,098	781	4,015
Registration and filing fees	43,915	26,671	19,610	51,757
Professional fees	78,908	57,403	48,036	88,521
Trustees' fees and expenses	11,305	9,537	2,997	11,787
Other	155,305	133,654	41,476	115,249
Total expenses	5,978,728	4,377,762	1,349,487	5,699,909
Expense reductions (Note 4)	(3,409)	(1,432)	(589)	(4,878)
Expenses waived/paid by affiliates (Note 3e and 3f)	(1,950)	(839)	(98,800)	(301)
Net expenses	5,973,369	4,375,491	1,250,098	5,694,730
Net investment income	24,118,044	16,362,248	3,989,597	22,389,940
Realized and unrealized gains (losses):				
Net realized gain (loss) from:				
Investments:				
Unaffiliated issuers	(14,773,739)	(6,656,220)	(1,876,056)	(13,370,909)
Net change in unrealized appreciation (depreciation) on:				
Investments:				
Unaffiliated issuers	(78,645,105)	(63,477,659)	(16,224,151)	(76,114,659)
Net realized and unrealized gain (loss)	(93,418,844)	(70,133,879)	(18,100,207)	(89,485,568)
Net increase (decrease) in net assets resulting from operations	\$(69,300,800)	\$(53,771,631)	\$(14,110,610)	\$(67,095,628)

Statements of Operations (continued)

for the year ended February 28, 2023

	Franklin Minnesota Tax- Free Income Fund	Franklin Ohio Tax-Free Income Fund	Franklin Oregon Tax- Free Income Fund	Franklin Pennsylvania Tax-Free Income Fund
Investment income:				
Interest:				
Unaffiliated issuers	\$29,319,939	\$46,245,483	\$35,773,154	\$27,870,790
Expenses:				
Management fees (Note 3a)	4,198,792	6,184,062	4,979,293	4,008,840
Distribution fees: (Note 3c)				
Class A	430,875	680,773	534,428	395,834
Class A1	425,044	710,494	626,611	545,471
Class C	414,475	629,692	351,115	326,569
Transfer agent fees: (Note 3e)				
Class A	149,097	198,576	134,408	111,451
Class A1	369,633	519,629	394,922	383,965
Class C	55,597	70,955	34,090	35,392
Class R6	5,624	8,342	8,212	2,295
Advisor Class	184,199	176,503	92,958	60,078
Custodian fees (Note 4)	4,780	6,782	5,394	4,113
Registration and filing fees	46,199	50,789	21,575	28,430
Professional fees	72,146	64,681	71,483	77,832
Trustees' fees and expenses	13,008	18,424	14,355	11,598
Other	122,797	207,920	158,534	119,588
Total expenses	6,492,266	9,527,622	7,427,378	6,111,456
Expense reductions (Note 4)	(5,177)	(5,038)	(3,457)	(5,765)
Expenses waived/paid by affiliates (Note 3e and 3f)	(1,590)	(2,703)	(1,078)	(8)
Net expenses	6,485,499	9,519,881	7,422,843	6,105,683
Net investment income	22,834,440	36,725,602	28,350,311	21,765,107
Realized and unrealized gains (losses):				
Net realized gain (loss) from:				
Investments:				
Unaffiliated issuers	(23,294,235)	(47,400,274)	(32,286,476)	(24,814,596)
Net change in unrealized appreciation (depreciation) on:				
Investments:				
Unaffiliated issuers	(77,108,577)	(109,653,839)	(86,888,363)	(76,057,153)
Net realized and unrealized gain (loss)	(100,402,812)	(157,054,113)	(119,174,839)	(100,871,749)
Net increase (decrease) in net assets resulting from operations	\$(77,568,372)	\$(120,328,511)	\$(90,824,528)	\$(79,106,642)

Statements of Changes in Net Assets

	Franklin Arizona Tax-Free Income Fund		Franklin Colorado Tax-Free Income Fund	
	Year Ended February 28, 2023	Year Ended February 28, 2022	Year Ended February 28, 2023	Year Ended February 28, 2022
Increase (decrease) in net assets:				
Operations:				
Net investment income	\$24,118,044	\$24,415,247	\$16,362,248	\$16,685,026
Net realized gain (loss)	(14,773,739)	(623,740)	(6,656,220)	609,347
Net change in unrealized appreciation (depreciation)	(78,645,105)	(26,359,653)	(63,477,659)	(19,206,183)
Net increase (decrease) in net assets resulting from operations.	(69,300,800)	(2,568,146)	(53,771,631)	(1,911,810)
Distributions to shareholders:				
Class A	(5,477,572)	(4,582,316)	(3,151,192)	(2,822,150)
Class A1	(12,795,799)	(13,539,073)	(8,775,734)	(9,224,150)
Class C	(891,517)	(1,078,162)	(598,454)	(730,216)
Class R6	(646,146)	(706,832)	(523,311)	(527,705)
Advisor Class	(4,004,463)	(4,446,484)	(3,027,642)	(3,326,783)
Total distributions to shareholders	(23,815,497)	(24,352,867)	(16,076,333)	(16,631,004)
Capital share transactions: (Note 2)				
Class A	22,738,565	42,805,902	(11,380,098)	27,372,708
Class A1	(79,938,374)	(42,867,742)	(62,616,015)	(26,007,260)
Class C	(11,887,394)	(17,781,992)	(9,344,142)	(14,240,207)
Class R6	(5,537,191)	7,524,370	(6,193,718)	4,987,766
Advisor Class	(47,630,839)	8,881,011	(27,249,327)	8,831,540
Total capital share transactions	(122,255,233)	(1,438,451)	(116,783,300)	944,547
Net increase (decrease) in net assets	(215,371,530)	(28,359,464)	(186,631,264)	(17,598,267)
Net assets:				
Beginning of year	991,698,093	1,020,057,557	727,371,422	744,969,689
End of year	\$776,326,563	\$991,698,093	\$540,740,158	\$727,371,422

Statements of Changes in Net Assets (continued)

	Franklin Connecticut Tax-Free Income Fund		Franklin Michigan Tax-Free Income Fund	
	Year Ended February 28, 2023	Year Ended February 28, 2022	Year Ended February 28, 2023	Year Ended February 28, 2022
Increase (decrease) in net assets:				
Operations:				
Net investment income	\$3,989,597	\$4,119,392	\$22,389,940	\$22,085,741
Net realized gain (loss)	(1,876,056)	562,813	(13,370,909)	5,303,487
Net change in unrealized appreciation (depreciation)	(16,224,151)	(6,544,374)	(76,114,659)	(38,530,605)
Net increase (decrease) in net assets resulting from operations.	(14,110,610)	(1,862,169)	(67,095,628)	(11,141,377)
Distributions to shareholders:				
Class A	(725,655)	(660,235)	(3,242,606)	(2,707,857)
Class A1	(2,628,233)	(2,777,742)	(15,321,103)	(15,578,131)
Class C	(114,944)	(162,619)	(793,077)	(910,264)
Class R6	(55,038)	(41,198)	(295,506)	(236,286)
Advisor Class	(415,945)	(470,324)	(2,523,867)	(2,654,715)
Total distributions to shareholders	(3,939,815)	(4,112,118)	(22,176,159)	(22,087,253)
Capital share transactions: (Note 2)				
Class A	(2,990,614)	6,803,733	(761,378)	31,989,312
Class A1	(14,118,596)	(12,470,274)	(70,249,858)	(36,946,978)
Class C	(1,756,700)	(5,841,644)	(8,286,111)	(16,306,588)
Class R6	1,346,972	493,143	(458,498)	5,469,674
Advisor Class	(3,979,347)	77,618	(17,642,348)	9,627,615
Total capital share transactions	(21,498,285)	(10,937,424)	(97,398,193)	(6,166,965)
Net increase (decrease) in net assets	(39,548,710)	(16,911,711)	(186,669,980)	(39,395,595)
Net assets:				
Beginning of year	183,156,808	200,068,519	925,186,097	964,581,692
End of year	\$143,608,098	\$183,156,808	\$738,516,117	\$925,186,097

Statements of Changes in Net Assets (continued)

	Franklin Minnesota Tax-Free Income Fund		Franklin Ohio Tax-Free Income Fund	
	Year Ended February 28, 2023	Year Ended February 28, 2022	Year Ended February 28, 2023	Year Ended February 28, 2022
Increase (decrease) in net assets:				
Operations:				
Net investment income	\$22,834,440	\$21,509,580	\$36,725,602	\$34,511,407
Net realized gain (loss)	(23,294,235)	(2,597,651)	(47,400,274)	(5,657,860)
Net change in unrealized appreciation (depreciation)	(77,108,577)	(34,947,318)	(109,653,839)	(41,375,401)
Net increase (decrease) in net assets resulting from operations.	(77,568,372)	(16,035,389)	(120,328,511)	(12,521,854)
Distributions to shareholders:				
Class A.	(4,194,889)	(3,335,908)	(7,114,808)	(5,811,468)
Class A1	(10,944,425)	(11,079,476)	(19,593,108)	(18,860,025)
Class C.	(1,266,484)	(1,326,276)	(2,089,195)	(2,256,500)
Class R6.	(366,207)	(332,102)	(474,379)	(463,674)
Advisor Class	(5,666,332)	(5,334,715)	(6,877,427)	(6,715,827)
Total distributions to shareholders	(22,438,337)	(21,408,477)	(36,148,917)	(34,107,494)
Capital share transactions: (Note 2)				
Class A.	(1,591,623)	39,541,298	(15,102,253)	64,015,784
Class A1	(82,148,635)	(58,866,762)	(139,269,124)	(54,936,135)
Class C.	(21,017,857)	(25,716,187)	(35,092,654)	(40,696,186)
Class R6.	(2,992,124)	3,280,591	(4,714,873)	5,151,900
Advisor Class	(44,467,536)	31,551,412	(60,887,439)	12,096,471
Total capital share transactions	(152,217,775)	(10,209,648)	(255,066,343)	(14,368,166)
Net increase (decrease) in net assets	(252,224,484)	(47,653,514)	(411,543,771)	(60,997,514)
Net assets:				
Beginning of year.	1,063,505,555	1,111,159,069	1,612,362,438	1,673,359,952
End of year	\$811,281,071	\$1,063,505,555	\$1,200,818,667	\$1,612,362,438

Statements of Changes in Net Assets (continued)

	Franklin Oregon Tax-Free Income Fund		Franklin Pennsylvania Tax-Free Income Fund	
	Year Ended February 28, 2023	Year Ended February 28, 2022	Year Ended February 28, 2023	Year Ended February 28, 2022
Increase (decrease) in net assets:				
Operations:				
Net investment income	\$28,350,311	\$26,851,073	\$21,765,107	\$22,342,222
Net realized gain (loss)	(32,286,476)	(1,568,161)	(24,814,596)	7,804,857
Net change in unrealized appreciation (depreciation)	(86,888,363)	(28,772,949)	(76,057,153)	(33,197,486)
Net increase (decrease) in net assets resulting from operations.	(90,824,528)	(3,490,037)	(79,106,642)	(3,050,407)
Distributions to shareholders:				
Class A	(5,411,247)	(4,723,321)	(3,883,253)	(3,388,452)
Class A1	(16,785,975)	(16,341,609)	(14,157,572)	(14,903,892)
Class C	(1,116,100)	(1,296,037)	(1,002,470)	(1,344,483)
Class R6	(624,514)	(566,038)	(170,041)	(117,193)
Advisor Class	(4,085,135)	(3,891,758)	(2,284,606)	(2,448,830)
Total distributions to shareholders	(28,022,971)	(26,818,763)	(21,497,942)	(22,202,850)
Capital share transactions: (Note 2)				
Class A	(18,665,930)	39,620,156	(7,348,797)	35,069,329
Class A1	(100,347,561)	(56,963,758)	(85,237,509)	(49,109,140)
Class C	(22,723,065)	(24,448,091)	(15,405,013)	(40,451,026)
Class R6	(2,431,842)	4,010,834	3,197,395	1,670,118
Advisor Class	(29,716,365)	14,473,672	(24,709,921)	4,186,212
Total capital share transactions	(173,884,763)	(23,307,187)	(129,503,845)	(48,634,507)
Net increase (decrease) in net assets	(292,732,262)	(53,615,987)	(230,108,429)	(73,887,764)
Net assets:				
Beginning of year	1,262,407,113	1,316,023,100	996,412,009	1,070,299,773
End of year	\$969,674,851	\$1,262,407,113	\$766,303,580	\$996,412,009

Notes to Financial Statements

1. Organization and Significant Accounting Policies

Franklin Tax-Free Trust (Trust) is registered under the Investment Company Act of 1940 (1940 Act) as an open-end management investment company, consisting of twenty separate funds (Funds), eight of which are included in this report. The Funds follow the accounting and reporting guidance in Financial Accounting Standards Board (FASB) Accounting Standard 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. 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.

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

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

d. 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.

e. 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.

f. Guarantees and Indemnifications

Under the Trust's organizational documents, its officers and trustees are indemnified by the Trust against certain liabilities arising out of the performance of their duties to the Trust. Additionally, in the normal course of business, the Trust, on behalf of the Funds, enters into contracts with service providers that contain general indemnification clauses. The Trust's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Trust that have not yet occurred. Currently, the Trust expects the risk of loss to be remote.

2. Shares of Beneficial Interest

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

	Franklin Arizona Tax-Free Income Fund		Franklin Colorado Tax-Free Income Fund	
	Shares	Amount	Shares	Amount
Class A Shares:				
Year ended February 28, 2023				
Shares sold ^a	9,374,499	\$91,424,207	3,591,579	\$37,605,914
Shares issued in reinvestment of distributions	511,803	4,980,827	291,934	3,043,400
Shares redeemed	(7,514,052)	(73,666,469)	(4,966,641)	(52,029,412)
Net increase (decrease)	2,372,250	\$22,738,565	(1,083,128)	\$(11,380,098)
Year ended February 28, 2022				
Shares sold ^a	7,714,335	\$85,144,924	4,472,637	\$52,999,381
Shares issued in reinvestment of distributions	386,374	4,246,461	233,099	2,744,987
Shares redeemed	(4,254,239)	(46,585,483)	(2,403,990)	(28,371,660)
Net increase (decrease)	3,846,470	\$42,805,902	2,301,746	\$27,372,708
Class A1 Shares:				
Year ended February 28, 2023				
Shares sold	1,629,993	\$15,929,340	878,800	\$9,157,665
Shares issued in reinvestment of distributions	1,138,784	11,078,993	783,575	8,171,625
Shares redeemed	(10,904,192)	(106,946,707)	(7,630,006)	(79,945,305)
Net increase (decrease)	(8,135,415)	\$(79,938,374)	(5,967,631)	\$(62,616,015)
Year ended February 28, 2022				
Shares sold	1,829,516	\$20,152,752	1,506,967	\$17,802,515
Shares issued in reinvestment of distributions	1,073,064	11,780,446	731,178	8,613,676
Shares redeemed	(6,809,090)	(74,800,940)	(4,445,453)	(52,423,451)
Net increase (decrease)	(3,906,510)	\$(42,867,742)	(2,207,308)	\$(26,007,260)
Class C Shares:				
Year ended February 28, 2023				
Shares sold	273,736	\$2,707,580	107,162	\$1,136,320
Shares issued in reinvestment of distributions	87,516	866,653	55,461	585,908
Shares redeemed ^a	(1,551,768)	(15,461,627)	(1,039,382)	(11,066,370)
Net increase (decrease)	(1,190,516)	\$(11,887,394)	(876,759)	\$(9,344,142)
Year ended February 28, 2022				
Shares sold	458,085	\$5,137,582	332,384	\$3,979,825
Shares issued in reinvestment of distributions	94,044	1,051,174	60,714	724,639
Shares redeemed ^a	(2,137,405)	(23,970,748)	(1,577,266)	(18,944,671)
Net increase (decrease)	(1,585,276)	\$(17,781,992)	(1,184,168)	\$(14,240,207)

2. Shares of Beneficial Interest (continued)

	Franklin Arizona Tax-Free Income Fund		Franklin Colorado Tax-Free Income Fund	
	Shares	Amount	Shares	Amount
Class R6 Shares:				
Year ended February 28, 2023				
Shares sold	808,219	\$7,910,303	563,602	\$5,898,270
Shares issued in reinvestment of distributions	65,832	643,180	49,068	512,498
Shares redeemed	(1,439,669)	(14,090,674)	(1,207,236)	(12,604,486)
Net increase (decrease)	(565,618)	\$(5,537,191)	(594,566)	\$(6,193,718)
Year ended February 28, 2022				
Shares sold	1,307,226	\$14,448,374	680,019	\$8,045,020
Shares issued in reinvestment of distributions	63,277	696,512	43,985	518,148
Shares redeemed	(692,123)	(7,620,516)	(304,230)	(3,575,402)
Net increase (decrease)	678,380	\$7,524,370	419,774	\$4,987,766
Advisor Class Shares:				
Year ended February 28, 2023				
Shares sold	4,894,392	\$47,866,730	4,960,908	\$51,676,263
Shares issued in reinvestment of distributions	370,534	3,618,011	280,410	2,925,499
Shares redeemed	(10,109,124)	(99,115,580)	(7,803,130)	(81,851,089)
Net increase (decrease)	(4,844,198)	\$(47,630,839)	(2,561,812)	\$(27,249,327)
Year ended February 28, 2022				
Shares sold	4,941,909	\$54,567,705	3,284,834	\$38,820,175
Shares issued in reinvestment of distributions	364,516	4,011,963	272,138	3,205,093
Shares redeemed	(4,505,159)	(49,698,657)	(2,825,782)	(33,193,728)
Net increase (decrease)	801,266	\$8,881,011	731,190	\$8,831,540
	Franklin Connecticut Tax-Free Income Fund		Franklin Michigan Tax-Free Income Fund	
	Shares	Amount	Shares	Amount
Class A Shares:				
Year ended February 28, 2023				
Shares sold ^a	935,144	\$8,496,911	2,832,004	\$29,765,785
Shares issued in reinvestment of distributions	71,587	641,655	281,317	2,944,415
Shares redeemed	(1,340,440)	(12,129,180)	(3,183,177)	(33,471,578)
Net increase (decrease)	(333,709)	\$(2,990,614)	(69,856)	\$(761,378)
Year ended February 28, 2022				
Shares sold ^a	1,252,852	\$12,867,370	4,266,306	\$50,807,252
Shares issued in reinvestment of distributions	57,395	585,152	209,746	2,482,351
Shares redeemed	(652,099)	(6,648,789)	(1,797,465)	(21,300,291)
Net increase (decrease)	658,148	\$6,803,733	2,678,587	\$31,989,312

2. Shares of Beneficial Interest (continued)

	Franklin Connecticut Tax-Free Income Fund		Franklin Michigan Tax-Free Income Fund	
	Shares	Amount	Shares	Amount
Class A1 Shares:				
Year ended February 28, 2023				
Shares sold	154,602	\$1,406,066	1,127,992	\$11,757,194
Shares issued in reinvestment of distributions	239,766	2,147,619	1,289,219	13,483,937
Shares redeemed	(1,965,979)	(17,672,281)	(9,118,865)	(95,490,989)
Net increase (decrease)	(1,571,611)	\$(14,118,596)	(6,701,654)	\$(70,249,858)
Year ended February 28, 2022				
Shares sold	254,596	\$2,607,607	1,492,625	\$17,717,018
Shares issued in reinvestment of distributions	222,855	2,271,328	1,156,044	13,680,530
Shares redeemed	(1,701,245)	(17,349,209)	(5,765,739)	(68,344,526)
Net increase (decrease)	(1,223,794)	\$(12,470,274)	(3,117,070)	\$(36,946,978)
Class C Shares:				
Year ended February 28, 2023				
Shares sold	49,455	\$443,862	247,063	\$2,666,503
Shares issued in reinvestment of distributions	11,960	108,011	71,603	761,498
Shares redeemed ^a	(254,210)	(2,308,573)	(1,098,342)	(11,714,112)
Net increase (decrease)	(192,795)	\$(1,756,700)	(779,676)	\$(8,286,111)
Year ended February 28, 2022				
Shares sold	63,756	\$658,339	671,228	\$8,097,214
Shares issued in reinvestment of distributions	14,935	153,739	72,047	867,553
Shares redeemed ^a	(643,185)	(6,653,722)	(2,088,172)	(25,271,355)
Net increase (decrease)	(564,494)	\$(5,841,644)	(1,344,897)	\$(16,306,588)
Class R6 Shares:				
Year ended February 28, 2023				
Shares sold	195,598	\$1,764,683	301,480	\$3,186,374
Shares issued in reinvestment of distributions	2,471	22,116	26,026	273,265
Shares redeemed	(49,101)	(439,827)	(371,186)	(3,918,137)
Net increase (decrease)	148,968	\$1,346,972	(43,680)	\$(458,498)
Year ended February 28, 2022				
Shares sold	54,704	\$560,112	547,473	\$6,540,638
Shares issued in reinvestment of distributions	1,623	16,520	18,487	219,263
Shares redeemed	(8,167)	(83,489)	(108,752)	(1,290,227)
Net increase (decrease)	48,160	\$493,143	457,208	\$5,469,674

2. Shares of Beneficial Interest (continued)

	Franklin Connecticut Tax-Free Income Fund		Franklin Michigan Tax-Free Income Fund	
	Shares	Amount	Shares	Amount
Advisor Class Shares:				
Year ended February 28, 2023				
Shares sold	515,861	\$4,585,340	5,309,708	\$55,701,740
Shares issued in reinvestment of distributions	36,068	323,194	229,524	2,404,227
Shares redeemed	(987,251)	(8,887,881)	(7,177,566)	(75,748,315)
Net increase (decrease)	(435,322)	\$(3,979,347)	(1,638,334)	\$(17,642,348)
Year ended February 28, 2022				
Shares sold	377,343	\$3,853,072	2,274,240	\$27,097,532
Shares issued in reinvestment of distributions	36,349	370,117	215,684	2,559,916
Shares redeemed	(406,716)	(4,145,571)	(1,692,535)	(20,029,833)
Net increase (decrease)	6,976	\$77,618	797,389	\$9,627,615
	Franklin Minnesota Tax-Free Income Fund		Franklin Ohio Tax-Free Income Fund	
	Shares	Amount	Shares	Amount
Class A Shares:				
Year ended February 28, 2023				
Shares sold ^a	5,034,594	\$56,237,705	6,505,354	\$74,668,190
Shares issued in reinvestment of distributions	359,759	4,010,448	588,406	6,733,288
Shares redeemed	(5,529,268)	(61,839,776)	(8,388,304)	(96,503,731)
Net increase (decrease)	(134,915)	\$(1,591,623)	(1,294,544)	\$(15,102,253)
Year ended February 28, 2022				
Shares sold ^a	5,412,784	\$68,834,002	8,369,403	\$109,334,446
Shares issued in reinvestment of distributions	254,022	3,208,128	431,089	5,592,924
Shares redeemed	(2,571,325)	(32,500,832)	(3,925,901)	(50,911,586)
Net increase (decrease)	3,095,481	\$39,541,298	4,874,591	\$64,015,784
Class A1 Shares:				
Year ended February 28, 2023				
Shares sold	1,445,453	\$16,204,565	1,430,332	\$16,450,822
Shares issued in reinvestment of distributions	912,784	10,180,689	1,571,717	17,982,364
Shares redeemed	(9,734,340)	(108,533,889)	(15,153,083)	(173,702,310)
Net increase (decrease)	(7,376,103)	\$(82,148,635)	(12,151,034)	\$(139,269,124)
Year ended February 28, 2022				
Shares sold	2,282,890	\$28,976,867	2,167,949	\$28,223,453
Shares issued in reinvestment of distributions	779,659	9,852,776	1,342,913	17,428,392
Shares redeemed	(7,743,718)	(97,696,405)	(7,732,518)	(100,587,980)
Net increase (decrease)	(4,681,169)	\$(58,866,762)	(4,221,656)	\$(54,936,135)

2. Shares of Beneficial Interest (continued)

	Franklin Minnesota Tax-Free Income Fund		Franklin Ohio Tax-Free Income Fund	
	Shares	Amount	Shares	Amount
Class C Shares:				
Year ended February 28, 2023				
Shares sold	390,621	\$4,459,801	372,844	\$4,363,324
Shares issued in reinvestment of distributions	110,387	1,245,323	173,404	2,012,668
Shares redeemed ^a	(2,354,001)	(26,722,981)	(3,556,523)	(41,468,646)
Net increase (decrease)	(1,852,993)	\$(21,017,857)	(3,010,275)	\$(35,092,654)
Year ended February 28, 2022				
Shares sold	757,701	\$9,750,442	1,134,750	\$15,005,993
Shares issued in reinvestment of distributions	101,351	1,296,546	166,589	2,193,708
Shares redeemed ^a	(2,860,260)	(36,763,175)	(4,374,124)	(57,895,887)
Net increase (decrease)	(2,001,208)	\$(25,716,187)	(3,072,785)	\$(40,696,186)
Class R6 Shares:				
Year ended February 28, 2023				
Shares sold	621,377	\$6,962,652	697,316	\$7,998,654
Shares issued in reinvestment of distributions	31,799	355,522	40,112	459,700
Shares redeemed	(925,522)	(10,310,298)	(1,140,659)	(13,173,227)
Net increase (decrease)	(272,346)	\$(2,992,124)	(403,231)	\$(4,714,873)
Year ended February 28, 2022				
Shares sold	404,767	\$5,140,952	626,630	\$8,163,716
Shares issued in reinvestment of distributions	25,867	327,194	33,911	440,361
Shares redeemed	(173,165)	(2,187,555)	(267,841)	(3,452,177)
Net increase (decrease)	257,469	\$3,280,591	392,700	\$5,151,900
Advisor Class Shares:				
Year ended February 28, 2023				
Shares sold	13,699,756	\$153,016,527	13,481,072	\$154,039,965
Shares issued in reinvestment of distributions	500,493	5,589,520	571,588	6,548,993
Shares redeemed	(18,155,634)	(203,073,583)	(19,330,337)	(221,476,397)
Net increase (decrease)	(3,955,385)	\$(44,467,536)	(5,277,677)	\$(60,887,439)
Year ended February 28, 2022				
Shares sold	5,575,188	\$70,700,419	4,909,297	\$63,808,968
Shares issued in reinvestment of distributions	417,122	5,275,050	492,823	6,401,759
Shares redeemed	(3,515,972)	(44,424,057)	(4,479,469)	(58,114,256)
Net increase (decrease)	2,476,338	\$31,551,412	922,651	\$12,096,471

2. Shares of Beneficial Interest (continued)

	Franklin Oregon Tax-Free Income Fund		Franklin Pennsylvania Tax-Free Income Fund	
	Shares	Amount	Shares	Amount
Class A Shares:				
Year ended February 28, 2023				
Shares sold ^a	7,344,243	\$77,486,033	3,647,689	\$32,168,851
Shares issued in reinvestment of distributions	492,068	5,167,719	407,912	3,576,644
Shares redeemed	(9,604,558)	(101,319,682)	(4,897,944)	(43,094,292)
Net increase (decrease)	(1,768,247)	\$(18,665,930)	(842,343)	\$(7,348,797)
Year ended February 28, 2022				
Shares sold ^a	5,979,219	\$71,057,962	6,089,792	\$61,181,720
Shares issued in reinvestment of distributions	384,848	4,547,566	313,724	3,128,557
Shares redeemed	(3,038,964)	(35,985,372)	(2,939,249)	(29,240,948)
Net increase (decrease)	3,325,103	\$39,620,156	3,464,267	\$35,069,329
Class A1 Shares:				
Year ended February 28, 2023				
Shares sold	3,316,281	\$34,841,354	1,095,758	\$9,656,086
Shares issued in reinvestment of distributions	1,490,817	15,649,561	1,422,539	12,482,181
Shares redeemed	(14,327,222)	(150,838,476)	(12,161,938)	(107,375,776)
Net increase (decrease)	(9,520,124)	\$(100,347,561)	(9,643,641)	\$(85,237,509)
Year ended February 28, 2022				
Shares sold	2,223,756	\$26,399,387	1,544,083	\$15,457,057
Shares issued in reinvestment of distributions	1,298,835	15,343,656	1,359,150	13,561,421
Shares redeemed	(8,341,594)	(98,706,801)	(7,822,420)	(78,127,618)
Net increase (decrease)	(4,819,003)	\$(56,963,758)	(4,919,187)	\$(49,109,140)
Class C Shares:				
Year ended February 28, 2023				
Shares sold	292,384	\$3,126,145	223,633	\$2,007,182
Shares issued in reinvestment of distributions	102,202	1,090,936	108,423	963,940
Shares redeemed ^a	(2,510,748)	(26,940,146)	(2,058,075)	(18,376,135)
Net increase (decrease)	(2,116,162)	\$(22,723,065)	(1,726,019)	\$(15,405,013)
Year ended February 28, 2022				
Shares sold	648,203	\$7,791,214	585,346	\$5,932,881
Shares issued in reinvestment of distributions	106,566	1,279,921	127,482	1,290,837
Shares redeemed ^a	(2,779,969)	(33,519,226)	(4,681,145)	(47,674,744)
Net increase (decrease)	(2,025,200)	\$(24,448,091)	(3,968,317)	\$(40,451,026)

2. Shares of Beneficial Interest (continued)

	Franklin Oregon Tax-Free Income Fund		Franklin Pennsylvania Tax-Free Income Fund	
	Shares	Amount	Shares	Amount
Class R6 Shares:				
Year ended February 28, 2023				
Shares sold	971,841	\$10,214,924	762,722	\$6,515,973
Shares issued in reinvestment of distributions	59,356	623,488	19,296	169,246
Shares redeemed	(1,261,944)	(13,270,254)	(394,184)	(3,487,824)
Net increase (decrease)	(230,747)	\$(2,431,842)	387,834	\$3,197,395
Year ended February 28, 2022				
Shares sold	740,248	\$8,770,401	245,271	\$2,462,160
Shares issued in reinvestment of distributions	48,100	568,471	11,345	113,246
Shares redeemed	(449,877)	(5,328,038)	(89,946)	(905,288)
Net increase (decrease)	338,471	\$4,010,834	166,670	\$1,670,118
Advisor Class Shares:				
Year ended February 28, 2023				
Shares sold	6,134,144	\$65,019,517	2,264,894	\$19,942,552
Shares issued in reinvestment of distributions	370,875	3,899,134	235,367	2,067,950
Shares redeemed	(9,348,635)	(98,635,016)	(5,324,210)	(46,720,423)
Net increase (decrease)	(2,843,616)	\$(29,716,365)	(2,823,949)	\$(24,709,921)
Year ended February 28, 2022				
Shares sold	4,918,456	\$58,342,910	2,414,071	\$24,190,653
Shares issued in reinvestment of distributions	315,822	3,734,248	224,312	2,241,168
Shares redeemed	(4,026,619)	(47,603,486)	(2,222,791)	(22,245,609)
Net increase (decrease)	1,207,659	\$14,473,672	415,592	\$4,186,212

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

	Franklin Arizona Tax- Free Income Fund	Franklin Colorado Tax- Free Income Fund	Franklin Connecticut Tax-Free Income Fund
Gross effective investment management fee rate.	0.475%	0.486%	0.575%
	Franklin Michigan Tax- Free Income Fund	Franklin Minnesota Tax- Free Income Fund	Franklin Ohio Tax-Free Income Fund
Gross effective investment management fee rate.	0.478%	0.474%	0.463%
	Franklin Oregon Tax- Free Income Fund	Franklin Pennsylvania Tax-Free Income Fund	
Gross effective investment management fee rate.	0.469%	0.475%	

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' Class

3. Transactions with Affiliates (continued)

c. Distribution Fees (continued)

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:

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

d. Sales Charges/Underwriting Agreements

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

	Franklin Arizona Tax- Free Income Fund	Franklin Colorado Tax- Free Income Fund	Franklin Connecticut Tax-Free Income Fund	Franklin Michigan Tax- Free Income Fund
Sales charges retained net of commissions paid to unaffiliated brokers/dealers	\$9,428	\$7,892	\$1,218	\$10,942
CDSC retained	\$34,615	\$39,872	\$5,130	\$31,315

	Franklin Minnesota Tax- Free Income Fund	Franklin Ohio Tax-Free Income Fund	Franklin Oregon Tax- Free Income Fund	Franklin Pennsylvania Tax-Free Income Fund
Sales charges retained net of commissions paid to unaffiliated brokers/dealers	\$6,884	\$13,423	\$8,138	\$8,531
CDSC retained	\$38,803	\$41,662	\$36,557	\$13,699

e. Transfer Agent Fees

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

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

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

	Franklin Arizona Tax- Free Income Fund	Franklin Colorado Tax- Free Income Fund	Franklin Connecticut Tax-Free Income Fund	Franklin Michigan Tax- Free Income Fund
Transfer agent fees	\$217,499	\$168,745	\$54,469	\$269,132
	Franklin Minnesota Tax- Free Income Fund	Franklin Ohio Tax-Free Income Fund	Franklin Oregon Tax- Free Income Fund	Franklin Pennsylvania Tax-Free Income Fund
Transfer agent fees	\$273,861	\$376,832	\$274,656	\$277,822

f. Waiver and Expense Reimbursements

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

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

g. Interfund Transactions

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

	Franklin Arizona Tax- Free Income Fund	Franklin Colorado Tax- Free Income Fund	Franklin Connecticut Tax-Free Income Fund	Franklin Michigan Tax- Free Income Fund
Purchases	\$33,071,326	\$31,435,297	\$11,263,967	\$49,036,131
Sales	\$7,800,000	\$22,560,436	\$1,000,000	\$38,965,048
Net Realized Gains (Losses)	—	\$(400,601)	—	\$(1,575,905)
	Franklin Minnesota Tax- Free Income Fund	Franklin Ohio Tax-Free Income Fund	Franklin Oregon Tax- Free Income Fund	Franklin Pennsylvania Tax-Free Income Fund
Purchases	\$60,945,997	\$54,286,351	\$98,874,490	\$69,291,073
Sales	\$21,280,106	\$51,456,705	\$77,851,187	\$71,626,540
Net Realized Gains (Losses)	\$(2,618,587)	\$(1,648,625)	\$(2,445,831)	\$(3,837,238)

4. Expense Offset Arrangement

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

5. Income Taxes

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

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

	Franklin Arizona Tax- Free Income Fund	Franklin Colorado Tax- Free Income Fund	Franklin Connecticut Tax-Free Income Fund	Franklin Michigan Tax- Free Income Fund
Capital loss carryforwards not subject to expiration:				
Short term	\$24,507,296	\$22,110,279	\$8,531,620	\$21,015,231
Long term	53,332,925	34,674,729	27,864,937	52,995,366
Total capital loss carryforwards	\$77,840,221	\$56,785,008	\$36,396,557	\$74,010,597
	Franklin Minnesota Tax- Free Income Fund	Franklin Ohio Tax-Free Income Fund	Franklin Oregon Tax- Free Income Fund	Franklin Pennsylvania Tax-Free Income Fund
Capital loss carryforwards not subject to expiration:				
Short term	\$14,512,345	\$39,572,501	\$36,236,045	\$25,053,372
Long term	21,275,148	44,409,231	75,492,346	85,078,417
Total capital loss carryforwards	\$35,787,493	\$83,981,732	\$111,728,391	\$110,131,789

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

	Franklin Arizona Tax-Free Income Fund		Franklin Colorado Tax-Free Income Fund	
	2023	2022	2023	2022
Distributions paid from:				
Ordinary income	\$35,771	\$93,766	\$63,451	\$—
Tax exempt income	23,779,726	24,259,101	16,012,882	16,631,004
	\$23,815,497	\$24,352,867	\$16,076,333	\$16,631,004
	Franklin Connecticut Tax-Free Income Fund		Franklin Michigan Tax-Free Income Fund	
	2023	2022	2023	2022
Distributions paid from:				
Ordinary income	\$5,853	\$—	\$80,597	\$—
Tax exempt income	3,933,962	4,112,118	22,095,562	22,087,253
	\$3,939,815	\$4,112,118	\$22,176,159	\$22,087,253

5. Income Taxes (continued)

	Franklin Minnesota Tax-Free Income Fund		Franklin Ohio Tax-Free Income Fund	
	2023	2022	2023	2022
Distributions paid from:				
Ordinary income	\$32,027	\$151,761	\$110,342	\$287,417
Tax exempt income	22,406,310	21,256,716	36,038,575	33,820,077
	\$22,438,337	\$21,408,477	\$36,148,917	\$34,107,494
	Franklin Oregon Tax-Free Income Fund		Franklin Pennsylvania Tax-Free Income Fund	
	2023	2022	2023	2022
Distributions paid from:				
Ordinary income	\$112,120	\$—	\$57,089	\$—
Tax exempt income	27,910,851	26,818,763	21,440,853	22,202,850
	\$28,022,971	\$26,818,763	\$21,497,942	\$22,202,850

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

	Franklin Arizona Tax-Free Income Fund	Franklin Colorado Tax-Free Income Fund	Franklin Connecticut Tax-Free Income Fund	Franklin Michigan Tax-Free Income Fund
Cost of investments	\$811,542,330	\$571,306,424	\$155,996,471	\$778,677,222
Unrealized appreciation.	\$5,577,923	\$3,855,024	\$743,504	\$3,454,622
Unrealized depreciation.	(47,935,583)	(39,867,113)	(14,233,586)	(52,287,130)
Net unrealized appreciation (depreciation).	\$(42,357,660)	\$(36,012,089)	\$(13,490,082)	\$(48,832,508)
Distributable earnings:				
Undistributed tax exempt income.	\$79,089	\$492,437	\$89,689	\$262,727
Total distributable earnings	\$79,089	\$492,437	\$89,689	\$262,727
	Franklin Minnesota Tax-Free Income Fund	Franklin Ohio Tax-Free Income Fund	Franklin Oregon Tax-Free Income Fund	Franklin Pennsylvania Tax-Free Income Fund
Cost of investments	\$857,265,042	\$1,243,924,516	\$999,807,600	\$818,467,520
Unrealized appreciation.	\$2,706,516	\$11,040,576	\$6,797,736	\$3,411,137
Unrealized depreciation.	(53,134,212)	(69,669,953)	(46,667,889)	(67,210,185)
Net unrealized appreciation (depreciation).	\$(50,427,696)	\$(58,629,377)	\$(39,870,153)	\$(63,799,048)
Distributable earnings:				
Undistributed tax exempt income.	\$119,933	\$91,281	\$537,692	\$1,456,054
Total distributable earnings	\$119,933	\$91,281	\$537,692	\$1,456,054

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

6. Investment Transactions

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

	Franklin Arizona Tax- Free Income Fund	Franklin Colorado Tax- Free Income Fund	Franklin Connecticut Tax-Free Income Fund	Franklin Michigan Tax- Free Income Fund
Purchases	\$228,185,880	\$78,505,112	\$22,583,897	\$217,406,625
Sales	\$323,947,837	\$182,423,213	\$41,844,492	\$310,462,142

	Franklin Minnesota Tax- Free Income Fund	Franklin Ohio Tax-Free Income Fund	Franklin Oregon Tax- Free Income Fund	Franklin Pennsylvania Tax-Free Income Fund
Purchases	\$172,103,986	\$355,143,198	\$345,033,609	\$249,339,712
Sales	\$328,841,335	\$599,287,969	\$498,982,052	\$342,285,740

7. Defaulted Securities

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

	Value	Percentage of Net Assets
Franklin Oregon Tax-Free Income Fund.	\$4,945,600	0.5%
Franklin Pennsylvania Tax-Free Income Fund	3,635,438	0.5%

8. Concentration of Risk

Certain or all Funds invest a large percentage of their total assets in obligations of issuers within their respective state and U.S. territories. Such concentration may subject the Funds to risks associated with industrial or regional matters, and economic, political or legal developments occurring within those states and U.S. territories. Investments in these securities are sensitive to interest rate changes and credit risk of the issuer and may subject the Funds to increased market volatility. The market for these investments may be limited, which may make them difficult to buy or sell.

9. Geopolitical Risk

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

10. Novel Coronavirus Pandemic

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

11. Credit Facility

The Funds, together with other U.S. registered and foreign investment funds (collectively, Borrowers), managed by Franklin Templeton, are borrowers in a joint syndicated senior unsecured credit facility totaling \$2.675 billion (Global Credit Facility) which matures on February 2, 2024. This Global Credit Facility provides a source of funds to the Borrowers for temporary and emergency purposes, including the ability to meet future unanticipated or unusually large redemption requests.

Under the terms of the Global Credit Facility, the Funds shall, in addition to interest charged on any borrowings made by the Funds and other costs incurred by the Funds, pay their share of fees and expenses incurred in connection with the implementation and maintenance of the Global Credit Facility, based upon their relative share of the aggregate net assets of all of the Borrowers, including an annual commitment fee of 0.15% based upon the unused portion of the Global Credit Facility. These fees are reflected in other expenses in the Statements of Operations. During the year ended February 28, 2023, the Funds did not use the Global Credit Facility.

12. Fair Value Measurements

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

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

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

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

	Level 1	Level 2	Level 3	Total
Franklin Arizona Tax-Free Income Fund				
Assets:				
Municipal Bonds	\$—	\$769,184,670	\$—	\$769,184,670
Total Investments in Securities	\$—	\$769,184,670	\$—	\$769,184,670
Franklin Colorado Tax-Free Income Fund				
Assets:				
Investments in Securities:				
Corporate Bonds	—	—	1,375,254	1,375,254
Municipal Bonds	—	528,519,081	—	528,519,081
Short Term Investments	—	5,400,000	—	5,400,000
Total Investments in Securities	\$—	\$533,919,081	\$1,375,254	\$535,294,335

12. Fair Value Measurements (continued)

	Level 1	Level 2	Level 3	Total
Franklin Connecticut Tax-Free Income Fund				
Assets:				
Investments in Securities:				
Municipal Bonds	\$—	\$141,606,389	\$—	\$141,606,389
Short Term Investments	—	900,000	—	900,000
Total Investments in Securities	\$—	\$142,506,389	\$—	\$142,506,389
Franklin Michigan Tax-Free Income Fund				
Assets:				
Investments in Securities:				
Corporate Bonds	—	—	1,768,184	1,768,184
Municipal Bonds	—	727,776,530	—	727,776,530
Short Term Investments	—	300,000	—	300,000
Total Investments in Securities	\$—	\$728,076,530	\$1,768,184	\$729,844,714
Franklin Minnesota Tax-Free Income Fund				
Assets:				
Investments in Securities:				
Municipal Bonds	—	761,597,346	—	761,597,346
Short Term Investments	—	45,240,000	—	45,240,000
Total Investments in Securities	\$—	\$806,837,346	\$—	\$806,837,346
Franklin Ohio Tax-Free Income Fund				
Assets:				
Investments in Securities:				
Corporate Bonds	—	—	3,143,438	3,143,438
Municipal Bonds	—	1,151,816,701	—	1,151,816,701
Short Term Investments	—	30,335,000	—	30,335,000
Total Investments in Securities	\$—	\$1,182,151,701	\$3,143,438	\$1,185,295,139
Franklin Oregon Tax-Free Income Fund				
Assets:				
Investments in Securities:				
Corporate Bonds	—	—	2,455,810	2,455,810
Municipal Bonds	—	955,581,637	—	955,581,637
Short Term Investments	—	1,900,000	—	1,900,000
Total Investments in Securities	\$—	\$957,481,637	\$2,455,810	\$959,937,447
Franklin Pennsylvania Tax-Free Income Fund				
Assets:				
Investments in Securities:				
Corporate Bonds	—	—	1,964,649	1,964,649
Municipal Bonds	—	747,603,823	—	747,603,823
Short Term Investments	—	5,100,000	—	5,100,000
Total Investments in Securities	\$—	\$752,703,823	\$1,964,649	\$754,668,472

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

13. Subsequent Events

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

Abbreviations

Selected Portfolio

AGMC	Assured Guaranty Municipal Corp.
BAM	Build America Mutual Assurance Co.
COP	Certificate of Participation
ETM	Escrowed to Maturity
FNMA	Federal National Mortgage Association
GNMA	Government National Mortgage Association
GO	General Obligation
LOC	Letter of Credit
NATL	National Reinsurance Corp.
SPA	Standby Purchase Agreement
XLCA	XL Capital Assurance, Inc.

Report of Independent Registered Public Accounting Firm

To the Board of Trustees of Franklin Tax-Free Trust and Shareholders of Franklin Arizona Tax-Free Income Fund, Franklin Colorado Tax-Free Income Fund, Franklin Connecticut Tax-Free Income Fund, Franklin Michigan Tax-Free Income Fund, Franklin Minnesota Tax-Free Income Fund, Franklin Ohio Tax-Free Income Fund, Franklin Oregon Tax-Free Income Fund, and Franklin Pennsylvania Tax-Free Income Fund

Opinions on the Financial Statements

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

Basis for Opinions

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

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

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

PricewaterhouseCoopers LLP

San Francisco, California

April 18, 2023

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

Tax Information (unaudited)

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

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

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

		Franklin Arizona Tax-Free Income Fund	Franklin Colorado Tax-Free Income Fund	Franklin Connecticut Tax- Free Income Fund
Exempt-Interest Dividends Distributed	Pursuant to: §852(b)(5)(A)	\$23,779,726	\$16,012,882	\$3,933,962
		Franklin Michigan Tax-Free Income Fund	Franklin Minnesota Tax- Free Income Fund	Franklin Ohio Tax- Free Income Fund
Exempt-Interest Dividends Distributed	Pursuant to: §852(b)(5)(A)	\$22,095,562	\$22,406,310	\$36,038,575
		Franklin Oregon Tax-Free Income Fund	Franklin Pennsylvania Tax- Free Income Fund	
Exempt-Interest Dividends Distributed	Pursuant to: §852(b)(5)(A)	\$27,910,851	\$21,440,853	

Board Members and Officers

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

Independent Board Members

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

Independent Board Members (continued)

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

Principal Occupation During at Least the Past 5 Years:

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

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

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

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

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

Independent Board Members (continued)

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

Principal Occupation During at Least the Past 5 Years:

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

Interested Board Members and Officers

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

Principal Occupation During at Least the Past 5 Years:

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

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

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

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

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

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

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

Interested Board Members and Officers (continued)

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

Interested Board Members and Officers (continued)

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

Principal Occupation During at Least the Past 5 Years:

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

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

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

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

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

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

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

Shareholder Information

Proxy Voting Policies and Procedures

The Trust's investment manager has established Proxy Voting Policies and Procedures (Policies) that the Trust uses to determine how to vote proxies relating to portfolio securities. Shareholders may view the Trust's complete Policies online at franklintempleton.com. Alternatively, shareholders may request copies of the Policies free of charge by calling the Proxy Group collect at (954) 527-7678 or by sending a written request to: Franklin Templeton Companies, LLC, 300 S.E. 2nd Street, Fort Lauderdale, FL 33301, Attention: Proxy Group. Copies of the Trust's proxy voting records are also made available online at franklintempleton.com and posted on the U.S. Securities and Exchange Commission's website at sec.gov and reflect the most recent six-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. The filed form may also be viewed and copied at the Commission's Public Reference Room in Washington, DC. Information regarding the operations of the Public Reference Room may be obtained by calling (800) SEC-0330.

Householding of Reports and Prospectuses

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

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

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



**FRANKLIN
TEMPLETON**

Annual Report and Shareholder Letter
Franklin Tax-Free Trust

Investment Manager
Franklin Advisers, Inc.

Distributor
Franklin Distributors, LLC
(800) DIAL BEN® / 342-5236
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Shareholder Services
(800) 632-2301