

SEMIANNUAL REPORT

# FRANKLIN TAX-FREE TRUST

August 31, 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

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

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

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

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



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

# Franklin Arizona Tax-Free Income Fund

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

## Portfolio Composition 8/31/23

## Fund Overview

### Your Fund's Goal and Main Investments

The Fund seeks to provide investors with as high a level of income exempt from federal and 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.<sup>1</sup>

## Performance Overview

The Fund's Class A share price, as measured by net asset value, decreased from \$9.60 on February 28, 2023, to \$9.54 on August 31, 2023. The Fund's Class A shares paid dividends totaling 14.8746 cents per share for the reporting period.<sup>2</sup> The Performance Summary beginning on page 3 shows that at the end of this reporting period the Fund's Class A shares' distribution rate was 3.02%, based on an annualization of the August's 2.4910 cents per share dividend and the maximum offering price of \$9.91 on August 31, 2023. An investor in the 2023 maximum combined effective federal and Arizona personal income tax bracket of 43.30% (including 3.80% Medicare tax) would need to earn a distribution rate of 5.33% from a taxable investment to match the Fund's Class A tax-free distribution rate. For other performance data, please see the Performance Summary.

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

### % of Total Investments\*

Education	25.41%
Utilities	18.81%
Health Care	15.13%
Transportation	12.05%
Special Tax	11.04%
Housing	8.36%
Industrial Dev. Revenue and Pollution Control	5.26%
Local	2.94%
Refunded	0.57%
Lease	0.43%

\*Does not include cash and cash equivalents.

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

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 estimated tax-basis net investment income distributions for the period shown. A portion or all of the distribution may be reclassified as return of capital or short-term or long-term capital gains once final tax designations are known. Assumes shares were purchased and held for the entire accrual period. Since dividends accrue daily, your actual distributions will vary depending on the date you purchased your shares and any account activity. All Fund distributions will vary depending upon current market conditions, and past distributions are not indicative of future trends.

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

The dollar value, number of shares or principal amount, and names of all portfolio holdings are listed in the Fund's Schedule of Investments (SOI). The SOI begins on page 39.

## Performance Summary as of August 31, 2023

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

### Performance as of 8/31/23<sup>1</sup>

*Cumulative total return excludes sales charges. Average annual total 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](http://franklintempleton.com).*

Share Class	Cumulative Total Return <sup>2</sup>	Average Annual Total Return <sup>3</sup>
<b>A<sup>4,5</sup></b>		
6-Month	+0.91%	-2.87%
1-Year	+0.90%	-2.88%
5-Year	+3.23%	-0.13%
10-Year	+25.66%	+1.92%
<b>Advisor</b>		
6-Month	+0.93%	+0.93%
1-Year	+1.15%	+1.15%
5-Year	+4.32%	+0.85%
10-Year	+27.67%	+2.47%

Share Class	Distribution Rate <sup>6</sup>	Taxable Equivalent Distribution Rate <sup>7</sup>	30-Day Standardized Yield <sup>8</sup>	Taxable Equivalent 30-Day Standardized Yield <sup>7</sup>
A	3.02%	5.33%	3.56%	6.28%
Advisor	3.38%	5.96%	3.94%	6.95%

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

See page 4 for Performance Summary footnotes.

## Distributions (3/1/23–8/31/23)

Share Class	Net Investment Income
A	\$0.148746
A1	\$0.156056
C	\$0.128720
R6	\$0.162286
Advisor	\$0.160903

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

Share Class	
A	0.82%
Advisor	0.56%

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

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

**All investments involve risks, including possible loss of principal.** Fixed income securities involve interest rate, credit, inflation and reinvestment risks, and possible loss of principal. As interest rates rise, the value of fixed income securities falls. Portfolios focused on a **single state** are subject to greater risk of adverse economic and regulatory changes in that state than a geographically diversified fund. **Changes in the credit rating of a bond**, or in the credit rating or financial strength of a bond's issuer, insurer or guarantor, may affect the bond's value. These and other risks are discussed in the Fund's prospectus.

1. Gross expenses are the Fund's total annual operating expenses as of the Fund's prospectus available at the time of publication. Net expenses are capped under a contractual agreement, which cannot be terminated prior to 6/30/24 without Board consent. Actual expenses may be higher and may impact portfolio returns.
  2. Cumulative total return represents the change in value of an investment over the periods indicated.
  3. Average annual total return represents the average annual change in value of an investment over the periods indicated. Return for less than one year, if any, has not been annualized.
  4. Effective 9/10/18, Class A shares closed to new investors, were renamed Class A1 shares, and a new Class A share with a different expense structure became available. Class A performance shown has been calculated as follows: (a) for periods prior to 9/10/18, a restated figure is used based on the Fund's Class A1 performance that includes any Rule 12b-1 rate differential that exists between Class A1 and Class A; and (b) for periods after 9/10/18, actual Class A performance is used, reflecting all charges and fees applicable to that class.
  5. Prior to 3/1/19, these shares were offered at a higher initial sales charge of 4.25%, thus actual returns (with sales charges) would have differed. Average annual total returns (with sales charges) have been restated to reflect the current maximum initial sales charge of 3.75%.
  6. Distribution rate is based on an annualization of the respective class's August dividend and the maximum offering price (NAV for Advisor class) per share on 8/31/23.
  7. Taxable equivalent distribution rate and yield assume the published rates as of 6/22/23 for the maximum combined effective federal and Arizona personal income tax rate of 43.30%, based on the federal income tax rate of 37.00% plus 3.80% Medicare tax.
  8. The Fund's 30-day standardized yield is calculated over a trailing 30-day period using the yield to maturity on bonds and/or the dividends accrued on stocks. It may not equal the Fund's actual income distribution rate, which reflects the Fund's past dividends paid to shareholders.
  9. Figures are as stated in the Fund's current prospectus and may differ from the expense ratios disclosed in the Your Fund's Expenses and Financial Highlights sections in this report. In periods of market volatility, assets may decline significantly, causing total annual Fund operating expenses to become higher than the figures shown.
- See [www.franklintempletondatasources.com](http://www.franklintempletondatasources.com) for additional data provider information.

## Your Fund's Expenses

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

### Actual Fund Expenses

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

### Hypothetical Example for Comparison with Other Funds

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

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

Share Class	Beginning Account Value 3/1/23	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio <sup>2</sup>
		Ending Account Value 8/31/23	Expenses Paid During Period 3/1/23–8/31/23 <sup>1,2</sup>	Ending Account Value 8/31/23	Expenses Paid During Period 3/1/23–8/31/23 <sup>1,2</sup>	
A	\$1,000	\$1,009.10	\$4.12	\$1,021.03	\$4.15	0.82%
A1	\$1,000	\$1,008.90	\$3.37	\$1,021.78	\$3.39	0.67%
C	\$1,000	\$1,006.90	\$6.09	\$1,019.06	\$6.13	1.21%
R6	\$1,000	\$1,009.50	\$2.72	\$1,022.43	\$2.73	0.54%
Advisor	\$1,000	\$1,009.30	\$2.86	\$1,022.29	\$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 184/366 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 semiannual report for Franklin Colorado Tax-Free Income Fund covers the period ended August 31, 2023.

## Fund Overview

### Your Fund's Goal and Main Investments

The Fund seeks to provide investors with as high a level of income exempt from federal and 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.<sup>1</sup>

### Performance Overview

The Fund's Class A share price, as measured by net asset value, decreased from \$10.26 on February 28, 2023, to \$10.21 on August 31, 2023. The Fund's Class A shares paid dividends totaling 14.6601 cents per share for the reporting period.<sup>2</sup> The Performance Summary beginning on page 7 shows that at the end of this reporting period the Fund's Class A shares' distribution rate was 2.78%, based on an annualization of the August's 2.4551 cents per share dividend and the maximum offering price of \$10.61 on August 31, 2023. An investor in the 2023 maximum combined effective federal and Colorado personal income tax bracket of 45.20% (including 3.80% Medicare tax) would need to earn a distribution rate of 5.07% from a taxable investment to match the Fund's Class A tax-free distribution rate. For other performance data, please see the Performance Summary.

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

### Portfolio Composition

8/31/23

	% of Total Investments*
Health Care	21.66%
Local	19.17%
Utilities	13.53%
Education	12.83%
Special Tax	7.00%
Transportation	6.75%
Housing	5.53%
Lease	5.11%
Industrial Dev. Revenue and Pollution Control	4.78%
Refunded	2.80%
State General Obligation	0.84%

\*Does not include cash and cash equivalents.

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

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 estimated tax-basis net investment income distributions for the period shown. A portion or all of the distribution may be reclassified as return of capital or short-term or long-term capital gains once final tax designations are known. Assumes shares were purchased and held for the entire accrual period. Since dividends accrue daily, your actual distributions will vary depending on the date you purchased your shares and any account activity. All Fund distributions will vary depending upon current market conditions, and past distributions are not indicative of future trends.

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

The dollar value, number of shares or principal amount, and names of all portfolio holdings are listed in the Fund's Schedule of Investments (SOI). The SOI begins on page 50.



## Performance Summary as of August 31, 2023

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

### Performance as of 8/31/23<sup>1</sup>

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

Share Class	Cumulative Total Return <sup>2</sup>	Average Annual Total Return <sup>3</sup>
<b>A<sup>4,5</sup></b>		
6-Month	+0.93%	-2.86%
1-Year	+0.74%	-3.04%
5-Year	+2.56%	-0.26%
10-Year	+24.35%	+1.81%
<b>Advisor</b>		
6-Month	+0.96%	+0.96%
1-Year	+0.89%	+0.89%
5-Year	+3.75%	+0.74%
10-Year	+26.41%	+2.37%

Share Class	Distribution Rate <sup>6</sup>	Taxable Equivalent Distribution Rate <sup>7</sup>	30-Day Standardized Yield <sup>8</sup>	Taxable Equivalent 30-Day Standardized Yield <sup>7</sup>
A	2.78%	5.07%	3.54%	6.46%
Advisor	3.14%	5.73%	3.93%	7.17%

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

See page 8 for Performance Summary footnotes.

## Distributions (3/1/23–8/31/23)

Share Class	Net Investment Income
A	\$0.146601
A1	\$0.154418
C	\$0.125264
R6	\$0.161744
Advisor	\$0.159629

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

Share Class	
A	0.83%
Advisor	0.58%

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

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

**All investments involve risks, including possible loss of principal.** Fixed income securities involve interest rate, credit, inflation and reinvestment risks, and possible loss of principal. As interest rates rise, the value of fixed income securities falls. Portfolios focused on a **single state** are subject to greater risk of adverse economic and regulatory changes in that state than a geographically diversified fund. **Changes in the credit rating of a bond**, or in the credit rating or financial strength of a bond's issuer, insurer or guarantor, may affect the bond's value. These and other risks are discussed in the Fund's prospectus.

1. Gross expenses are the Fund's total annual operating expenses as of the Fund's prospectus available at the time of publication. Net expenses are capped under a contractual agreement, which cannot be terminated prior to 6/30/24 without Board consent. Actual expenses may be higher and may impact portfolio returns.
  2. Cumulative total return represents the change in value of an investment over the periods indicated.
  3. Average annual total return represents the average annual change in value of an investment over the periods indicated. Return for less than one year, if any, has not been annualized.
  4. Effective 9/10/18, Class A shares closed to new investors, were renamed Class A1 shares, and a new Class A share with a different expense structure became available. Class A performance shown has been calculated as follows: (a) for periods prior to 9/10/18, a restated figure is used based on the Fund's Class A1 performance that includes any Rule 12b-1 rate differential that exists between Class A1 and Class A; and (b) for periods after 9/10/18, actual Class A performance is used, reflecting all charges and fees applicable to that class.
  5. Prior to 3/1/19, these shares were offered at a higher initial sales charge of 4.25%, thus actual returns (with sales charges) would have differed. Average annual total returns (with sales charges) have been restated to reflect the current maximum initial sales charge of 3.75%.
  6. Distribution rate is based on an annualization of the respective class's August dividend and the maximum offering price (NAV for Advisor class) per share on 8/31/23.
  7. Taxable equivalent distribution rate and yield assume the published rates as of 6/22/23 for the maximum combined effective federal and Colorado personal income tax rate of 45.20%, based on the federal income tax rate of 37.00% plus 3.80% Medicare tax.
  8. The Fund's 30-day standardized yield is calculated over a trailing 30-day period using the yield to maturity on bonds and/or the dividends accrued on stocks. It may not equal the Fund's actual income distribution rate, which reflects the Fund's past dividends paid to shareholders.
  9. Figures are as stated in the Fund's current prospectus and may differ from the expense ratios disclosed in the Your Fund's Expenses and Financial Highlights sections in this report. In periods of market volatility, assets may decline significantly, causing total annual Fund operating expenses to become higher than the figures shown.
- See [www.franklintempletondatasources.com](http://www.franklintempletondatasources.com) for additional data provider information.

## Your Fund's Expenses

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

### Actual Fund Expenses

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

### Hypothetical Example for Comparison with Other Funds

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

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

Share Class	Beginning Account Value 3/1/23	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio <sup>2</sup>
		Ending Account Value 8/31/23	Expenses Paid During Period 3/1/23–8/31/23 <sup>1,2</sup>	Ending Account Value 8/31/23	Expenses Paid During Period 3/1/23–8/31/23 <sup>1,2</sup>	
A	\$1,000	\$1,009.30	\$4.27	\$1,020.89	\$4.29	0.85%
A1	\$1,000	\$1,009.10	\$3.51	\$1,021.64	\$3.53	0.70%
C	\$1,000	\$1,006.20	\$6.24	\$1,018.91	\$6.28	1.24%
R6	\$1,000	\$1,009.80	\$2.80	\$1,022.35	\$2.82	0.56%
Advisor	\$1,000	\$1,009.60	\$3.01	\$1,022.14	\$3.03	0.60%

1. Expenses are equal to the annualized expense ratio for the six-month period as indicated above—in the far right column—multiplied by the simple average account value over the period indicated, and then multiplied by 184/366 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 semiannual report for Franklin Connecticut Tax-Free Income Fund covers the period ended August 31, 2023.

## Fund Overview

### Your Fund's Goal and Main Investments

The Fund seeks to provide investors with as high a level of income exempt from federal and 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.<sup>1</sup>

## Performance Overview

The Fund's Class A share price, as measured by net asset value, decreased from \$8.86 on February 28, 2023, to \$8.79 on August 31, 2023. The Fund's Class A shares paid dividends totaling 12.0074 cents per share for the reporting period.<sup>2</sup> The Performance Summary beginning on page 11 shows that at the end of this reporting period the Fund's Class A shares' distribution rate was 2.83%, based on an annualization of the August's 2.1541 cents per share dividend and the maximum offering price of \$9.13 on August 31, 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 5.42% from a taxable investment to match the Fund's Class A tax-free distribution rate. For other performance data, please see the Performance Summary.

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

## Portfolio Composition

8/31/23

	% of Total Investments*
Education	34.95%
Health Care	22.67%
Transportation	12.97%
Housing	8.38%
State General Obligation	6.37%
Local	6.13%
Special Tax	3.42%
Refunded	2.69%
Utilities	2.00%
Lease	0.42%

\*Does not include cash and cash equivalents.

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

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 estimated tax-basis net investment income distributions for the period shown. A portion or all of the distribution may be reclassified as return of capital or short-term or long-term capital gains once final tax designations are known. Assumes shares were purchased and held for the entire accrual period. Since dividends accrue daily, your actual distributions will vary depending on the date you purchased your shares and any account activity. All Fund distributions will vary depending upon current market conditions, and past distributions are not indicative of future trends.

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

The dollar value, number of shares or principal amount, and names of all portfolio holdings are listed in the Fund's Schedule of Investments (SOI). The SOI begins on page 61.

## Performance Summary as of August 31, 2023

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

### Performance as of 8/31/23<sup>1</sup>

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

Share Class	Cumulative Total Return <sup>2</sup>		Average Annual Total Return <sup>3</sup>	
<b>A<sup>4,5</sup></b>				
6-Month	+0.55%		-3.22%	
1-Year	+0.93%		-2.86%	
5-Year	-0.51%		-0.86%	
10-Year	+15.41%		+1.06%	
<b>Advisor</b>				
6-Month	+0.79%		+0.79%	
1-Year	+1.30%		+1.30%	
5-Year	+0.74%		+0.15%	
10-Year	+17.45%		+1.62%	

  

Share Class	Distribution Rate <sup>6</sup>	Taxable Equivalent Distribution Rate <sup>7</sup>	30-Day Standardized Yield <sup>8</sup>		Taxable Equivalent 30-Day Standardized Yield <sup>7</sup>	
			(with fee waiver)	(without fee waiver)	(with fee waiver)	(without fee waiver)
A	2.83%	5.42%	3.40%	3.31%	6.51%	6.34%
Advisor	3.20%	6.13%	3.79%	3.70%	7.26%	7.09%

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

See page 12 for Performance Summary footnotes.

## Distributions (3/1/23–8/31/23)

Share Class	Net Investment Income
A	\$0.120074
A1	\$0.126837
C	\$0.101837
R6	\$0.132808
Advisor	\$0.131336

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

Share Class	With Fee Waiver	Without Fee Waiver
A	0.90%	0.96%
Advisor	0.65%	0.72%

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

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

**All investments involve risks, including possible loss of principal.** Fixed income securities involve interest rate, credit, inflation and reinvestment risks, and possible loss of principal. As interest rates rise, the value of fixed income securities falls. Portfolios focused on a **single state** are subject to greater risk of adverse economic and regulatory changes in that state than a geographically diversified fund. **Changes in the credit rating of a bond**, or in the credit rating or financial strength of a bond's issuer, insurer or guarantor, may affect the bond's value. These and other risks are discussed in the Fund's prospectus.

1. Gross expenses are the Fund's total annual operating expenses as of the Fund's prospectus available at the time of publication. Actual expenses may be higher and may impact portfolio returns. Net expenses reflect contractual fee waivers, expense caps and/or reimbursements, which cannot be terminated prior to 6/30/24 without Board consent. Additional amounts may be voluntarily waived and/or reimbursed and may be modified or discontinued at any time without notice.

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

3. Average annual total return represents the average annual change in value of an investment over the periods indicated. Return for less than one year, if any, has not been annualized.

4. Effective 9/10/18, Class A shares closed to new investors, were renamed Class A1 shares, and a new Class A share with a different expense structure became available. Class A performance shown has been calculated as follows: (a) for periods prior to 9/10/18, a restated figure is used based on the Fund's Class A1 performance that includes any Rule 12b-1 rate differential that exists between Class A1 and Class A; and (b) for periods after 9/10/18, actual Class A performance is used, reflecting all charges and fees applicable to that class.

5. Prior to 3/1/19, these shares were offered at a higher initial sales charge of 4.25%, thus actual returns (with sales charges) would have differed. Average annual total returns (with sales charges) have been restated to reflect the current maximum initial sales charge of 3.75%.

6. Distribution rate is based on an annualization of the respective class's August dividend and the maximum offering price (NAV for Advisor class) per share on 8/31/23.

7. Taxable equivalent distribution rate and yield assume the published rates as of 6/22/23 for the maximum combined effective federal and 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. Figures are as stated in the Fund's current prospectus and may differ from the expense ratios disclosed in the Your Fund's Expenses and Financial Highlights sections in this report. In periods of market volatility, assets may decline significantly, causing total annual Fund operating expenses to become higher than the figures shown.

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

## Your Fund's Expenses

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

### Actual Fund Expenses

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

### Hypothetical Example for Comparison with Other Funds

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

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

Share Class	Beginning Account Value 3/1/23	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio <sup>2</sup>
		Ending Account Value 8/31/23	Expenses Paid During Period 3/1/23–8/31/23 <sup>1,2</sup>	Ending Account Value 8/31/23	Expenses Paid During Period 3/1/23–8/31/23 <sup>1,2</sup>	
A	\$1,000	\$1,005.50	\$4.53	\$1,020.62	\$4.57	0.90%
A1	\$1,000	\$1,006.30	\$3.78	\$1,021.37	\$3.81	0.75%
C	\$1,000	\$1,004.60	\$6.53	\$1,018.63	\$6.57	1.30%
R6	\$1,000	\$1,008.10	\$3.14	\$1,022.01	\$3.16	0.62%
Advisor	\$1,000	\$1,007.90	\$3.29	\$1,021.86	\$3.31	0.65%

1. Expenses are equal to the annualized expense ratio for the six-month period as indicated above—in the far right column—multiplied by the simple average account value over the period indicated, and then multiplied by 184/366 to reflect the one-half year period.

2. Reflects expenses after fee waivers and expense reimbursements. Does not include acquired fund fees and expenses.

# Franklin Michigan Tax-Free Income Fund

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

## Fund Overview

### Your Fund's Goal and Main Investments

The Fund seeks to provide investors with as high a level of income exempt from federal and 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.<sup>1</sup>

### Performance Overview

The Fund's Class A share price, as measured by net asset value, decreased from \$10.30 on February 28, 2023, to \$10.24 on August 31, 2023. The Fund's Class A shares paid dividends totaling 15.3430 cents per share for the reporting period.<sup>2</sup> The Performance Summary beginning on page 15 shows that at the end of this reporting period the Fund's Class A shares' distribution rate was 3.04%, based on an annualization of the August's 2.6919 cents per share dividend and the maximum offering price of \$10.64 on August 31, 2023. An investor in the 2023 maximum combined effective federal and Michigan personal income tax bracket of 44.85% (including 3.80% Medicare tax) would need to earn a distribution rate of 5.51% from a taxable investment to match the Fund's Class A tax-free distribution rate. For other performance data, please see the Performance Summary.

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

### Portfolio Composition

8/31/23

	% of Total Investments*
Local	28.25%
Health Care	15.45%
Education	15.30%
Housing	9.55%
Lease	6.78%
Utilities	6.50%
Transportation	6.32%
Refunded	4.60%
Special Tax	4.46%
Industrial Dev. Revenue and Pollution Control	2.54%
State General Obligation	0.25%

\*Does not include cash and cash equivalents.

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

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 estimated tax-basis net investment income distributions for the period shown. A portion or all of the distribution may be reclassified as return of capital or short-term or long-term capital gains once final tax designations are known. Assumes shares were purchased and held for the entire accrual period. Since dividends accrue daily, your actual distributions will vary depending on the date you purchased your shares and any account activity. All Fund distributions will vary depending upon current market conditions, and past distributions are not indicative of future trends.

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

The dollar value, number of shares or principal amount, and names of all portfolio holdings are listed in the Fund's Schedule of Investments (SOI). The SOI begins on page 69.



## Performance Summary as of August 31, 2023

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

### Performance as of 8/31/23<sup>1</sup>

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

Share Class	Cumulative Total Return <sup>2</sup>	Average Annual Total Return <sup>3</sup>
<b>A<sup>4,5</sup></b>		
6-Month	+0.89%	-2.89%
1-Year	+0.76%	-3.02%
5-Year	+3.54%	-0.07%
10-Year	+23.00%	+1.70%
<b>Advisor</b>		
6-Month	+1.02%	+1.02%
1-Year	+1.01%	+1.01%
5-Year	+4.65%	+0.91%
10-Year	+24.98%	+2.25%

Share Class	Distribution Rate <sup>6</sup>	Taxable Equivalent Distribution Rate <sup>7</sup>	30-Day Standardized Yield <sup>8</sup>	Taxable Equivalent 30-Day Standardized Yield <sup>7</sup>
A	3.04%	5.51%	3.40%	6.17%
Advisor	3.40%	6.17%	3.77%	6.84%

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

See page 16 for Performance Summary footnotes.

## Distributions (3/1/23–8/31/23)

Share Class	Net Investment Income
A	\$0.153430
A1	\$0.161282
C	\$0.131895
R6	\$0.168538
Advisor	\$0.166483

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

Share Class	
A	0.82%
Advisor	0.57%

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

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

**All investments involve risks, including possible loss of principal.** Fixed income securities involve interest rate, credit, inflation and reinvestment risks, and possible loss of principal. As interest rates rise, the value of fixed income securities falls. Portfolios focused on a **single state** are subject to greater risk of adverse economic and regulatory changes in that state than a geographically diversified fund. **Changes in the credit rating of a bond**, or in the credit rating or financial strength of a bond's issuer, insurer or guarantor, may affect the bond's value. These and other risks are discussed in the Fund's prospectus.

1. Gross expenses are the Fund's total annual operating expenses as of the Fund's prospectus available at the time of publication. Net expenses are capped under a contractual agreement, which cannot be terminated prior to 6/30/24 without Board consent. Actual expenses may be higher and may impact portfolio returns.
  2. Cumulative total return represents the change in value of an investment over the periods indicated.
  3. Average annual total return represents the average annual change in value of an investment over the periods indicated. Return for less than one year, if any, has not been annualized.
  4. Effective 9/10/18, Class A shares closed to new investors, were renamed Class A1 shares, and a new Class A share with a different expense structure became available. Class A performance shown has been calculated as follows: (a) for periods prior to 9/10/18, a restated figure is used based on the Fund's Class A1 performance that includes any Rule 12b-1 rate differential that exists between Class A1 and Class A; and (b) for periods after 9/10/18, actual Class A performance is used, reflecting all charges and fees applicable to that class.
  5. Prior to 3/1/19, these shares were offered at a higher initial sales charge of 4.25%, thus actual returns (with sales charges) would have differed. Average annual total returns (with sales charges) have been restated to reflect the current maximum initial sales charge of 3.75%.
  6. Distribution rate is based on an annualization of the respective class's August dividend and the maximum offering price (NAV for Advisor class) per share on 8/31/23.
  7. Taxable equivalent distribution rate and yield assume the published rates as of 6/22/23 for the maximum combined effective federal and Michigan personal income tax rate of 44.85%, based on the federal income tax rate of 37.00% plus 3.80% Medicare tax.
  8. The Fund's 30-day standardized yield is calculated over a trailing 30-day period using the yield to maturity on bonds and/or the dividends accrued on stocks. It may not equal the Fund's actual income distribution rate, which reflects the Fund's past dividends paid to shareholders.
  9. Figures are as stated in the Fund's current prospectus and may differ from the expense ratios disclosed in the Your Fund's Expenses and Financial Highlights sections in this report. In periods of market volatility, assets may decline significantly, causing total annual Fund operating expenses to become higher than the figures shown.
- See [www.franklintempletondatasources.com](http://www.franklintempletondatasources.com) for additional data provider information.

## Your Fund's Expenses

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

### Actual Fund Expenses

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

### Hypothetical Example for Comparison with Other Funds

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

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

Share Class	Beginning Account Value 3/1/23	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio <sup>2</sup>
		Ending Account Value 8/31/23	Expenses Paid During Period 3/1/23–8/31/23 <sup>1,2</sup>	Ending Account Value 8/31/23	Expenses Paid During Period 3/1/23–8/31/23 <sup>1,2</sup>	
A	\$1,000	\$1,008.90	\$4.20	\$1,020.95	\$4.23	0.83%
A1	\$1,000	\$1,009.70	\$3.45	\$1,021.71	\$3.47	0.68%
C	\$1,000	\$1,006.80	\$6.17	\$1,018.99	\$6.21	1.22%
R6	\$1,000	\$1,010.40	\$2.74	\$1,022.41	\$2.76	0.54%
Advisor	\$1,000	\$1,010.20	\$2.93	\$1,022.22	\$2.95	0.58%

1. Expenses are equal to the annualized expense ratio for the six-month period as indicated above—in the far right column—multiplied by the simple average account value over the period indicated, and then multiplied by 184/366 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 semiannual report for Franklin Minnesota Tax-Free Income Fund covers the period ended August 31, 2023.

## Fund Overview

### Your Fund's Goal and Main Investments

The Fund seeks to provide investors with as high a level of income exempt from federal and 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.<sup>1</sup>

### Performance Overview

The Fund's Class A share price, as measured by net asset value, decreased from \$11.03 on February 28, 2023, to \$10.89 on August 31, 2023. The Fund's Class A shares paid dividends totaling 15.2106 cents per share for the reporting period.<sup>2</sup> The Performance Summary beginning on page 19 shows that at the end of this reporting period the Fund's Class A shares' distribution rate was 2.74%, based on an annualization of the August's 2.5796 cents per share dividend and the maximum offering price of \$11.31 on August 31, 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 5.55% 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](http://franklintempleton.com) or call (800) 342-5236.*

### Portfolio Composition 8/31/23

	% of Total Investments*
Local	33.35%
Health Care	17.48%
Housing	11.24%
Education	10.58%
Utilities	9.43%
Transportation	6.08%
Other Revenue Bonds	4.00%
Refunded	2.12%
Industrial Dev. Revenue and Pollution Control	1.77%
Lease	1.57%
Special Tax	1.49%
State General Obligation	0.89%

\*Does not include cash and cash equivalents.

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

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 estimated tax-basis net investment income distributions for the period shown. A portion or all of the distribution may be reclassified as return of capital or short-term or long-term capital gains once final tax designations are known. Assumes shares were purchased and held for the entire accrual period. Since dividends accrue daily, your actual distributions will vary depending on the date you purchased your shares and any account activity. All Fund distributions will vary depending upon current market conditions, and past distributions are not indicative of future trends.

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

The dollar value, number of shares or principal amount, and names of all portfolio holdings are listed in the Fund's Schedule of Investments (SOI). The SOI begins on page 81.

## Performance Summary as of August 31, 2023

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

### Performance as of 8/31/23<sup>1</sup>

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

Share Class	Cumulative Total Return <sup>2</sup>	Average Annual Total Return <sup>3</sup>
<b>A<sup>4,5</sup></b>		
6-Month	+0.09%	-3.66%
1-Year	+0.50%	-3.27%
5-Year	+1.51%	-0.46%
10-Year	+18.85%	+1.35%
<b>Advisor</b>		
6-Month	+0.22%	+0.22%
1-Year	+0.75%	+0.75%
5-Year	+2.70%	+0.53%
10-Year	+20.92%	+1.92%

Share Class	Distribution Rate <sup>6</sup>	Taxable Equivalent Distribution Rate <sup>7</sup>	30-Day Standardized Yield <sup>8</sup>	Taxable Equivalent 30-Day Standardized Yield <sup>7</sup>
A	2.74%	5.55%	3.31%	6.71%
Advisor	3.09%	6.26%	3.69%	7.48%

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

See page 20 for Performance Summary footnotes.

## Distributions (3/1/23–8/31/23)

Share Class	Net Investment Income
A	\$0.152106
A1	\$0.160474
C	\$0.129255
R6	\$0.168970
Advisor	\$0.166051

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

Share Class	
A	0.83%
Advisor	0.58%

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

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

**All investments involve risks, including possible loss of principal.** Fixed income securities involve interest rate, credit, inflation and reinvestment risks, and possible loss of principal. As interest rates rise, the value of fixed income securities falls. Portfolios focused on a **single state** are subject to greater risk of adverse economic and regulatory changes in that state than a geographically diversified fund. **Changes in the credit rating of a bond**, or in the credit rating or financial strength of a bond's issuer, insurer or guarantor, may affect the bond's value. These and other risks are discussed in the Fund's prospectus.

1. Gross expenses are the Fund's total annual operating expenses as of the Fund's prospectus available at the time of publication. Net expenses are capped under a contractual agreement, which cannot be terminated prior to 6/30/24 without Board consent. Actual expenses may be higher and may impact portfolio returns.
  2. Cumulative total return represents the change in value of an investment over the periods indicated.
  3. Average annual total return represents the average annual change in value of an investment over the periods indicated. Return for less than one year, if any, has not been annualized.
  4. Effective 9/10/18, Class A shares closed to new investors, were renamed Class A1 shares, and a new Class A share with a different expense structure became available. Class A performance shown has been calculated as follows: (a) for periods prior to 9/10/18, a restated figure is used based on the Fund's Class A1 performance that includes any Rule 12b-1 rate differential that exists between Class A1 and Class A; and (b) for periods after 9/10/18, actual Class A performance is used, reflecting all charges and fees applicable to that class.
  5. Prior to 3/1/19, these shares were offered at a higher initial sales charge of 4.25%, thus actual returns (with sales charges) would have differed. Average annual total returns (with sales charges) have been restated to reflect the current maximum initial sales charge of 3.75%.
  6. Distribution rate is based on an annualization of the respective class's August dividend and the maximum offering price (NAV for Advisor class) per share on 8/31/23.
  7. Taxable equivalent distribution rate and yield assume the published rates as of 6/22/23 for the maximum combined effective federal and 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. Figures are as stated in the Fund's current prospectus and may differ from the expense ratios disclosed in the Your Fund's Expenses and Financial Highlights sections in this report. In periods of market volatility, assets may decline significantly, causing total annual Fund operating expenses to become higher than the figures shown.
- See [www.franklintempletondatasources.com](http://www.franklintempletondatasources.com) for additional data provider information.

## Your Fund's Expenses

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

### Actual Fund Expenses

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

### Hypothetical Example for Comparison with Other Funds

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

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

Share Class	Beginning Account Value 3/1/23	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio <sup>2</sup>
		Ending Account Value 8/31/23	Expenses Paid During Period 3/1/23–8/31/23 <sup>1,2</sup>	Ending Account Value 8/31/23	Expenses Paid During Period 3/1/23–8/31/23 <sup>1,2</sup>	
A	\$1,000	\$1,000.90	\$4.23	\$1,020.91	\$4.28	0.84%
A1	\$1,000	\$1,002.60	\$3.48	\$1,021.66	\$3.51	0.69%
C	\$1,000	\$999.80	\$6.21	\$1,018.93	\$6.27	1.24%
R6	\$1,000	\$1,003.30	\$2.72	\$1,022.42	\$2.75	0.54%
Advisor	\$1,000	\$1,002.20	\$2.97	\$1,022.17	\$3.00	0.59%

1. Expenses are equal to the annualized expense ratio for the six-month period as indicated above—in the far right column—multiplied by the simple average account value over the period indicated, and then multiplied by 184/366 to reflect the one-half year period.

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

# Franklin Ohio Tax-Free Income Fund

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

## Fund Overview

### Your Fund's Goal and Main Investments

The Fund seeks to provide investors with as high a level of income exempt from federal and 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.<sup>1</sup>

### Performance Overview

The Fund's Class A share price, as measured by net asset value, decreased from \$11.29 on February 28, 2023, to \$11.17 on August 31, 2023. The Fund's Class A shares paid dividends totaling 16.5787 cents per share for the reporting period.<sup>2</sup> The Performance Summary beginning on page 23 shows that at the end of this reporting period the Fund's Class A shares' distribution rate was 2.93%, based on an annualization of the August's 2.8319 cents per share dividend and the maximum offering price of \$11.61 on August 31, 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 5.31% from a taxable investment to match the Fund's Class A tax-free distribution rate. For other performance data, please see the Performance Summary.

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

### Portfolio Composition 8/31/23

	% of Total Investments*
Local	27.46%
Health Care	14.76%
Education	14.57%
Utilities	11.06%
Housing	8.28%
Refunded	7.74%
Transportation	6.28%
Industrial Dev. Revenue and Pollution Control	3.13%
State General Obligation	2.43%
Special Tax	2.13%
Lease	1.82%
Other Revenue Bonds	0.34%

\*Does not include cash and cash equivalents.

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

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 estimated tax-basis net investment income distributions for the period shown. A portion or all of the distribution may be reclassified as return of capital or short-term or long-term capital gains once final tax designations are known. Assumes shares were purchased and held for the entire accrual period. Since dividends accrue daily, your actual distributions will vary depending on the date you purchased your shares and any account activity. All Fund distributions will vary depending upon current market conditions, and past distributions are not indicative of future trends.

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

The dollar value, number of shares or principal amount, and names of all portfolio holdings are listed in the Fund's Schedule of Investments (SOI). The SOI begins on page 92.



## Performance Summary as of August 31, 2023

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

### Performance as of 8/31/23<sup>1</sup>

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

Share Class	Cumulative Total Return <sup>2</sup>	Average Annual Total Return <sup>3</sup>
<b>A<sup>4,5</sup></b>		
6-Month	+0.39%	-3.38%
1-Year	+0.56%	-3.21%
5-Year	+1.82%	-0.40%
10-Year	+25.89%	+1.94%
<b>Advisor</b>		
6-Month	+0.43%	+0.43%
1-Year	+0.72%	+0.72%
5-Year	+3.01%	+0.59%
10-Year	+28.06%	+2.50%

Share Class	Distribution Rate <sup>6</sup>	Taxable Equivalent Distribution Rate <sup>7</sup>	30-Day Standardized Yield <sup>8</sup>	Taxable Equivalent 30-Day Standardized Yield <sup>7</sup>
A	2.93%	5.31%	3.42%	6.19%
Advisor	3.30%	5.98%	3.81%	6.90%

*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](http://franklintempleton.com) or call (800) 342-5236.*

See page 24 for Performance Summary footnotes.

## Distributions (3/1/23–8/31/23)

Share Class	Net Investment Income
A	\$0.165787
A1	\$0.174364
C	\$0.142339
R6	\$0.182419
Advisor	\$0.180073

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

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.

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

**All investments involve risks, including possible loss of principal.** Fixed income securities involve interest rate, credit, inflation and reinvestment risks, and possible loss of principal. As interest rates rise, the value of fixed income securities falls. Portfolios focused on a **single state** are subject to greater risk of adverse economic and regulatory changes in that state than a geographically diversified fund. **Changes in the credit rating of a bond**, or in the credit rating or financial strength of a bond's issuer, insurer or guarantor, may affect the bond's value. These and other risks are discussed in the Fund's prospectus.

1. Gross expenses are the Fund's total annual operating expenses as of the Fund's prospectus available at the time of publication. Net expenses are capped under a contractual agreement, which cannot be terminated prior to 6/30/24 without Board consent. Actual expenses may be higher and may impact portfolio returns.
2. Cumulative total return represents the change in value of an investment over the periods indicated.
3. Average annual total return represents the average annual change in value of an investment over the periods indicated. Return for less than one year, if any, has not been annualized.
4. Effective 9/10/18, Class A shares closed to new investors, were renamed Class A1 shares, and a new Class A share with a different expense structure became available. Class A performance shown has been calculated as follows: (a) for periods prior to 9/10/18, a restated figure is used based on the Fund's Class A1 performance that includes any Rule 12b-1 rate differential that exists between Class A1 and Class A; and (b) for periods after 9/10/18, actual Class A performance is used, reflecting all charges and fees applicable to that class.
5. Prior to 3/1/19, these shares were offered at a higher initial sales charge of 4.25%, thus actual returns (with sales charges) would have differed. Average annual total returns (with sales charges) have been restated to reflect the current maximum initial sales charge of 3.75%.
6. Distribution rate is based on an annualization of the respective class's August dividend and the maximum offering price (NAV for Advisor class) per share on 8/31/23.
7. Taxable equivalent distribution rate and yield assume the published rates as of 6/22/23 for the maximum combined effective federal and 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. Figures are as stated in the Fund's current prospectus and may differ from the expense ratios disclosed in the Your Fund's Expenses and Financial Highlights sections in this report. In periods of market volatility, assets may decline significantly, causing total annual Fund operating expenses to become higher than the figures shown. See [www.franklintempletondatasources.com](http://www.franklintempletondatasources.com) for additional data provider information.

## Your Fund's Expenses

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

### Actual Fund Expenses

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

### Hypothetical Example for Comparison with Other Funds

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

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

Share Class	Beginning Account Value 3/1/23	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio <sup>2</sup>
		Ending Account Value 8/31/23	Expenses Paid During Period 3/1/23–8/31/23 <sup>1,2</sup>	Ending Account Value 8/31/23	Expenses Paid During Period 3/1/23–8/31/23 <sup>1,2</sup>	
A	\$1,000	\$1,003.90	\$4.09	\$1,021.06	\$4.12	0.81%
A1	\$1,000	\$1,004.70	\$3.34	\$1,021.81	\$3.36	0.66%
C	\$1,000	\$1,001.80	\$6.06	\$1,019.08	\$6.11	1.20%
R6	\$1,000	\$1,004.50	\$2.63	\$1,022.51	\$2.65	0.52%
Advisor	\$1,000	\$1,004.30	\$2.83	\$1,022.32	\$2.85	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 184/366 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 semiannual report for Franklin Oregon Tax-Free Income Fund covers the period ended August 31, 2023.

## Portfolio Composition

8/31/23

## Fund Overview

### Your Fund's Goal and Main Investments

The Fund seeks to provide investors with as high a level of income exempt from federal and 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.<sup>1</sup>

## Performance Overview

The Fund's Class A share price, as measured by net asset value, decreased from \$10.35 on February 28, 2023, to \$10.24 on August 31, 2023. The Fund's Class A shares paid dividends totaling 15.1670 cents per share for the reporting period.<sup>2</sup> The Performance Summary beginning on page 27 shows that at the end of this reporting period the Fund's Class A shares' distribution rate was 2.91%, based on an annualization of the August's 2.5846 cents per share dividend and the maximum offering price of \$10.64 on August 31, 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 5.90% from a taxable investment to match the Fund's Class A tax-free distribution rate. For other performance data, please see the Performance Summary.

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

	% of Total Investments*
Local	25.12%
Education	16.91%
Health Care	16.57%
Transportation	12.67%
Housing	7.86%
Utilities	6.45%
Special Tax	4.66%
State General Obligation	3.85%
Refunded	2.24%
Lease	2.19%
Other Revenue Bonds	0.82%
Industrial Dev. Revenue and Pollution Control	0.66%

\*Does not include cash and cash equivalents.

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

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 estimated tax-basis net investment income distributions for the period shown. A portion or all of the distribution may be reclassified as return of capital or short-term or long-term capital gains once final tax designations are known. Assumes shares were purchased and held for the entire accrual period. Since dividends accrue daily, your actual distributions will vary depending on the date you purchased your shares and any account activity. All Fund distributions will vary depending upon current market conditions, and past distributions are not indicative of future trends.

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

The dollar value, number of shares or principal amount, and names of all portfolio holdings are listed in the Fund's Schedule of Investments (SOI). The SOI begins on page 105.

## Performance Summary as of August 31, 2023

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

### Performance as of 8/31/23<sup>1</sup>

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

Share Class	Cumulative Total Return <sup>2</sup>	Average Annual Total Return <sup>3</sup>
<b>A<sup>4,5</sup></b>		
6-Month	+0.39%	-3.38%
1-Year	+0.22%	-3.54%
5-Year	+2.13%	-0.34%
10-Year	+22.35%	+1.65%
<b>Advisor</b>		
6-Month	+0.61%	+0.61%
1-Year	+0.57%	+0.57%
5-Year	+3.32%	+0.66%
10-Year	+24.47%	+2.21%

Share Class	Distribution Rate <sup>6</sup>	Taxable Equivalent Distribution Rate <sup>7</sup>	30-Day Standardized Yield <sup>8</sup>	Taxable Equivalent 30-Day Standardized Yield <sup>7</sup>
A	2.91%	5.90%	3.41%	6.92%
Advisor	3.28%	6.65%	3.79%	7.69%

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

See page 28 for Performance Summary footnotes.

## Distributions (3/1/23–8/31/23)

Share Class	Net Investment Income
A	\$0.151670
A1	\$0.159517
C	\$0.130104
R6	\$0.166305
Advisor	\$0.164754

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

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.

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

**All investments involve risks, including possible loss of principal.** Fixed income securities involve interest rate, credit, inflation and reinvestment risks, and possible loss of principal. As interest rates rise, the value of fixed income securities falls. Portfolios focused on a **single state** are subject to greater risk of adverse economic and regulatory changes in that state than a geographically diversified fund. **Changes in the credit rating of a bond**, or in the credit rating or financial strength of a bond's issuer, insurer or guarantor, may affect the bond's value. These and other risks are discussed in the Fund's prospectus.

1. Gross expenses are the Fund's total annual operating expenses as of the Fund's prospectus available at the time of publication. Net expenses are capped under a contractual agreement, which cannot be terminated prior to 6/30/24 without Board consent. Actual expenses may be higher and may impact portfolio returns.
  2. Cumulative total return represents the change in value of an investment over the periods indicated.
  3. Average annual total return represents the average annual change in value of an investment over the periods indicated. Return for less than one year, if any, has not been annualized.
  4. Effective 9/10/18, Class A shares closed to new investors, were renamed Class A1 shares, and a new Class A share with a different expense structure became available. Class A performance shown has been calculated as follows: (a) for periods prior to 9/10/18, a restated figure is used based on the Fund's Class A1 performance that includes any Rule 12b-1 rate differential that exists between Class A1 and Class A; and (b) for periods after 9/10/18, actual Class A performance is used, reflecting all charges and fees applicable to that class.
  5. Prior to 3/1/19, these shares were offered at a higher initial sales charge of 4.25%, thus actual returns (with sales charges) would have differed. Average annual total returns (with sales charges) have been restated to reflect the current maximum initial sales charge of 3.75%.
  6. Distribution rate is based on an annualization of the respective class's August dividend and the maximum offering price (NAV for Advisor class) per share on 8/31/23.
  7. Taxable equivalent distribution rate and yield assume the published rates as of 6/22/23 for the maximum combined effective federal and 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. Figures are as stated in the Fund's current prospectus and may differ from the expense ratios disclosed in the Your Fund's Expenses and Financial Highlights sections in this report. In periods of market volatility, assets may decline significantly, causing total annual Fund operating expenses to become higher than the figures shown.
- See [www.franklintempletondatasources.com](http://www.franklintempletondatasources.com) for additional data provider information.

## Your Fund's Expenses

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

### Actual Fund Expenses

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

### Hypothetical Example for Comparison with Other Funds

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

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

Share Class	Beginning Account Value 3/1/23	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio <sup>2</sup>
		Ending Account Value 8/31/23	Expenses Paid During Period 3/1/23–8/31/23 <sup>1,2</sup>	Ending Account Value 8/31/23	Expenses Paid During Period 3/1/23–8/31/23 <sup>1,2</sup>	
A	\$1,000	\$1,003.90	\$4.07	\$1,021.08	\$4.10	0.81%
A1	\$1,000	\$1,004.60	\$3.31	\$1,021.83	\$3.34	0.66%
C	\$1,000	\$1,002.70	\$6.03	\$1,019.11	\$6.08	1.20%
R6	\$1,000	\$1,005.30	\$2.66	\$1,022.48	\$2.68	0.53%
Advisor	\$1,000	\$1,006.10	\$2.81	\$1,022.34	\$2.83	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 184/366 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 semiannual report for Franklin Pennsylvania Tax-Free Income Fund covers the period ended August 31, 2023.

## Portfolio Composition

8/31/23

## Fund Overview

### Your Fund's Goal and Main Investments

The Fund seeks to provide investors with as high a level of income exempt from federal and 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.<sup>1</sup>

## Performance Overview

The Fund's Class A share price, as measured by net asset value, decreased from \$8.64 on February 28, 2023, to \$8.58 on August 31, 2023. The Fund's Class A shares paid dividends totaling 12.6937 cents per share for the reporting period.<sup>2</sup> The Performance Summary beginning on page 31 shows that at the end of this reporting period the Fund's Class A shares' distribution rate was 2.90%, based on an annualization of the August's 2.1537 cents per share dividend and the maximum offering price of \$8.91 on August 31, 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 5.17% from a taxable investment to match the Fund's Class A tax-free distribution rate. For other performance data, please see the Performance Summary.

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

### % of Total Investments\*

Health Care	23.52%
Education	23.42%
Local	12.30%
Transportation	9.89%
Utilities	8.25%
Refunded	7.23%
Housing	5.82%
Lease	3.45%
Special Tax	3.42%
State General Obligation	1.74%
Other Revenue Bonds	0.96%

\*Does not include cash and cash equivalents.

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

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 estimated tax-basis net investment income distributions for the period shown. A portion or all of the distribution may be reclassified as return of capital or short-term or long-term capital gains once final tax designations are known. Assumes shares were purchased and held for the entire accrual period. Since dividends accrue daily, your actual distributions will vary depending on the date you purchased your shares and any account activity. All Fund distributions will vary depending upon current market conditions, and past distributions are not indicative of future trends.

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

The dollar value, number of shares or principal amount, and names of all portfolio holdings are listed in the Fund's Schedule of Investments (SOI). The SOI begins on page 117.



## Performance Summary as of August 31, 2023

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

### Performance as of 8/31/23<sup>1</sup>

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

Share Class	Cumulative Total Return <sup>2</sup>	Average Annual Total Return <sup>3</sup>
<b>A<sup>4,5</sup></b>		
6-Month	+0.76%	-3.02%
1-Year	+0.62%	-3.16%
5-Year	+0.14%	-0.73%
10-Year	+20.84%	+1.52%
<b>Advisor</b>		
6-Month	+0.88%	+0.88%
1-Year	+0.87%	+0.87%
5-Year	+1.40%	+0.28%
10-Year	+22.93%	+2.09%

Share Class	Distribution Rate <sup>6</sup>	Taxable Equivalent Distribution Rate <sup>7</sup>	30-Day Standardized Yield <sup>8</sup>	Taxable Equivalent 30-Day Standardized Yield <sup>7</sup>
A	2.90%	5.17%	3.66%	6.52%
Advisor	3.26%	5.81%	4.05%	7.22%

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

See page 32 for Performance Summary footnotes.

## Distributions (3/1/23–8/31/23)

Share Class	Net Investment Income
A	\$0.126937
A1	\$0.133525
C	\$0.108942
R6	\$0.139574
Advisor	\$0.137918

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

Share Class	
A	0.81%
Advisor	0.56%

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

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

**All investments involve risks, including possible loss of principal. Fixed income securities** involve interest rate, credit, inflation and reinvestment risks, and possible loss of principal. As interest rates rise, the value of fixed income securities falls. Portfolios focused on a **single state** are subject to greater risk of adverse economic and regulatory changes in that state than a geographically diversified fund. **Changes in the credit rating of a bond**, or in the credit rating or financial strength of a bond's issuer, insurer or guarantor, may affect the bond's value. These and other risks are discussed in the Fund's prospectus.

1. Gross expenses are the Fund's total annual operating expenses as of the Fund's prospectus available at the time of publication. Net expenses are capped under a contractual agreement, which cannot be terminated prior to 6/30/24 without Board consent. Actual expenses may be higher and may impact portfolio returns.
2. Cumulative total return represents the change in value of an investment over the periods indicated.
3. Average annual total return represents the average annual change in value of an investment over the periods indicated. Return for less than one year, if any, has not been annualized.
4. Effective 9/10/18, Class A shares closed to new investors, were renamed Class A1 shares, and a new Class A share with a different expense structure became available. Class A performance shown has been calculated as follows: (a) for periods prior to 9/10/18, a restated figure is used based on the Fund's Class A1 performance that includes any Rule 12b-1 rate differential that exists between Class A1 and Class A; and (b) for periods after 9/10/18, actual Class A performance is used, reflecting all charges and fees applicable to that class.
5. Prior to 3/1/19, these shares were offered at a higher initial sales charge of 4.25%, thus actual returns (with sales charges) would have differed. Average annual total returns (with sales charges) have been restated to reflect the current maximum initial sales charge of 3.75%.
6. Distribution rate is based on an annualization of the respective class's August dividend and the maximum offering price (NAV for Advisor class) per share on 8/31/23.
7. Taxable equivalent distribution rate and yield assume the published rates as of 6/22/23 for the maximum combined effective federal and 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. Figures are as stated in the Fund's current prospectus and may differ from the expense ratios disclosed in the Your Fund's Expenses and Financial Highlights sections in this report. In periods of market volatility, assets may decline significantly, causing total annual Fund operating expenses to become higher than the figures shown. See [www.franklintempletondatasources.com](http://www.franklintempletondatasources.com) for additional data provider information.

## Your Fund's Expenses

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

### Actual Fund Expenses

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

### Hypothetical Example for Comparison with Other Funds

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

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

Share Class	Beginning Account Value 3/1/23	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio <sup>2</sup>
		Ending Account Value 8/31/23	Expenses Paid During Period 3/1/23–8/31/23 <sup>1,2</sup>	Ending Account Value 8/31/23	Expenses Paid During Period 3/1/23–8/31/23 <sup>1,2</sup>	
A	\$1,000	\$1,007.60	\$4.18	\$1,020.97	\$4.21	0.83%
A1	\$1,000	\$1,007.20	\$3.42	\$1,021.72	\$3.45	0.68%
C	\$1,000	\$1,004.30	\$6.15	\$1,019.00	\$6.20	1.22%
R6	\$1,000	\$1,007.90	\$2.73	\$1,022.42	\$2.75	0.54%
Advisor	\$1,000	\$1,008.80	\$2.92	\$1,022.23	\$2.94	0.58%

1. Expenses are equal to the annualized expense ratio for the six-month period as indicated above—in the far right column—multiplied by the simple average account value over the period indicated, and then multiplied by 184/366 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

	Six Months Ended August 31, 2023 (unaudited)	Year Ended February 28,				Year Ended February 28, 2019 <sup>b</sup>
		2023	2022	2021	2020 <sup>a</sup>	
<b>Class A</b>						
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$9.60	\$10.64	\$10.92	\$11.24	\$10.58	\$10.52
Income from investment operations <sup>c</sup> :						
Net investment income <sup>d</sup> . . . . .	0.15	0.27	0.25	0.27	0.29	0.16
Net realized and unrealized gains (losses) . . . . .	(0.06)	(1.04)	(0.28)	(0.32)	0.67	0.05
Total from investment operations . . . . .	0.09	(0.77)	(0.03)	(0.05)	0.96	0.21
Less distributions from:						
Net investment income . . . . .	(0.15)	(0.27)	(0.25)	(0.27)	(0.30)	(0.15)
Net asset value, end of period . . . . .	\$9.54	\$9.60	\$10.64	\$10.92	\$11.24	\$10.58
Total return <sup>e</sup> . . . . .	0.91%	(7.24)%	(0.37)%	(0.43)%	9.24%	2.09%
<b>Ratios to average net assets<sup>f</sup></b>						
Expenses <sup>g</sup> . . . . .	0.82%	0.83%	0.81%	0.81%	0.81%	0.81%
Net investment income . . . . .	3.09%	2.79%	2.23%	2.46%	2.72%	3.12%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$209,935	\$212,662	\$210,355	\$173,930	\$132,026	\$44,516
Portfolio turnover rate . . . . .	2.73%	27.77%	17.24%	13.66%	11.37%	18.13%

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

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

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

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

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

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

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

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

	Six Months Ended August 31, 2023 (unaudited)	Year Ended February 28,				
		2023	2022	2021	2020 <sup>a</sup>	2019
<b>Class A1</b>						
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$9.59	\$10.62	\$10.90	\$11.22	\$10.56	\$10.58
Income from investment operations <sup>b</sup> :						
Net investment income <sup>c</sup> . . . . .	0.16	0.29	0.26	0.29	0.31	0.34
Net realized and unrealized gains (losses) . . . . .	(0.07)	(1.04)	(0.28)	(0.32)	0.67	(0.01)
Total from investment operations . . . . .	0.09	(0.75)	(0.02)	(0.03)	0.98	0.33
Less distributions from:						
Net investment income . . . . .	(0.16)	(0.28)	(0.26)	(0.29)	(0.32)	(0.35)
Net asset value, end of period . . . . .	\$9.52	\$9.59	\$10.62	\$10.90	\$11.22	\$10.56
Total return <sup>d</sup> . . . . .	0.89%	(7.02)%	(0.22)%	(0.28)%	9.42%	3.18%
<b>Ratios to average net assets<sup>e</sup></b>						
Expenses <sup>f</sup> . . . . .	0.67%	0.68%	0.66%	0.66%	0.66%	0.66%
Net investment income . . . . .	3.24%	2.94%	2.39%	2.64%	2.87%	3.27%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$370,290	\$396,929	\$526,131	\$582,701	\$672,061	\$661,250
Portfolio turnover rate . . . . .	2.73%	27.77%	17.24%	13.66%	11.37%	18.13%

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

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

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

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

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

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

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

	<b>Six Months Ended August 31, 2023 (unaudited)</b>	<b>Year Ended February 28,</b>				
		<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020<sup>a</sup></b>	<b>2019</b>
<b>Class C</b>						
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$9.75	\$10.81	\$11.09	\$11.42	\$10.75	\$10.75
Income from investment operations <sup>b</sup> :						
Net investment income <sup>c</sup> . . . . .	0.13	0.23	0.20	0.23	0.26	0.29
Net realized and unrealized gains (losses) . . . . .	(0.06)	(1.06)	(0.28)	(0.33)	0.67	(—) <sup>d</sup>
Total from investment operations . . . . .	0.07	(0.83)	(0.08)	(0.10)	0.93	0.29
Less distributions from:						
Net investment income . . . . .	(0.13)	(0.23)	(0.20)	(0.23)	(0.26)	(0.29)
Net asset value, end of period . . . . .	\$9.69	\$9.75	\$10.81	\$11.09	\$11.42	\$10.75
Total return <sup>e</sup> . . . . .	0.69%	(7.69)%	(0.76)%	(0.81)%	8.70%	2.74%
<b>Ratios to average net assets<sup>f</sup></b>						
Expenses <sup>g</sup> . . . . .	1.21%	1.22%	1.20%	1.20%	1.21%	1.21%
Net investment income . . . . .	2.62%	2.33%	1.80%	2.05%	2.32%	2.72%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$27,858	\$32,466	\$48,833	\$67,713	\$80,562	\$77,216
Portfolio turnover rate . . . . .	2.73%	27.77%	17.24%	13.66%	11.37%	18.13%

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

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

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

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

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

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

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

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

	Six Months Ended August 31, 2023 (unaudited)	Year Ended February 28,				
		2023	2022	2021	2020 <sup>a</sup>	2019
<b>Class R6</b>						
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$9.62	\$10.66	\$10.94	\$11.26	\$10.60	\$10.60
Income from investment operations <sup>b</sup> :						
Net investment income <sup>c</sup> . . . . .	0.16	0.30	0.28	0.30	0.33	0.36
Net realized and unrealized gains (losses)	(0.07)	(1.04)	(0.28)	(0.32)	0.67	(—) <sup>d</sup>
Total from investment operations . . . . .	0.09	(0.74)	—	(0.02)	1.00	0.36
Less distributions from:						
Net investment income . . . . .	(0.16)	(0.30)	(0.28)	(0.30)	(0.34)	(0.36)
Net asset value, end of period . . . . .	\$9.55	\$9.62	\$10.66	\$10.94	\$11.26	\$10.60
Total return <sup>e</sup> . . . . .	0.95%	(6.96)%	(0.08)%	(0.15)%	9.53%	3.48%
<b>Ratios to average net assets<sup>f</sup></b>						
Expenses before waiver and payments by affiliates . . . . .	0.54%	0.55%	0.53%	0.53%	0.54%	0.55%
Expenses net of waiver and payments by affiliates <sup>g</sup> . . . . .	0.54% <sup>h</sup>	0.54%	0.52%	0.53% <sup>h</sup>	0.53%	0.53%
Net investment income . . . . .	3.38%	3.06%	2.51%	2.75%	3.00%	3.40%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$23,290	\$19,946	\$28,123	\$21,450	\$16,971	\$12,562
Portfolio turnover rate . . . . .	2.73%	27.77%	17.24%	13.66%	11.37%	18.13%

<sup>a</sup>For the year ended February 29.<sup>b</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.<sup>c</sup>Based on average daily shares outstanding.<sup>d</sup>Amount rounds to less than \$0.01 per share.<sup>e</sup>Total return is not annualized for periods less than one year.<sup>f</sup>Ratios are annualized for periods less than one year.<sup>g</sup>Benefit of expense reduction rounds to less than 0.01%.<sup>h</sup>Benefit of waiver and payments by affiliates rounds to less than 0.01%.

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

	<b>Six Months Ended August 31, 2023 (unaudited)</b>	<b>Year Ended February 28,</b>				
		<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020<sup>a</sup></b>	<b>2019</b>
<b>Advisor Class</b>						
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$9.62	\$10.65	\$10.94	\$11.26	\$10.60	\$10.61
Income from investment operations <sup>b</sup> :						
Net investment income <sup>c</sup> . . . . .	0.16	0.30	0.27	0.30	0.32	0.36
Net realized and unrealized gains (losses) . . . . .	(0.07)	(1.04)	(0.29)	(0.32)	0.67	(0.01)
Total from investment operations . . . . .	0.09	(0.74)	(0.02)	(0.02)	0.99	0.35
Less distributions from:						
Net investment income . . . . .	(0.16)	(0.29)	(0.27)	(0.30)	(0.33)	(0.36)
Net asset value, end of period . . . . .	\$9.55	\$9.62	\$10.65	\$10.94	\$11.26	\$10.60
Total return <sup>d</sup> . . . . .	0.93%	(6.91)%	(0.21)%	(0.18)%	9.50%	3.36%
<b>Ratios to average net assets<sup>e</sup></b>						
Expenses <sup>f</sup> . . . . .	0.57%	0.57%	0.56%	0.56%	0.56%	0.56%
Net investment income . . . . .	3.34%	3.02%	2.48%	2.71%	2.97%	3.37%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$107,843	\$114,323	\$178,256	\$174,264	\$124,881	\$90,140
Portfolio turnover rate . . . . .	2.73%	27.77%	17.24%	13.66%	11.37%	18.13%

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

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

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

<sup>d</sup>Total return is not annualized for periods less than one year.

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

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



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

## Franklin Arizona Tax-Free Income Fund

	Principal Amount	Value
<b>Municipal Bonds 98.1%</b>		
<b>Arizona 90.4%</b>		
Arizona Board of Regents, Arizona State University, Revenue, 2023 B, 4%, 7/01/53 . . .	\$5,000,000	\$4,592,862
Arizona Department of Transportation, State Highway Fund, Revenue, 2016, Refunding, 5%, 7/01/36 . . . . .	8,680,000	9,030,888
Arizona Health Facilities Authority, HonorHealth Obligated Group, Revenue, 2014 A, Refunding, 5%, 12/01/39 . . . . .	2,820,000	2,827,775
HonorHealth Obligated Group, Revenue, 2014 A, Refunding, 5%, 12/01/42 . . . . .	6,715,000	6,714,774
Arizona Industrial Development Authority, Academies of Math & Science Obligated Group, Revenue, 2017 A, Refunding, 5%, 7/01/42 . . . . .	2,045,000	2,047,680
Academies of Math & Science Obligated Group, Revenue, 2017 A, Refunding, 5%, 7/01/51 . . . . .	1,080,000	1,053,691
Arizona Agribusiness and Equine Center, Inc., Revenue, 2017 A, 5%, 3/01/48 . . . .	1,555,000	1,580,833
Ball Charter Schools Obligated Group, Revenue, 2022, Refunding, 2.65%, 7/01/26 . . .	570,000	540,632
Ball Charter Schools Obligated Group, Revenue, 2022, Refunding, 4%, 7/01/31 . . .	550,000	540,007
Ball Charter Schools Obligated Group, Revenue, 2022, Refunding, 4%, 7/01/41 . . .	2,000,000	1,740,450
Ball Charter Schools Obligated Group, Revenue, 2022, Refunding, 4%, 7/01/51 . . .	2,340,000	1,869,379
BASIS Schools, Inc. Obligated Group, Revenue, 2017 F, Refunding, 5%, 7/01/47 . .	3,350,000	3,377,897
Children's National Medical Center Obligated Group, Revenue, 2020 A, 4%, 9/01/40 .	865,000	804,249
Equitable School Revolving Fund LLC Obligated Group, Revenue, 2019 A, 5%, 11/01/34 . . . . .	1,000,000	1,051,965
Equitable School Revolving Fund LLC Obligated Group, Revenue, 2019 A, 5%, 11/01/36 . . . . .	1,235,000	1,282,525
Equitable School Revolving Fund LLC Obligated Group, Revenue, 2019 A, 5%, 11/01/39 . . . . .	1,000,000	1,026,423
Equitable School Revolving Fund LLC Obligated Group, Revenue, 2019 A, 5%, 11/01/44 . . . . .	6,645,000	6,746,228
Equitable School Revolving Fund LLC Obligated Group, Revenue, 2020 A, 4%, 11/01/45 . . . . .	2,200,000	1,940,694
Equitable School Revolving Fund LLC Obligated Group, Revenue, 2020 A, 4%, 11/01/50 . . . . .	7,055,000	6,020,541
Equitable School Revolving Fund LLC Obligated Group, Revenue, 2021 A, 4%, 11/01/51 . . . . .	1,400,000	1,188,603
Equitable School Revolving Fund LLC Obligated Group, Revenue, 2022 A, 4%, 11/01/42 . . . . .	1,650,000	1,489,623
Equitable School Revolving Fund LLC Obligated Group, Revenue, 2022 A, 5%, 11/01/47 . . . . .	7,900,000	8,040,534
Equitable School Revolving Fund LLC Obligated Group, Revenue, 2022 A, 4.25%, 11/01/52 . . . . .	3,500,000	3,090,622
Great Lakes Senior Living Communities LLC, Revenue, 2019 A, 5%, 1/01/38 . . . .	1,175,000	806,636
Great Lakes Senior Living Communities LLC, Revenue, 2019 A, 5%, 1/01/54 . . . .	1,250,000	746,127
Great Lakes Senior Living Communities LLC, Revenue, Second Tier, 2019 B, 5%, 1/01/36 . . . . .	1,105,000	685,161
Great Lakes Senior Living Communities LLC, Revenue, Second Tier, 2019 B, 5%, 1/01/49 . . . . .	3,500,000	1,821,874
Great Lakes Senior Living Communities LLC, Revenue, Second Tier, 2019 B, 5.125%, 1/01/54 . . . . .	2,000,000	1,004,599
GreatHearts Arizona Obligated Group, Revenue, 2021 B, 4%, 7/01/31 . . . . .	285,000	272,502
GreatHearts Arizona Obligated Group, Revenue, 2021 B, 4%, 7/01/41 . . . . .	405,000	346,071
GreatHearts Arizona Obligated Group, Revenue, 2021 B, 4%, 7/01/52 . . . . .	840,000	653,020
KIPP Nashville Obligated Group, Revenue, 2022 A, 5%, 7/01/47 . . . . .	1,400,000	1,318,682
KIPP Nashville Obligated Group, Revenue, 2022 A, 5%, 7/01/62 . . . . .	2,400,000	2,162,227
KIPP NYC Public Charter Schools, Revenue, 2021 A, 5%, 7/01/32 . . . . .	660,000	697,173
KIPP NYC Public Charter Schools, Revenue, 2021 A, 4%, 7/01/34 . . . . .	660,000	640,435
KIPP NYC Public Charter Schools, Revenue, 2021 A, 4%, 7/01/36 . . . . .	315,000	296,977
KIPP NYC Public Charter Schools, Revenue, 2021 A, 4%, 7/01/41 . . . . .	2,800,000	2,475,644
KIPP NYC Public Charter Schools, Revenue, 2021 A, 4%, 7/01/51 . . . . .	8,000,000	6,529,619
KIPP NYC Public Charter Schools, Revenue, 2021 A, 4%, 7/01/61 . . . . .	15,580,000	12,139,910

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

	Principal Amount	Value
<b>Municipal Bonds</b> (continued)		
<b>Arizona</b> (continued)		
Arizona Industrial Development Authority, (continued)		
KIPP NYC Public Charter Schools, Revenue, 2021 C, 3.25%, 7/01/31	\$1,550,000	\$1,318,909
Leman Academy of Excellence Obligated Group, Revenue, 2022 A, Refunding, 4.5%, 7/01/54	3,000,000	2,588,375
Phoenix Children's Hospital Obligated Group, Revenue, 2020 A, 4%, 2/01/50	2,540,000	2,285,691
Phoenix Children's Hospital Obligated Group, Revenue, 2021 A, Refunding, 3%, 2/01/41	885,000	689,308
Provident Group-NCCU Properties LLC, Revenue, 2019 A, BAM Insured, 5%, 6/01/58	6,250,000	6,421,869
Arizona State University, Revenue, 2015 B, Refunding, 5%, 7/01/41	14,070,000	14,310,480
Revenue, 2016 C, 5%, 7/01/46	10,000,000	10,204,413
Revenue, 2017 B, Refunding, 5%, 7/01/43	4,005,000	4,141,182
Revenue, 2019 A, 5%, 7/01/40	1,000,000	1,062,734
Carefree Utilities Community Facilities District, Town of Carefree Water System, Revenue, 2021, 4%, 7/01/51	2,000,000	1,756,753
Central Arizona Water Conservation District, Revenue, 2016, 5%, 1/01/34	1,000,000	1,029,290
City of Bullhead, Excise Taxes, Revenue, 2022, 4%, 7/01/52	2,885,000	2,611,410
City of Goodyear, Water & Sewer, Revenue, Sub. Lien, Second Series, 2020, AGMC Insured, 4%, 7/01/45	3,500,000	3,279,408
City of Lake Havasu City, Wastewater System, Revenue, 2015 B, Refunding, AGMC Insured, 5%, 7/01/40	15,000,000	15,277,528
City of Mesa, Utility System, Revenue, 2018, 4%, 7/01/38	1,425,000	1,420,115
Utility System, Revenue, 2018, 4%, 7/01/39	6,135,000	6,072,489
Utility System, Revenue, 2018, 5%, 7/01/42	6,700,000	7,002,356
Utility System, Revenue, 2022 C, Refunding, 5%, 7/01/36	5,000,000	5,677,835
City of Phoenix Civic Improvement Corp., Airport, Revenue, 2017 A, 5%, 7/01/42	2,155,000	2,190,052
Airport, Revenue, 2017 A, 5%, 7/01/47	12,935,000	13,087,773
Airport, Revenue, Junior Lien, 2017 D, Refunding, 4%, 7/01/40	16,570,000	16,255,434
Airport, Revenue, Junior Lien, 2019 A, 4%, 7/01/44	4,000,000	3,818,412
Airport, Revenue, Junior Lien, 2019 A, 5%, 7/01/44	8,500,000	8,864,090
Airport, Revenue, Senior Lien, 2018, 5%, 7/01/48	5,000,000	5,093,995
Excise Tax, Revenue, 2022, 5%, 7/01/46	8,300,000	8,925,183
Phoenix Sky Harbor International Airport Customer Facility Charges, Revenue, 2019 A, 5%, 7/01/34	2,500,000	2,687,571
Phoenix Sky Harbor International Airport Customer Facility Charges, Revenue, 2019 A, 5%, 7/01/37	1,500,000	1,579,475
Phoenix Sky Harbor International Airport Customer Facility Charges, Revenue, 2019 A, 5%, 7/01/38	8,420,000	8,820,855
Phoenix Sky Harbor International Airport Customer Facility Charges, Revenue, 2019 A, 4%, 7/01/45	7,500,000	6,958,773
Wastewater, Revenue, Junior Lien, 2018 A, 4%, 7/01/39	5,000,000	4,949,054
Water System, Revenue, Junior Lien, 2016, Refunding, 5%, 7/01/39	5,000,000	5,168,326
Water System, Revenue, Junior Lien, 2020 B, 5%, 7/01/44	7,500,000	8,022,842
County of Yuma, Sales Tax, Revenue, 2022, BAM Insured, 4.25%, 7/15/42	3,250,000	3,215,626
Gilbert Water Resource Municipal Property Corp., Town of Gilbert Waterworks & Sewer System, Revenue, Senior Lien, 2022, 4%, 7/15/39	10,000,000	10,006,482
Town of Gilbert Waterworks & Sewer System, Revenue, Senior Lien, 2022, 4%, 7/15/47	1,000,000	947,714
Glendale Industrial Development Authority, People of Faith, Inc. Obligated Group, Revenue, 2020 A, 4%, 5/15/31	400,000	364,151
People of Faith, Inc. Obligated Group, Revenue, 2020 A, 5%, 5/15/41	1,000,000	915,241
People of Faith, Inc. Obligated Group, Revenue, 2020 A, 5%, 5/15/56	4,500,000	3,785,282

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

	Principal Amount	Value
<b>Municipal Bonds</b> (continued)		
<b>Arizona</b> (continued)		
Glendale Municipal Property Corp.,		
City of Glendale Excise Tax, Revenue, 2012 C, Refunding, 5%, 7/01/38 . . . . .	\$18,530,000	\$18,544,906
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	1,001,368
Downtown Phoenix Student Housing II LLC, Revenue, 2019 A, 5%, 7/01/49 . . . . .	1,995,000	1,966,395
Downtown Phoenix Student Housing II LLC, Revenue, 2019 A, 5%, 7/01/54 . . . . .	2,665,000	2,599,358
Downtown Phoenix Student Housing II LLC, Revenue, 2019 A, 5%, 7/01/59 . . . . .	2,000,000	1,932,010
Downtown Phoenix Student Housing LLC, Revenue, 2018 A, Refunding, 5%, 7/01/25	1,015,000	1,027,619
Downtown Phoenix Student Housing LLC, Revenue, 2018 A, Refunding, 5%, 7/01/27	425,000	438,381
Downtown Phoenix Student Housing LLC, Revenue, 2018 A, Refunding, 5%, 7/01/30	700,000	730,073
Downtown Phoenix Student Housing LLC, Revenue, 2018 A, Refunding, 5%, 7/01/32	250,000	259,740
Downtown Phoenix Student Housing LLC, Revenue, 2018 A, Refunding, 5%, 7/01/33	600,000	620,987
Downtown Phoenix Student Housing LLC, Revenue, 2018 A, Refunding, 5%, 7/01/37	2,950,000	2,992,679
Downtown Phoenix Student Housing LLC, Revenue, 2018 A, Refunding, 5%, 7/01/42	11,550,000	11,593,355
GreatHearts Arizona Obligated Group, Revenue, 2016 A, Refunding, 5%, 7/01/36 .	4,065,000	4,071,378
GreatHearts Arizona Obligated Group, Revenue, 2016 A, Refunding, 5%, 7/01/41 .	1,225,000	1,187,224
GreatHearts Arizona Obligated Group, Revenue, 2016 A, Refunding, 5%, 7/01/46 .	1,335,000	1,256,485
Vista College Preparatory Obligated Group, Revenue, 2018 A, 5%, 7/01/48 . . . . .	1,000,000	1,019,233
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	1,829,119
Christian Care Tucson, Inc., Revenue, Senior Lien, 2017 A, Pre-Refunded, 5%, 6/15/37 . . . . .	2,240,000	2,321,374
<sup>a</sup> La Posada at Park Centre, Inc. Obligated Group, Revenue, 144A, 2022 B-3, 5.125%, 11/15/29 . . . . .		2,952,165
TMC HealthCare Obligated Group, Revenue, 2021 A, Refunding, 4%, 4/01/40 . . . .	1,040,000	963,837
TMC HealthCare Obligated Group, Revenue, 2021 A, Refunding, 4%, 4/01/41 . . . .	1,360,000	1,248,256
TMC HealthCare Obligated Group, Revenue, 2021 A, Refunding, 3%, 4/01/51 . . . .	12,000,000	8,023,476
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	4,391,620
Yavapai Community Hospital Association Obligated Group, Revenue, 2016, Refunding, 5%, 8/01/36 . . . . .	1,310,000	1,342,861
Yavapai Community Hospital Association Obligated Group, Revenue, 2019, Refunding, 4%, 8/01/38 . . . . .	1,510,000	1,403,403
Yavapai Community Hospital Association Obligated Group, Revenue, 2019, Refunding, 4%, 8/01/43 . . . . .	3,000,000	2,628,916
La Paz County Industrial Development Authority,		
Harmony Public Schools, Revenue, 2018 A, 5%, 2/15/38 . . . . .	1,000,000	983,315
Harmony Public Schools, Revenue, 2018 A, 5%, 2/15/48 . . . . .	1,000,000	926,886
Harmony Public Schools, Revenue, 2021 A, 5%, 2/15/25 . . . . .	90,000	90,187
Harmony Public Schools, Revenue, 2021 A, 5%, 2/15/26 . . . . .	95,000	96,038
Harmony Public Schools, Revenue, 2021 A, 5%, 2/15/27 . . . . .	75,000	76,368
Harmony Public Schools, Revenue, 2021 A, 5%, 2/15/28 . . . . .	80,000	81,559
Harmony Public Schools, Revenue, 2021 A, 5%, 2/15/29 . . . . .	110,000	112,587
Harmony Public Schools, Revenue, 2021 A, 5%, 2/15/30 . . . . .	100,000	102,564
Harmony Public Schools, Revenue, 2021 A, 4%, 2/15/41 . . . . .	430,000	360,439
Harmony Public Schools, Revenue, 2021 A, 4%, 2/15/46 . . . . .	345,000	272,979
Harmony Public Schools, Revenue, 2021 A, 4%, 2/15/51 . . . . .	580,000	441,006
Maricopa County High School District No. 214 Tolleson Union High School, GO, 2018 A, 5%, 7/01/37 . . . . .	1,000,000	1,048,791
Maricopa County Industrial Development Authority,		
Banner Health Obligated Group, Revenue, 2019 F, 3%, 1/01/49 . . . . .	5,000,000	3,581,399
Banner Health Obligated Group, Revenue, A, 4%, 1/01/41 . . . . .	9,630,000	9,296,757
Banner Health Obligated Group, Revenue, A, 5%, 1/01/41 . . . . .	37,590,000	38,544,019
Creighton University, Revenue, 2020, 5%, 7/01/47 . . . . .	13,000,000	13,445,032
Creighton University, Revenue, 2020, 4%, 7/01/50 . . . . .	8,450,000	7,339,141

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

	Principal Amount	Value
<b>Municipal Bonds</b> (continued)		
<b>Arizona</b> (continued)		
Maricopa County Industrial Development Authority, (continued)		
GreatHearts Arizona Obligated Group, Revenue, 2017 A, Refunding, 5%, 7/01/37	\$1,000,000	\$1,025,294
GreatHearts Arizona Obligated Group, Revenue, 2017 A, Refunding, 5%, 7/01/52	1,000,000	1,005,192
Highland Prep Obligated Group, Revenue, 2019, 5%, 1/01/43	2,275,000	2,319,859
HonorHealth Obligated Group, Revenue, 2019 A, Refunding, 5%, 9/01/36	2,100,000	2,200,043
HonorHealth Obligated Group, Revenue, 2019 A, Refunding, 5%, 9/01/37	3,175,000	3,303,187
HonorHealth Obligated Group, Revenue, 2019 A, Refunding, 5%, 9/01/42	2,750,000	2,791,181
HonorHealth Obligated Group, Revenue, 2021 A, 3%, 9/01/51	5,600,000	3,873,066
Legacy Traditional School Obligated Group, Revenue, 2019 A, Refunding, 5%, 7/01/49	3,920,000	3,924,273
Reid Traditional Schools Obligated Group, Revenue, 2016, 5%, 7/01/36	1,120,000	1,129,449
Reid Traditional Schools Obligated Group, Revenue, 2016, 5%, 7/01/47	3,325,000	3,249,079
Maricopa County Pollution Control Corp.,		
El Paso Electric Co., Revenue, 2009 B, Refunding, 3.6%, 4/01/40	13,500,000	11,431,118
El Paso Electric Co., Revenue, 2012 A, Refunding, 4.5%, 8/01/42	10,000,000	9,254,351
<sup>b</sup> Public Service Co. of New Mexico, Revenue, 2010 A, Refunding, Mandatory Put, 0.875%, 10/01/26	4,500,000	3,975,784
<sup>b</sup> Public Service Co. of New Mexico, Revenue, 2010 B, Refunding, Mandatory Put, 0.875%, 10/01/26	2,150,000	1,899,542
Southern California Edison Co., Revenue, 2000 A, Refunding, 2.4%, 6/01/35	10,000,000	7,757,120
Maricopa County Unified School District No. 11-Peoria, GO, 2013, 5%, 7/01/31	5,100,000	5,105,097
Maricopa County Unified School District No. 60 Higley, COP, 2023, Refunding, AGMC Insured, 5%, 6/01/53	3,000,000	3,152,062
McAllister Academic Village LLC,		
Arizona State University, Revenue, 2016 A, Refunding, 5%, 7/01/33	2,000,000	2,075,627
Arizona State University, Revenue, 2016 A, Refunding, 5%, 7/01/38	2,000,000	2,046,057
Arizona State University, Revenue, 2016 A, Refunding, 5%, 7/01/39	1,000,000	1,021,292
Mohave County Union High School District No. 2 Colorado River, GO, 2017, 5%, 7/01/35	1,000,000	1,051,525
Northern Arizona University, Revenue, 2013, 5%, 8/01/26	2,380,000	2,382,821
Pima County Unified School District No. 20 Vail, GO, 2016, Refunding, BAM Insured, 5%, 7/01/36	3,305,000	3,413,430
Pima County Unified School District No. 30 Sahuarita,		
GO, 2017, BAM Insured, 5%, 7/01/33	2,665,000	2,807,028
GO, 2017, BAM Insured, 5%, 7/01/34	2,800,000	2,940,013
Pima County Unified School District No. 6 Marana,		
GO, 2017 C, BAM Insured, 5%, 7/01/36	2,385,000	2,505,131
GO, 2018 D, AGMC Insured, 5%, 7/01/38	2,500,000	2,610,468
Pinal County Community College District, Revenue, 2017, BAM Insured, 5%, 7/01/34	1,065,000	1,103,408
Salt River Project Agricultural Improvement & Power District,		
Revenue, 2016 A, Refunding, 5%, 1/01/38	9,745,000	10,163,086
Revenue, 2017 A, Refunding, 5%, 1/01/37	10,000,000	10,635,656
Revenue, 2017 A, Refunding, 5%, 1/01/38	5,435,000	5,742,810
Revenue, 2017 A, Refunding, 5%, 1/01/39	2,105,000	2,217,844
Revenue, 2019 A, 5%, 1/01/47	5,000,000	5,272,461
Revenue, 2023 A, 5%, 1/01/50	5,000,000	5,348,742
Salt Verde Financial Corp.,		
Revenue, 2007-1, 5%, 12/01/32	10,000,000	10,394,211
Revenue, 2007-1, 5%, 12/01/37	5,000,000	5,124,560
State of Arizona,		
Distribution, Revenue, 2005 B, NATL Insured, 5.5%, 7/01/27	3,945,000	4,293,740
Distribution, Revenue, 2005 B, NATL Insured, 5.5%, 7/01/28	2,000,000	2,222,529
Distribution, Revenue, 2005 B, NATL Insured, 5.5%, 7/01/29	2,000,000	2,266,967
Distribution, Revenue, 2005 B, NATL Insured, 5.5%, 7/01/36	5,000,000	5,977,128
Distribution, Revenue, 2005 B, NATL Insured, 5.5%, 7/01/37	7,000,000	8,291,594

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

	Principal Amount	Value
<b>Municipal Bonds</b> (continued)		
<b>Arizona</b> (continued)		
Student & Academic Services LLC,		
Revenue, 2014, BAM Insured, 5%, 6/01/33 . . . . .	\$1,000,000	\$1,008,396
Revenue, 2014, BAM Insured, 5%, 6/01/39 . . . . .	1,400,000	1,410,327
Revenue, 2014, BAM Insured, 5%, 6/01/44 . . . . .	3,155,000	3,173,461
Town of Gilbert, Pledged, Revenue, Sub. Lien, 2015, 5%, 7/01/45 . . . . .	10,000,000	10,192,977
Town of Queen Creek,		
Excise Tax, Revenue, 2018 A, 5%, 8/01/42 . . . . .	2,500,000	2,634,658
Excise Tax, Revenue, 2018 A, 5%, 8/01/47 . . . . .	5,000,000	5,237,675
University of Arizona (The),		
Revenue, 2014, 5%, 8/01/39 . . . . .	10,000,000	10,049,599
Revenue, 2016, Refunding, 5%, 6/01/39 . . . . .	2,750,000	2,825,424
Revenue, 2016 B, Refunding, 5%, 6/01/42 . . . . .	2,000,000	2,042,338
Revenue, 2019 A, 5%, 6/01/42 . . . . .	1,000,000	1,057,748
		668,083,721
<b>Florida 0.1%</b>		
<sup>a</sup> Capital Trust Agency, Inc., SHI - Lake Osborne LLC, Revenue, 144A, 2021 A-1, 3.68%, 1/01/57 . . . . .	800,000	523,785
<b>Georgia 0.4%</b>		
<sup>a</sup> Development Authority of Rockdale County, AHPC Terraces at Fieldstone LLC, Revenue, 144A, 2021 A-1, 3.5%, 12/01/36 . . . . .	3,290,000	2,597,158
<b>Oregon 0.2%</b>		
<sup>a</sup> State of Oregon Housing & Community Services Department, Union at Pacific Highway LP, Revenue, 144A, 2022 II-1, 5.5%, 12/01/39 . . . . .	1,400,000	1,364,679
<b>South Carolina 0.7%</b>		
South Carolina Jobs-Economic Development Authority,		
<sup>a</sup> Revenue, 144A, 2021 A-1, 3.65%, 12/01/36 . . . . .	1,900,000	1,497,417
AHPC Vista Towers 2021 LLC, Revenue, 2021 A-1, 3.65%, 12/01/36 . . . . .	1,900,000	1,492,970
<sup>a</sup> Columbia Portfolio Obligated Group, Revenue, 144A, 2022 A-2, Zero Cpn., 6/01/52	3,275,000	2,046,408
		5,036,795
<b>Texas 0.8%</b>		
City of Dallas, DHFC - Briscoe Apartments LLC (The), Revenue, Senior Lien, 2022 A, 6%, 12/01/62 . . . . .	2,000,000	2,015,798
<sup>a</sup> EP Cimarron Ventanas PFC, Revenue, Senior Lien, 144A, 2021 A, 4%, 12/01/51 . . .	2,600,000	1,836,392
<sup>a</sup> Pecan Public Facility Corp., Revenue, 144A, 2022 A-2, 5%, 12/01/52 . . . . .	3,300,000	2,437,732
		6,289,922
<b>Washington 0.2%</b>		
<sup>a</sup> Washington State Housing Finance Commission, Madison at Rivers Edge Apartments LLC, Revenue, 144A, 2021 A, 3.65%, 1/01/37 . . . . .	1,900,000	1,497,251
<b>Wisconsin 1.6%</b>		
<sup>a</sup> Public Finance Authority,		
Revenue, 144A, 2022, B-1, 4%, 12/28/44 . . . . .	1,900,000	1,470,603
AL-FL Portfolio Obligated Group, Revenue, 144A, 2021 A, 3.4%, 12/01/36 . . . . .	3,300,000	2,600,963
FAH Tree House LLC, Revenue, 144A, 2023 A, 6.5%, 8/01/53 . . . . .	1,500,000	1,457,573
Gulf Coast Portfolio Obligated Group, Revenue, 144A, 2021, 5.25%, 12/01/23 . . . .	5,000,000	5,002,550
Pine Forest 2022 Obligated Group, Revenue, 144A, 2022 A, 6.5%, 12/01/52 . . . . .	1,500,000	1,446,668
		11,978,357
<b>U.S. Territories 3.7%</b>		
<b>Guam 1.6%</b>		
Guam Power Authority,		
Revenue, 2014 A, AGMC Insured, 5%, 10/01/39 . . . . .	6,490,000	6,584,555

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

	Principal Amount	Value
<b>Municipal Bonds</b> (continued)		
<b>U.S. Territories</b> (continued)		
<b>Guam</b> (continued)		
Guam Power Authority, (continued)		
Revenue, 2014 A, AGMC Insured, 5%, 10/01/44 . . . . .	\$5,325,000	\$5,397,372
		11,981,927
<b>Puerto Rico 2.1%</b>		
HTA HRRB Custodial Trust, Revenue, 2007 CC, 5.25%, 7/01/32 . . . . .	1,970,000	1,978,120
HTA TRRB Custodial Trust,		
Revenue, 2005 L, 5.25%, 7/01/41 . . . . .	2,290,000	2,283,004
Revenue, 2007 N, 5.25%, 7/01/36 . . . . .	750,000	755,841
Puerto Rico Electric Power Authority, Revenue, VV, Refunding, NATL Insured, 5.25%, 7/01/32 . . . . .	3,700,000	3,637,243
Puerto Rico Highway & Transportation Authority,		
Revenue, 2022 A, 5%, 7/01/62 . . . . .	474,935	468,405
Revenue, 2022 B, Zero Cpn., 7/01/32 . . . . .	308,644	198,689
Revenue, 2022 C, Zero Cpn., 7/01/53 . . . . .	527,963	334,597
Puerto Rico Sales Tax Financing Corp.,		
Sales Tax, Revenue, A-1, 4.75%, 7/01/53 . . . . .	1,550,000	1,453,094
Sales Tax, Revenue, A-1, 5%, 7/01/58 . . . . .	4,906,000	4,760,809
		15,869,802
<b>Total U.S. Territories</b> . . . . .		27,851,729
<b>Total Municipal Bonds (Cost \$769,220,638)</b> . . . . .		<b>725,223,397</b>
<b>Short Term Investments 0.7%</b>		
<b>Municipal Bonds 0.7%</b>		
<b>Arizona 0.7%</b>		
<sup>a</sup> Arizona Health Facilities Authority, Banner Health Obligated Group, Revenue, 2015 C, LOC Bank of America NA, Daily VRDN and Put, 3.95%, 1/01/46 . . . . .	5,415,000	5,415,000
<b>Total Municipal Bonds (Cost \$5,415,000)</b> . . . . .		<b>5,415,000</b>
<b>Total Short Term Investments (Cost \$5,415,000)</b> . . . . .		<b>5,415,000</b>
<b>Total Investments (Cost \$774,635,638) 98.8%</b> . . . . .		<b>\$730,638,397</b>
<b>Other Assets, less Liabilities 1.2%</b> . . . . .		<b>8,578,077</b>
<b>Net Assets 100.0%</b> . . . . .		<b>\$739,216,474</b>

See Abbreviations on page 151.

<sup>a</sup>Security was purchased pursuant to Rule 144A or Regulation S under the Securities Act of 1933. 144A securities may be sold in transactions exempt from registration only to qualified institutional buyers or in a public offering registered under the Securities Act of 1933. Regulation S securities cannot be sold in the United States without either an effective registration statement filed pursuant to the Securities Act of 1933, or pursuant to an exemption from registration. At August 31, 2023, the aggregate value of these securities was \$28,731,344, representing 3.9% of net assets.

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

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

## Financial Highlights

### Franklin Colorado Tax-Free Income Fund

	Six Months Ended August 31, 2023 (unaudited)	Year Ended February 28,				Year Ended February 28, 2019 <sup>b</sup>
		2023	2022	2021	2020 <sup>a</sup>	
<b>Class A</b>						
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$10.26	\$11.40	\$11.69	\$11.96	\$11.32	\$11.28
Income from investment operations <sup>c</sup> :						
Net investment income <sup>d</sup> . . . . .	0.15	0.28	0.25	0.28	0.31	0.17
Net realized and unrealized gains (losses) . . . . .	(0.05)	(1.15)	(0.29)	(0.27)	0.66	0.04
Total from investment operations . . . . .	0.10	(0.87)	(0.04)	0.01	0.97	0.21
Less distributions from:						
Net investment income . . . . .	(0.15)	(0.27)	(0.25)	(0.28)	(0.33)	(0.17)
Net asset value, end of period . . . . .	\$10.21	\$10.26	\$11.40	\$11.69	\$11.96	\$11.32
Total return <sup>e</sup> . . . . .	0.93%	(7.63)%	(0.43)%	0.07%	8.69%	1.89%
<b>Ratios to average net assets<sup>f</sup></b>						
Expenses <sup>g</sup> . . . . .	0.85%	0.85%	0.83%	0.83%	0.84%	0.84%
Net investment income . . . . .	2.82%	2.62%	2.08%	2.40%	2.72%	3.14%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$114,164	\$117,511	\$142,935	\$119,598	\$87,684	\$35,153
Portfolio turnover rate . . . . .	2.41%	13.39%	14.21%	19.32%	15.00%	10.85%

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

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

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

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

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

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

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

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

	<b>Six Months Ended August 31, 2023 (unaudited)</b>	<b>Year Ended February 28,</b>				
		<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020<sup>a</sup></b>	<b>2019</b>
<b>Class A1</b>						
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$10.26	\$11.40	\$11.68	\$11.96	\$11.31	\$11.32
Income from investment operations <sup>b</sup> :						
Net investment income <sup>c</sup> . . . . .	0.15	0.29	0.26	0.30	0.33	0.37
Net realized and unrealized gains (losses) . . . . .	(0.06)	(1.14)	(0.28)	(0.29)	0.67	(0.01)
Total from investment operations . . . . .	0.09	(0.85)	(0.02)	0.01	1.00	0.36
Less distributions from:						
Net investment income . . . . .	(0.15)	(0.29)	(0.26)	(0.29)	(0.35)	(0.37)
Net asset value, end of period . . . . .	\$10.20	\$10.26	\$11.40	\$11.68	\$11.96	\$11.31
Total return <sup>d</sup> . . . . .	0.91%	(7.49)%	(0.19)%	0.13%	8.95%	3.28%
<b>Ratios to average net assets<sup>e</sup></b>						
Expenses <sup>f</sup> . . . . .	0.70%	0.70%	0.68%	0.68%	0.69%	0.69%
Net investment income . . . . .	2.97%	2.77%	2.24%	2.57%	2.87%	3.29%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$265,377	\$287,013	\$386,962	\$422,411	\$477,155	\$462,925
Portfolio turnover rate . . . . .	2.41%	13.39%	14.21%	19.32%	15.00%	10.85%

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

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

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

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

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

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



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

	Six Months Ended August 31, 2023 (unaudited)	Year Ended February 28,				
		2023	2022	2021	2020 <sup>a</sup>	2019
<b>Class C</b>						
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$10.39	\$11.54	\$11.83	\$12.11	\$11.45	\$11.46
Income from investment operations <sup>b</sup> :						
Net investment income <sup>c</sup> . . . . .	0.13	0.23	0.20	0.24	0.27	0.31
Net realized and unrealized gains (losses)	(0.06)	(1.15)	(0.29)	(0.29)	0.68	(0.01)
Total from investment operations . . . . .	0.07	(0.92)	(0.09)	(0.05)	0.95	0.30
Less distributions from:						
Net investment income . . . . .	(0.13)	(0.23)	(0.20)	(0.23)	(0.29)	(0.31)
Net asset value, end of period . . . . .	\$10.33	\$10.39	\$11.54	\$11.83	\$12.11	\$11.45
Total return <sup>d</sup> . . . . .	0.62%	(8.00)%	(0.83)%	(0.41)%	8.36%	2.67%
<b>Ratios to average net assets<sup>e</sup></b>						
Expenses <sup>f</sup> . . . . .	1.24%	1.24%	1.23%	1.22%	1.24%	1.24%
Net investment income . . . . .	2.37%	2.18%	1.66%	2.01%	2.32%	2.74%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$19,204	\$23,346	\$36,062	\$50,968	\$66,329	\$69,045
Portfolio turnover rate . . . . .	2.41%	13.39%	14.21%	19.32%	15.00%	10.85%

<sup>a</sup>For the year ended February 29.<sup>b</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.<sup>c</sup>Based on average daily shares outstanding.<sup>d</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable, and is not annualized for periods less than one year.<sup>e</sup>Ratios are annualized for periods less than one year.<sup>f</sup>Benefit of expense reduction rounds to less than 0.01%.

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

	Six Months Ended August 31, 2023 (unaudited)	Year Ended February 28,				
		2023	2022	2021	2020 <sup>a</sup>	2019
<b>Class R6</b>						
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$10.27	\$11.41	\$11.69	\$11.97	\$11.32	\$11.33
Income from investment operations <sup>b</sup> :						
Net investment income <sup>c</sup> . . . . .	0.16	0.31	0.28	0.32	0.35	0.39
Net realized and unrealized gains (losses) . . . . .	(0.06)	(1.15)	(0.28)	(0.29)	0.66	(0.01)
Total from investment operations . . . . .	0.10	(0.84)	—	0.03	1.01	0.38
Less distributions from:						
Net investment income . . . . .	(0.16)	(0.30)	(0.28)	(0.31)	(0.36)	(0.39)
Net asset value, end of period . . . . .	\$10.21	\$10.27	\$11.41	\$11.69	\$11.97	\$11.32
Total return <sup>d</sup> . . . . .	0.98%	(7.35)%	(0.05)%	0.27%	9.09%	3.40%
<b>Ratios to average net assets<sup>e</sup></b>						
Expenses before waiver and payments by affiliates . . . . .	0.56%	0.56%	0.55%	0.56%	0.56%	0.58%
Expenses net of waiver and payments by affiliates <sup>f</sup> . . . . .	0.56% <sup>g</sup>	0.55%	0.54%	0.54%	0.55%	0.55%
Net investment income . . . . .	3.11%	2.91%	2.38%	2.68%	3.01%	3.43%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$16,488	\$15,147	\$23,615	\$19,296	\$14,297	\$8,396
Portfolio turnover rate . . . . .	2.41%	13.39%	14.21%	19.32%	15.00%	10.85%

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

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

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

<sup>d</sup>Total return is not annualized for periods less than one year.

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

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

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

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

	Six Months Ended August 31, 2023 (unaudited)	Year Ended February 28,				
		2023	2022	2021	2020 <sup>a</sup>	2019
<b>Advisor Class</b>						
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$10.26	\$11.40	\$11.68	\$11.96	\$11.31	\$11.32
Income from investment operations <sup>b</sup> :						
Net investment income <sup>c</sup> . . . . .	0.16	0.30	0.28	0.31	0.35	0.38
Net realized and unrealized gains (losses)	(0.06)	(1.14)	(0.28)	(0.28)	0.66	(—) <sup>d</sup>
Total from investment operations . . . . .	0.10	(0.84)	—	0.03	1.01	0.38
Less distributions from:						
Net investment income . . . . .	(0.16)	(0.30)	(0.28)	(0.31)	(0.36)	(0.39)
Net asset value, end of period . . . . .	\$10.20	\$10.26	\$11.40	\$11.68	\$11.96	\$11.31
Total return <sup>e</sup> . . . . .	0.96%	(7.40)%	(0.10)%	0.23%	9.06%	3.38%
<b>Ratios to average net assets<sup>f</sup></b>						
Expenses <sup>g</sup> . . . . .	0.60%	0.60%	0.58%	0.58%	0.59%	0.59%
Net investment income . . . . .	3.08%	2.87%	2.33%	2.66%	2.97%	3.39%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$98,199	\$97,723	\$137,797	\$132,696	\$115,924	\$92,530
Portfolio turnover rate . . . . .	2.41%	13.39%	14.21%	19.32%	15.00%	10.85%

<sup>a</sup>For the year ended February 29.<sup>b</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.<sup>c</sup>Based on average daily shares outstanding.<sup>d</sup>Amount rounds to less than \$0.01 per share.<sup>e</sup>Total return is not annualized for periods less than one year.<sup>f</sup>Ratios are annualized for periods less than one year.<sup>g</sup>Benefit of expense reduction rounds to less than 0.01%.

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

## Franklin Colorado Tax-Free Income Fund

	Principal Amount	Value
<b>Corporate Bonds 0.3%</b>		
<b>Software 0.3%</b>		
<sup>a</sup> Haven at Elgin LLC, 5.25%, 12/31/53 . . . . .	\$1,400,000	\$1,364,433
<b>Total Corporate Bonds (Cost \$1,400,000) . . . . .</b>		<b>1,364,433</b>
<b>Municipal Bonds 97.5%</b>		
<b>California 0.3%</b>		
California Municipal Finance Authority, Revenue, 2022 A-1, 4.25%, 12/01/37 . . . . .	2,000,000	1,636,147
<b>Colorado 90.5%</b>		
Adams State University,		
Revenue, 2012, 5%, 5/15/37 . . . . .	630,000	630,092
Revenue, 2019 A, Refunding, 4%, 5/15/42 . . . . .	1,515,000	1,426,798
Anthem West Metropolitan District, GO, 2015, Refunding, BAM Insured, 5%, 12/01/35	3,000,000	3,082,888
Arapahoe County School District No. 1 Englewood, GO, 2017, 5%, 12/01/42 . . . . .	7,000,000	7,221,457
Arapahoe County School District No. 6 Littleton, GO, 2019 A, 5.5%, 12/01/43 . . . . .	12,980,000	13,989,813
Arapahoe County Water & Wastewater Authority, Revenue, 2019, Refunding, 4%, 12/01/37 . . . . .	1,000,000	1,002,199
Board of Governors of Colorado State University System,		
Revenue, 2013 A, Refunding, 5%, 3/01/43 . . . . .	5,000,000	5,608,852
Revenue, 2015 A, Pre-Refunded, 5%, 3/01/40 . . . . .	3,990,000	4,092,147
Revenue, 2017 E, Refunding, 4%, 3/01/43 . . . . .	4,500,000	4,332,988
Revenue, 2019 A, Refunding, 5%, 3/01/49 . . . . .	4,000,000	4,205,982
Revenue, A, Refunding, 4%, 3/01/40 . . . . .	5,000,000	4,870,818
Board of Water Commissioners City & County of Denver (The), Revenue, 2017 A, 5%, 9/15/47 . . . . .	10,000,000	10,401,991
<sup>b</sup> Broomfield Village Metropolitan District No. 2, GO, 144A, 2021 A-1, Refunding, 5%, 12/01/49 . . . . .	4,331,000	3,909,582
Castle Oaks Metropolitan District No. 3, GO, 2020, Refunding, AGMC Insured, 4%, 12/01/45 . . . . .	1,140,000	1,034,444
Centennial Water & Sanitation District,		
Revenue, 2019, 5%, 12/01/43 . . . . .	3,000,000	3,157,395
Revenue, 2019, 5.25%, 12/01/48 . . . . .	6,760,000	7,160,602
Cherokee Metropolitan District,		
Revenue, 2020, BAM Insured, 4%, 8/01/45 . . . . .	2,250,000	2,083,071
Revenue, 2020, BAM Insured, 4%, 8/01/50 . . . . .	1,400,000	1,276,192
City & County of Denver,		
Airport System, Revenue, 2013 B, 5%, 11/15/43 . . . . .	5,000,000	5,004,300
Airport System, Revenue, 2018 A, Refunding, 5%, 12/01/43 . . . . .	5,000,000	5,090,563
Airport System, Revenue, 2018 B, Refunding, 5%, 12/01/48 . . . . .	4,440,000	4,567,366
Airport System, Revenue, 2019 C, Refunding, 5%, 11/15/35 . . . . .	3,000,000	3,244,033
Airport System, Revenue, 2022 A, 5%, 11/15/37 . . . . .	4,250,000	4,519,136
Airport System, Revenue, 2022 D, Refunding, 5%, 11/15/53 . . . . .	5,000,000	5,114,205
Pledged Excise Tax, Revenue, 2016 A, Refunding, 4%, 8/01/46 . . . . .	3,500,000	3,252,574
Pledged Excise Tax, Revenue, 2018 A-1, 5%, 8/01/48 . . . . .	5,000,000	5,102,376
Pledged Excise Tax, Revenue, 2021 A, 4%, 8/01/34 . . . . .	1,000,000	1,043,535
City of Colorado Springs,		
Utilities System, Revenue, 2015 A, Refunding, 5%, 11/15/45 . . . . .	2,665,000	2,704,343
Utilities System, Revenue, 2017 A-2, Refunding, 5%, 11/15/47 . . . . .	6,000,000	6,223,860
Utilities System, Revenue, 2018 A-4, 5%, 11/15/48 . . . . .	5,000,000	5,200,395
Utilities System, Revenue, 2020 C, 5%, 11/15/50 . . . . .	3,000,000	3,154,260
City of Fort Collins, Electric Utility Enterprise, Revenue, 2018 A, 5%, 12/01/42 . . . . .	13,500,000	14,184,447
City of Grand Junction,		
COP, 2021, 4%, 12/01/45 . . . . .	2,005,000	1,904,839
Sales & Use Tax, Revenue, 2020 B, 4%, 3/01/49 . . . . .	3,775,000	3,524,746
Colorado Educational & Cultural Facilities Authority,		
Alexander Dawson School LLC (The), Revenue, 2010, 5%, 2/15/40 . . . . .	5,280,000	5,283,100
Aspen View Academy, Inc., Revenue, 2021, 4%, 5/01/36 . . . . .	425,000	389,553

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

	Principal Amount	Value
<b>Municipal Bonds</b> (continued)		
<b>Colorado</b> (continued)		
Colorado Educational & Cultural Facilities Authority, (continued)		
Aspen View Academy, Inc., Revenue, 2021, 4%, 5/01/41 . . . . .	\$150,000	\$127,376
Aspen View Academy, Inc., Revenue, 2021, 4%, 5/01/51 . . . . .	370,000	286,976
Aspen View Academy, Inc., Revenue, 2021, 4%, 5/01/61 . . . . .	550,000	406,336
Denver School of Science & Technology, Inc., Revenue, 2021, 3%, 8/01/41 . . . . .	1,460,000	1,103,028
Denver School of Science & Technology, Inc., Revenue, 2021, 3%, 8/01/51 . . . . .	3,635,000	2,394,107
Eagle Ridge Academy, Revenue, 2022 A, Refunding, 5%, 11/01/37 . . . . .	1,000,000	1,034,094
Golden View Classical Academy, Revenue, 2022, Refunding, 4%, 1/01/26 . . . . .	195,000	191,013
Golden View Classical Academy, Revenue, 2022, Refunding, 4%, 1/01/32 . . . . .	280,000	267,191
Golden View Classical Academy, Revenue, 2022, Refunding, 4%, 1/01/52 . . . . .	1,355,000	1,033,430
Golden View Classical Academy, Revenue, 2022, Refunding, 4%, 1/01/62 . . . . .	1,600,000	1,158,784
James Irwin Educational Foundation Obligated Group, Revenue, 2022, 5%, 9/01/52 . . . . .	750,000	705,503
James Irwin Educational Foundation Obligated Group, Revenue, 2022, 5%, 9/01/57 . . . . .	1,765,000	1,640,021
Lighthouse Building Corp., Revenue, 2021, 4%, 10/01/46 . . . . .	345,000	272,735
Lighthouse Building Corp., Revenue, 2021, 4%, 10/01/56 . . . . .	1,000,000	742,253
Lighthouse Building Corp., Revenue, 2021, 4%, 10/01/61 . . . . .	2,210,000	1,588,739
Pinnacle Charter School, Inc., Revenue, 2021 A, Refunding, 4%, 12/01/50 . . . . .	5,820,000	4,996,297
Union Colony Schools, Revenue, 2018, Refunding, 5%, 4/01/48 . . . . .	715,000	715,267
University of Denver, Revenue, 2017 A, 5%, 3/01/47 . . . . .	3,950,000	4,070,265
West Ridge Academy Charter School, Revenue, 2019 A, Refunding, 5%, 6/01/49 . . . . .	400,000	400,410
Westgate Community School, Revenue, 2021 A, Refunding, 4%, 7/01/41 . . . . .	2,370,000	2,179,674
Windsor Charter Academy Obligated Group, Revenue, 2020, Refunding, 4%, 9/01/50 . . . . .	2,400,000	2,052,409
Colorado Health Facilities Authority,		
AdventHealth Obligated Group, Revenue, 2016 A, Refunding, 4%, 11/15/41 . . . . .	3,000,000	2,913,208
AdventHealth Obligated Group, Revenue, 2019 A, Refunding, 5%, 11/15/37 . . . . .	5,000,000	5,344,298
Boulder Community Health Obligated Group, Revenue, 2020, Refunding, 4%, 10/01/35 . . . . .	1,575,000	1,565,935
Boulder Community Health Obligated Group, Revenue, 2020, Refunding, 4%, 10/01/37 . . . . .	850,000	806,030
Boulder Community Health Obligated Group, Revenue, 2020, Refunding, 4%, 10/01/38 . . . . .	705,000	657,559
Boulder Community Health Obligated Group, Revenue, 2020, Refunding, 4%, 10/01/39 . . . . .	835,000	770,881
Boulder Community Health Obligated Group, Revenue, 2020, Refunding, 4%, 10/01/40 . . . . .	725,000	664,961
BSLC Obligated Group, Revenue, 2018 A-1, Refunding, 5%, 9/15/48 . . . . .	3,000,000	2,631,366
BSLC Obligated Group, Revenue, 2018 A-1, Refunding, 4.75%, 9/15/53 . . . . .	1,500,000	1,174,878
Children's Hospital Colorado Obligated Group, Revenue, 2016 A, 5%, 12/01/44 . . . . .	5,000,000	5,028,696
CommonSpirit Health Obligated Group, Revenue, 2019 A-2, Refunding, 5%, 8/01/38 . . . . .	3,000,000	3,095,950
CommonSpirit Health Obligated Group, Revenue, 2019 A-2, Refunding, 5%, 8/01/39 . . . . .	2,000,000	2,056,960
CommonSpirit Health Obligated Group, Revenue, 2019 A-2, Refunding, 5%, 8/01/44 . . . . .	7,000,000	7,150,109
CommonSpirit Health Obligated Group, Revenue, 2019 A-2, Refunding, 4%, 8/01/49 . . . . .	9,990,000	8,657,938
CommonSpirit Health Obligated Group, Revenue, 2022 A, 5.25%, 11/01/52 . . . . .	3,000,000	3,058,825
Covenant Living Communities and Services Obligated Group, Revenue, 2015 A, Refunding, 5%, 12/01/35 . . . . .	7,150,000	7,168,125
Covenant Living Communities and Services Obligated Group, Revenue, 2018 A, 5%, 12/01/48 . . . . .	5,000,000	4,706,175
Covenant Living Communities and Services Obligated Group, Revenue, 2020 A, Refunding, 4%, 12/01/50 . . . . .	5,700,000	4,532,580
Craig Hospital Obligated Group, Revenue, 2022 A, 5%, 12/01/52 . . . . .	3,535,000	3,568,387
Evangelical Lutheran Good Samaritan Obligated Group, Revenue, 2015 A, Pre- Refunded, 5%, 6/01/40 . . . . .	4,000,000	4,116,733
Evangelical Lutheran Good Samaritan Obligated Group, Revenue, 2015 A, Pre- Refunded, 5%, 6/01/45 . . . . .	2,750,000	2,830,254
Intermountain Healthcare Obligated Group, Revenue, 2019 A, Refunding, 4%, 1/01/38 . . . . .	3,660,000	3,610,199
Parkview Medical Center, Inc. Obligated Group, Revenue, 2016, 5%, 9/01/46 . . . . .	5,000,000	5,011,927

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

	Principal Amount	Value
<b>Municipal Bonds</b> (continued)		
<b>Colorado</b> (continued)		
Colorado Health Facilities Authority, (continued)		
Parkview Medical Center, Inc. Obligated Group, Revenue, 2020 A, 4%, 9/01/50 . . .	\$6,275,000	\$5,267,916
Sanford Obligated Group, Revenue, 2019 A, Refunding, 5%, 11/01/44 . . . . .	3,495,000	3,530,102
Sanford Obligated Group, Revenue, 2019 A, Refunding, 5%, 11/01/49 . . . . .	8,050,000	8,049,761
Valley View Hospital Association, Revenue, 2015, 5%, 5/15/40 . . . . .	2,000,000	2,001,983
Valley View Hospital Association, Revenue, 2015, 5%, 5/15/45 . . . . .	1,000,000	999,990
Colorado High Performance Transportation Enterprise, C-470 Express Lanes System, Revenue, 2017, 5%, 12/31/47 . . . . .	2,555,000	2,540,583
Colorado Housing and Finance Authority, Revenue, 2019 B-1, I, 3.15%, 10/01/44 . . . . .	1,000,000	779,872
Revenue, 2019 B-1, I, 3.25%, 10/01/49 . . . . .	1,000,000	752,752
Colorado Mesa University, Revenue, 2019 B, 5%, 5/15/44 . . . . .	1,000,000	1,043,071
Revenue, 2019 B, 5%, 5/15/49 . . . . .	1,565,000	1,621,965
Colorado School of Mines, Revenue, 2017 A, 5%, 12/01/42 . . . . .	2,450,000	2,551,653
Revenue, 2017 A, 5%, 12/01/47 . . . . .	3,000,000	3,108,274
Crystal Valley Metropolitan District No. 2, GO, 2020 A, Refunding, AGMC Insured, 3%, 12/01/49 . . . . .	3,000,000	2,226,559
Denver City & County School District No. 1, COP, 2020 A, 5%, 12/01/42 . . . . .	2,000,000	2,155,926
GO, 2017, 5%, 12/01/41 . . . . .	5,000,000	5,175,109
Denver Convention Center Hotel Authority, Revenue, Senior Lien, 2016, Refunding, 5%, 12/01/40 . . . . .	9,775,000	9,491,030
Denver Health & Hospital Authority, COP, 2018, 5%, 12/01/48 . . . . .	5,255,000	4,946,189
Revenue, 2014 A, 5.25%, 12/01/45 . . . . .	9,250,000	9,257,383
Revenue, 2019 A, Refunding, 5%, 12/01/30 . . . . .	1,000,000	1,038,214
Revenue, 2019 A, Refunding, 5%, 12/01/32 . . . . .	1,330,000	1,381,605
Revenue, 2019 A, Refunding, 5%, 12/01/33 . . . . .	3,300,000	3,417,734
Denver International Business Center Metropolitan District No. 1, GO, 2019 A, 4%, 12/01/48 . . . . .	350,000	290,037
Eagle River Water & Sanitation District, GO, 2016, 5%, 12/01/45 . . . . .	1,360,000	1,398,025
East Cherry Creek Valley Water and Sanitation District, Revenue, 2019 A, 4%, 11/15/39	1,200,000	1,182,160
Erie Farm Metropolitan District, GO, 2021, Refunding, AGMC Insured, 5%, 12/01/41 . . . . .	575,000	610,266
GO, 2021, Refunding, AGMC Insured, 5%, 12/01/46 . . . . .	700,000	738,037
GO, 2021, Refunding, AGMC Insured, 4%, 12/01/51 . . . . .	1,200,000	1,059,738
<sup>b</sup> Fiddlers Business Improvement District, GO, 144A, 2022, Refunding, 5.55%, 12/01/47	3,500,000	3,503,088
Flying Horse Metropolitan District No. 2, GO, 2020 A, Refunding, AGMC Insured, 4%, 12/01/44 . . . . .	520,000	479,766
GO, 2020 A, Refunding, AGMC Insured, 4%, 12/01/50 . . . . .	875,000	769,120
Gunnison Watershed School District No. Re 1J, GO, 2023, 5%, 12/01/47 . . . . .	3,250,000	3,498,017
Larimer County School District No. R-1 Poudre, GO, 2018, 5%, 12/15/40 . . . . .	5,000,000	5,265,780
Meridian Metropolitan District, GO, 2023, AGMC Insured, 4.375%, 12/01/53 . . . . .	2,000,000	1,942,565
North Pine Vistas Metropolitan District No. 2, GO, 2022, Refunding, AGMC Insured, 5%, 12/01/52 . . . . .	1,125,000	1,163,550
Park 70 Metropolitan District, GO, 2016, Refunding, 5%, 12/01/36 . . . . .	1,000,000	1,012,041
GO, 2016, Refunding, 5%, 12/01/46 . . . . .	1,500,000	1,483,023
Park Creek Metropolitan District, Westerly Creek District Service Area, Revenue, 2017 A, 5%, 12/01/41 . . . . .	3,000,000	3,009,683
Westerly Creek District Service Area, Revenue, 2017 A, 5%, 12/01/46 . . . . .	2,500,000	2,483,125
Westerly Creek District Service Area, Revenue, Senior Lien, 2015 A, Refunding, 5%, 12/01/45 . . . . .	7,000,000	6,997,133
Westerly Creek District Service Area, Revenue, Senior Lien, 2018 A, 5%, 12/01/46 .	2,875,000	2,960,283

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

	Principal Amount	Value
<b>Municipal Bonds</b> (continued)		
<b>Colorado</b> (continued)		
Parker Water & Sanitation District, Revenue, 2018, 5%, 11/01/42 . . . . .	\$6,475,000	\$6,749,245
Patriot Park Metropolitan District No. 2, GO, 2021, 4.3%, 12/01/50 . . . . .	539,000	408,536
Prairiestar Metropolitan District No. 2,		
GO, 2021 A, Refunding, BAM Insured, 5%, 12/01/36 . . . . .	500,000	542,229
GO, 2021 A, Refunding, BAM Insured, 5%, 12/01/41 . . . . .	500,000	530,666
GO, 2021 A, Refunding, BAM Insured, 5%, 12/01/46 . . . . .	500,000	527,170
Public Authority for Colorado Energy, Revenue, 2008, 6.5%, 11/15/38 . . . . .	9,900,000	11,611,686
Regional Transportation District,		
Denver Transit Partners LLC, Revenue, 2020 A, Refunding, 4%, 1/15/33 . . . . .	550,000	557,538
Denver Transit Partners LLC, Revenue, 2020 A, Refunding, 4%, 7/15/35 . . . . .	1,000,000	1,005,160
Denver Transit Partners LLC, Revenue, 2020 A, Refunding, 4%, 7/15/36 . . . . .	750,000	745,446
Denver Transit Partners LLC, Revenue, 2020 A, Refunding, 4%, 7/15/38 . . . . .	700,000	677,457
Sales Tax, Revenue, 2016 A, 5%, 11/01/41 . . . . .	10,000,000	10,302,353
Sales Tax, Revenue, 2016 A, 5%, 11/01/46 . . . . .	11,000,000	11,306,284
Sand Creek Metropolitan District, GO, 2020 B, Refunding, AGMC Insured, 4%, 12/01/40 . . . . .	2,665,000	2,568,977
Silver Peaks Metropolitan District No. 3, GO, Senior Lien, 2020 A, 5%, 12/01/50 . . . .	1,000,000	856,359
South Timnath Metropolitan District No. 2, GO, 2016, Refunding, 5%, 12/01/42 . . . .	5,690,000	5,682,651
State of Colorado,		
COP, 2013 I, Pre-Refunded, 5%, 3/15/36 . . . . .	3,000,000	3,024,055
COP, 2017 J, 5.25%, 3/15/42 . . . . .	5,000,000	5,205,357
COP, 2020, Refunding, 4%, 6/15/40 . . . . .	1,315,000	1,295,696
COP, 2020 A, 4%, 12/15/38 . . . . .	3,555,000	3,533,096
COP, 2020 R, 4%, 3/15/45 . . . . .	5,000,000	4,756,541
Sterling Hills West Metropolitan District, GO, 2017, Refunding, 5%, 12/01/39 . . . . .	1,125,000	1,160,867
Sterling Ranch Community Authority Board,		
Sterling Ranch Colorado Metropolitan District No. 2, Revenue, 2020 A, Refunding, 3.75%, 12/01/40 . . . . .	500,000	419,100
Sterling Ranch Colorado Metropolitan District No. 2, Revenue, 2020 A, Refunding, 4.25%, 12/01/50 . . . . .	1,250,000	1,023,027
Thompson Crossing Metropolitan District No. 2, GO, 2016 B, Refunding, AGMC Insured, 5%, 12/01/46 . . . . .	4,500,000	4,621,690
Town of Monument, COP, 2020, AGMC Insured, 4%, 12/01/45 . . . . .	2,000,000	1,883,032
University of Colorado, Revenue, 2019 B, 5%, 6/01/44 . . . . .	1,930,000	2,029,640
Vauxmont Metropolitan District,		
GO, 2019, Refunding, AGMC Insured, 5%, 12/15/27 . . . . .	380,000	398,626
GO, 2019, Refunding, AGMC Insured, 5%, 12/15/32 . . . . .	480,000	503,156
Whispering Pines Metropolitan District No. 1, GO, 2023, Refunding, AGMC Insured, 5%, 12/01/52 . . . . .	900,000	924,222
Winter Farm Metropolitan District No. 2,		
GO, 2019, Refunding, AGMC Insured, 5%, 12/01/39 . . . . .	630,000	657,211
GO, 2019, Refunding, AGMC Insured, 5%, 12/01/44 . . . . .	500,000	516,149
		464,689,154
<b>Florida 1.3%</b>		
Capital Trust Agency, Inc.,		
Kingdom Development West Palm Beach Portfolio Obligated Group, Revenue, 2021 A-1, 3.75%, 12/01/36 . . . . .	4,104,000	3,360,199
<sup>b</sup> SHI - Lake Osborne LLC, Revenue, 144A, 2021 A-1, 3.68%, 1/01/57 . . . . .	800,000	523,785
<sup>b</sup> Leon County Housing Finance Authority, Revenue, 144A, 2022 A, Zero Cpn., 5/01/57	3,215,000	2,640,319
		6,524,303
<b>Georgia 0.4%</b>		
<sup>b</sup> Development Authority of Rockdale County, AHPC Terraces at Fieldstone LLC, Revenue, 144A, 2021 A-1, 3.5%, 12/01/36 . . . . .	2,400,000	1,894,583

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

	Principal Amount	Value
<b>Municipal Bonds</b> (continued)		
<b>Illinois 0.8%</b>		
State of Illinois,		
GO, 2003, 5.1%, 6/01/33 .....	\$3,000,000	\$2,913,881
GO, 2021 A, 5%, 3/01/33 .....	500,000	542,472
GO, 2021 A, 5%, 3/01/37 .....	250,000	263,593
GO, 2021 A, 4%, 3/01/39 .....	500,000	475,507
		<u>4,195,453</u>
<b>New York 0.2%</b>		
Metropolitan Transportation Authority, Revenue, 2020 D, 4%, 11/15/47 .....	900,000	814,218
<b>South Carolina 0.8%</b>		
South Carolina Jobs-Economic Development Authority,		
<sup>b</sup> Revenue, 144A, 2021 A-1, 3.65%, 12/01/36 .....	1,400,000	1,103,360
AHPC Vista Towers 2021 LLC, Revenue, 2021 A-1, 3.65%, 12/01/36 .....	1,400,000	1,100,083
<sup>b</sup> Columbia Portfolio Obligated Group, Revenue, 144A, 2022 A-1, Zero Cpn., 6/01/37	2,100,000	1,384,249
<sup>b</sup> South Carolina State Housing Finance & Development Authority, Garden Oaks LP,		
Revenue, 144A, 2021 A, 4.2%, 12/01/39 .....	750,000	562,402
		<u>4,150,094</u>
<b>Texas 0.6%</b>		
<sup>b</sup> EP Cimarron Ventanas PFC, Revenue, Senior Lien, 144A, 2021 A, 4%, 12/01/51. . . .	1,800,000	1,271,348
<sup>b</sup> Pecan Public Facility Corp., Revenue, 144A, 2022 A-2, 5%, 12/01/52 .....	2,400,000	1,772,896
		<u>3,044,244</u>
<b>Washington 0.2%</b>		
<sup>b</sup> Washington State Housing Finance Commission, Madison at Rivers Edge Apartments		
LLC, Revenue, 144A, 2021 A, 3.65%, 1/01/37 .....	1,400,000	1,103,238
<b>Wisconsin 1.3%</b>		
<sup>b</sup> Public Finance Authority,		
Revenue, 144A, 2022, B-1, 4%, 12/28/44 .....	1,400,000	1,083,603
AL-FL Portfolio Obligated Group, Revenue, 144A, 2021 A, 3.4%, 12/01/36 .....	2,400,000	1,891,609
Gulf Coast Portfolio Obligated Group, Revenue, 144A, 2021, 5.25%, 12/01/23 .....	3,700,000	3,701,887
		<u>6,677,099</u>
<b>U.S. Territories 1.1%</b>		
<b>Guam 0.3%</b>		
Guam Government Waterworks Authority, Revenue, 2020 A, 5%, 1/01/50 .....	1,500,000	1,493,024
<b>Puerto Rico 0.8%</b>		
HTA TRRB Custodial Trust, Revenue, 2005 L, 5.25%, 7/01/41 .....	1,485,000	1,480,464
Puerto Rico Electric Power Authority,		
Revenue, VV, Refunding, NATL Insured, 5.25%, 7/01/32 .....	1,200,000	1,179,646
Revenue, VV, Refunding, NATL Insured, 5.25%, 7/01/34 .....	1,000,000	981,968
Puerto Rico Sales Tax Financing Corp., Sales Tax, Revenue, A-1, 5%, 7/01/58 .....	750,000	727,804
		<u>4,369,882</u>
<b>Total U.S. Territories</b> .....		<u>5,862,906</u>
<b>Total Municipal Bonds (Cost \$537,959,117)</b> .....		<u>500,591,439</u>
<b>Total Long Term Investments (Cost \$539,359,117)</b> .....		<u>501,955,872</u>



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

**Short Term Investments 0.2%**

	Principal Amount	Value
<b>Municipal Bonds 0.2%</b>		
<b>Colorado 0.2%</b>		
°Colorado Educational & Cultural Facilities Authority, Daughters of Israel, Inc., Revenue, B-4, LOC TD Bank NA, Daily VRDN and Put, 4%, 12/01/35 .....	\$1,060,000	\$1,060,000
<b>Total Municipal Bonds (Cost \$1,060,000) .....</b>		<b>1,060,000</b>
<b>Total Short Term Investments (Cost \$1,060,000) .....</b>		<b>1,060,000</b>
<b>Total Investments (Cost \$540,419,117) 98.0% .....</b>		<b>\$503,015,872</b>
<b>Other Assets, less Liabilities 2.0% .....</b>		<b>10,416,217</b>
<b>Net Assets 100.0% .....</b>		<b>\$513,432,089</b>

See Abbreviations on page 151.

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

<sup>b</sup>Security was purchased pursuant to Rule 144A or Regulation S under the Securities Act of 1933. 144A securities may be sold in transactions exempt from registration only to qualified institutional buyers or in a public offering registered under the Securities Act of 1933. Regulation S securities cannot be sold in the United States without either an effective registration statement filed pursuant to the Securities Act of 1933, or pursuant to an exemption from registration. At August 31, 2023, the aggregate value of these securities was \$26,345,949, representing 5.1% of net assets.

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

## Financial Highlights

### Franklin Connecticut Tax-Free Income Fund

	Six Months Ended August 31, 2023 (unaudited)	Year Ended February 28,				Year Ended February 28, 2019 <sup>b</sup>
		2023	2022	2021	2020 <sup>a</sup>	
<b>Class A</b>						
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$8.86	\$9.85	\$10.17	\$10.39	\$10.05	\$10.01
Income from investment operations <sup>c</sup> :						
Net investment income <sup>d</sup> . . . . .	0.12	0.22	0.20	0.26	0.29	0.14
Net realized and unrealized gains (losses) . . . . .	(0.07)	(0.99)	(0.32)	(0.22)	0.36	0.04
Total from investment operations . . . . .	0.05	(0.77)	(0.12)	0.04	0.65	0.18
Less distributions from:						
Net investment income . . . . .	(0.12)	(0.22)	(0.20)	(0.26)	(0.31)	(0.14)
Net asset value, end of period . . . . .	\$8.79	\$8.86	\$9.85	\$10.17	\$10.39	\$10.05
Total return <sup>e</sup> . . . . .	0.55%	(7.84)%	(1.23)%	0.42%	6.54%	1.86%
<b>Ratios to average net assets<sup>f</sup></b>						
Expenses before waiver and payments by affiliates and expense reduction . . . . .	0.99%	0.97%	0.98%	0.94%	0.93%	0.92%
Expenses net of waiver and payments by affiliates and expense reduction <sup>g</sup> . . . . .	0.90%	0.91%	0.98%	0.94%	0.93%	0.92%
Net investment income . . . . .	2.69%	2.44%	1.95%	2.58%	2.83%	2.98%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$26,203	\$27,698	\$34,084	\$28,498	\$21,670	\$13,765
Portfolio turnover rate . . . . .	8.67%	14.70%	23.52%	20.73%	11.63%	15.00%

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

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

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

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

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

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

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

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

	Six Months Ended August 31, 2023 (unaudited)	Year Ended February 28,				
		2023	2022	2021	2020 <sup>a</sup>	2019
<b>Class A1</b>						
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$8.85	\$9.84	\$10.16	\$10.38	\$10.04	\$10.08
Income from investment operations <sup>b</sup> :						
Net investment income <sup>c</sup> . . . . .	0.13	0.23	0.22	0.28	0.30	0.31
Net realized and unrealized gains (losses)	(0.07)	(0.99)	(0.32)	(0.22)	0.36	(0.03)
Total from investment operations . . . . .	0.06	(0.76)	(0.10)	0.06	0.66	0.28
Less distributions from:						
Net investment income . . . . .	(0.13)	(0.23)	(0.22)	(0.28)	(0.32)	(0.32)
Net asset value, end of period . . . . .	\$8.78	\$8.85	\$9.84	\$10.16	\$10.38	\$10.04
Total return <sup>d</sup> . . . . .	0.63%	(7.71)%	(1.08)%	0.57%	6.70%	2.86%
<b>Ratios to average net assets<sup>e</sup></b>						
Expenses before waiver and payments by affiliates and expense reduction . . . . .	0.84%	0.83%	0.83%	0.79%	0.78%	0.77%
Expenses net of waiver and payments by affiliates and expense reduction <sup>f</sup> . . . . .	0.75%	0.76%	0.83%	0.79%	0.78%	0.77%
Net investment income . . . . .	2.85%	2.59%	2.12%	2.76%	2.98%	3.13%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$89,682	\$93,653	\$119,599	\$135,916	\$150,081	\$160,148
Portfolio turnover rate . . . . .	8.67%	14.70%	23.52%	20.73%	11.63%	15.00%

<sup>a</sup>For the year ended February 29.<sup>b</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.<sup>c</sup>Based on average daily shares outstanding.<sup>d</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable, and is not annualized for periods less than one year.<sup>e</sup>Ratios are annualized for periods less than one year.<sup>f</sup>Benefit of expense reduction rounds to less than 0.01%.

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

	Six Months Ended August 31, 2023 (unaudited)	Year Ended February 28,				
		2023	2022	2021	2020 <sup>a</sup>	2019
<b>Class C</b>						
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$8.92	\$9.92	\$10.24	\$10.46	\$10.13	\$10.16
Income from investment operations <sup>b</sup> :						
Net investment income <sup>c</sup> . . . . .	0.10	0.18	0.16	0.23	0.25	0.26
Net realized and unrealized gains (losses) . . . . .	(0.06)	(1.00)	(0.32)	(0.23)	0.35	(0.02)
Total from investment operations . . . . .	0.04	(0.82)	(0.16)	—	0.60	0.24
Less distributions from:						
Net investment income . . . . .	(0.10)	(0.18)	(0.16)	(0.22)	(0.27)	(0.27)
Net asset value, end of period . . . . .	\$8.86	\$8.92	\$9.92	\$10.24	\$10.46	\$10.13
Total return <sup>d</sup> . . . . .	0.46%	(8.26)%	(1.62)%	0.02%	5.98%	2.37%
<b>Ratios to average net assets<sup>e</sup></b>						
Expenses before waiver and payments by affiliates and expense reduction . . . . .	1.39%	1.37%	1.38%	1.34%	1.33%	1.32%
Expenses net of waiver and payments by affiliates and expense reduction <sup>f</sup> . . . . .	1.30%	1.31%	1.38%	1.34%	1.33%	1.32%
Net investment income . . . . .	2.25%	2.01%	1.58%	2.21%	2.43%	2.58%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$4,488	\$4,828	\$7,281	\$13,302	\$20,421	\$26,076
Portfolio turnover rate . . . . .	8.67%	14.70%	23.52%	20.73%	11.63%	15.00%

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

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

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

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

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

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

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

	Six Months Ended August 31, 2023 (unaudited)	Year Ended February 28,				
		2023	2022	2021	2020 <sup>a</sup>	2019
<b>Class R6</b>						
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$8.85	\$9.84	\$10.16	\$10.38	\$10.04	\$10.08
Income from investment operations <sup>b</sup> :						
Net investment income <sup>c</sup> . . . . .	0.13	0.25	0.23	0.29	0.32	0.33
Net realized and unrealized gains (losses)	(0.06)	(1.00)	(0.32)	(0.22)	0.36	(0.03)
Total from investment operations . . . . .	0.07	(0.75)	(0.09)	0.07	0.68	0.30
Less distributions from:						
Net investment income . . . . .	(0.13)	(0.24)	(0.23)	(0.29)	(0.34)	(0.34)
Net asset value, end of period . . . . .	\$8.79	\$8.85	\$9.84	\$10.16	\$10.38	\$10.04
Total return <sup>d</sup> . . . . .	0.81%	(7.58)%	(0.91)%	0.71%	6.85%	2.99%
<b>Ratios to average net assets<sup>e</sup></b>						
Expenses before waiver and payments by affiliates . . . . .	0.71%	0.69%	0.68%	0.70%	0.70%	0.65%
Expenses net of waiver and payments by affiliates <sup>f</sup> . . . . .	0.62%	0.63%	0.67%	0.66%	0.64%	0.63%
Net investment income . . . . .	2.97%	2.75%	2.27%	2.79%	3.12%	3.27%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$3,472	\$2,952	\$1,815	\$1,385	\$299	\$147
Portfolio turnover rate . . . . .	8.67%	14.70%	23.52%	20.73%	11.63%	15.00%

<sup>a</sup>For the year ended February 29.<sup>b</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.<sup>c</sup>Based on average daily shares outstanding.<sup>d</sup>Total return is not annualized for periods less than one year.<sup>e</sup>Ratios are annualized for periods less than one year.<sup>f</sup>Benefit of expense reduction rounds to less than 0.01%.

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

	Six Months Ended August 31, 2023 (unaudited)	Year Ended February 28,				
		2023	2022	2021	2020 <sup>a</sup>	2019
<b>Advisor Class</b>						
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$8.84	\$9.83	\$10.15	\$10.37	\$10.04	\$10.08
Income from investment operations <sup>b</sup> :						
Net investment income <sup>c</sup> . . . . .	0.13	0.24	0.23	0.29	0.31	0.32
Net realized and unrealized gains (losses) . . . . .	(0.06)	(0.99)	(0.32)	(0.22)	0.35	(0.03)
Total from investment operations . . . . .	0.07	(0.75)	(0.09)	0.07	0.66	0.29
Less distributions from:						
Net investment income . . . . .	(0.13)	(0.24)	(0.23)	(0.29)	(0.33)	(0.33)
Net asset value, end of period . . . . .	\$8.78	\$8.84	\$9.83	\$10.15	\$10.37	\$10.04
Total return <sup>d</sup> . . . . .	0.79%	(7.63)%	(0.98)%	0.67%	6.71%	2.96%
<b>Ratios to average net assets<sup>e</sup></b>						
Expenses before waiver and payments by affiliates and expense reduction . . . . .	0.75%	0.73%	0.73%	0.69%	0.68%	0.67%
Expenses net of waiver and payments by affiliates and expense reduction <sup>f</sup> . . . . .	0.65%	0.66%	0.73%	0.69%	0.68%	0.67%
Net investment income . . . . .	2.97%	2.69%	2.22%	2.85%	3.08%	3.23%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$16,026	\$14,477	\$20,378	\$20,968	\$20,024	\$19,351
Portfolio turnover rate . . . . .	8.67%	14.70%	23.52%	20.73%	11.63%	15.00%

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

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

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

<sup>d</sup>Total return is not annualized for periods less than one year.

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

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

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

## Franklin Connecticut Tax-Free Income Fund

	Principal Amount	Value
<b>Municipal Bonds 97.3%</b>		
<b>Connecticut 91.1%</b>		
City of Ansonia, GO, 2021 A, AGMC Insured, 3%, 2/15/37 . . . . .	\$500,000	\$433,224
City of Bridgeport, GO, 2021 A, 4%, 8/01/40 . . . . .	765,000	710,767
GO, 2021 A, 4%, 8/01/46 . . . . .	375,000	336,615
GO, 2021 A, 4%, 8/01/51 . . . . .	575,000	502,262
City of New Britain, GO, 2017 C, AGMC Insured, 5%, 3/01/36 . . . . .	1,000,000	1,045,433
City of New Haven, GO, 2021 A, Refunding, 4%, 8/01/41 . . . . .	2,000,000	1,802,992
City of Stamford, Water Pollution Control System & Facility, Revenue, 2013 A, 5.25%, 8/15/43 . . . . .	1,000,000	1,000,712
City of West Haven, GO, 2021, 4%, 9/15/41 . . . . .	565,000	515,410
Connecticut Housing Finance Authority, Revenue, 2019 E-E1, 3.05%, 11/15/44 . . . . .	5,000,000	3,860,864
Revenue, 2019 E-E1, 3.1%, 11/15/49 . . . . .	2,000,000	1,496,071
Revenue, 2020 C-1, Refunding, 2.05%, 5/15/37 . . . . .	1,000,000	769,232
Revenue, 2020 C-2, Refunding, 2.2%, 11/15/34 . . . . .	960,000	769,439
Connecticut State Health & Educational Facilities Authority, Avon Old Farms School Obligated Group, Revenue, D-1, Refunding, 4%, 7/01/46 . .	1,000,000	890,826
Choate Rosemary Hall Foundation, Inc. (The), Revenue, F, Refunding, 4%, 7/01/36 .	480,000	485,366
Choate Rosemary Hall Foundation, Inc. (The), Revenue, F, Refunding, 4%, 7/01/37 .	600,000	600,601
Choate Rosemary Hall Foundation, Inc. (The), Revenue, F, Refunding, 4%, 7/01/38 .	315,000	310,805
Choate Rosemary Hall Foundation, Inc. (The), Revenue, F, Refunding, 4%, 7/01/39 .	380,000	371,791
Choate Rosemary Hall Foundation, Inc. (The), Revenue, F, Refunding, 4%, 7/01/42 .	860,000	830,151
Connecticut Children's Medical Center Obligated Group, Revenue, E, 5.25%, 7/15/48 .	1,560,000	1,640,331
Connecticut College, Revenue, L-1, Refunding, 4%, 7/01/46 . . . . .	5,000,000	4,461,381
Covenant Living Communities and Services Obligated Group, Revenue, 2018 B, 5%, 12/01/40 . . . . .	4,000,000	3,861,814
Fairfield University, Revenue, Q-1, 5%, 7/01/46 . . . . .	9,000,000	9,124,960
Hartford HealthCare Obligated Group, Revenue, 2021 A, 4%, 7/01/46 . . . . .	6,000,000	5,471,703
Jerome Home, Revenue, 2021 E, Refunding, 4%, 7/01/41 . . . . .	735,000	614,406
Jerome Home, Revenue, 2021 E, Refunding, 4%, 7/01/51 . . . . .	1,250,000	952,315
Nuvance Health Obligated Group, Revenue, 2019 A, Refunding, 4%, 7/01/38 . . . .	1,000,000	903,440
Nuvance Health Obligated Group, Revenue, 2019 A, Refunding, 4%, 7/01/41 . . . .	6,310,000	5,504,530
Quinnipiac University, Revenue, L, Refunding, 5%, 7/01/45 . . . . .	8,250,000	8,320,846
Sacred Heart University, Inc., Revenue, I-1, Refunding, 5%, 7/01/42 . . . . .	4,375,000	4,456,939
Sacred Heart University, Inc., Revenue, K, 5%, 7/01/35 . . . . .	550,000	593,801
Sacred Heart University, Inc., Revenue, K, 4%, 7/01/45 . . . . .	1,200,000	1,078,026
Stamford Hospital Obligated Group (The), Revenue, M, Refunding, 4%, 7/01/37 . .	2,550,000	2,423,751
Taft School Corp. (The), Revenue, L, Refunding, 3%, 7/01/46 . . . . .	2,210,000	1,663,137
Trinity Health Corp. Obligated Group, Revenue, 2016 CT, 5%, 12/01/45 . . . . .	5,000,000	5,050,245
Trustees of Trinity College (The), Revenue, R, Refunding, 4%, 6/01/45 . . . . .	2,500,000	2,254,475
Trustees of Trinity College (The), Revenue, S, Refunding, 4%, 6/01/51 . . . . .	4,000,000	3,508,577
University of Hartford (The), Revenue, 2022 P, 5.375%, 7/01/52 . . . . .	2,000,000	1,804,173
Yale-New Haven Health Obligated Group, Revenue, N, 5%, 7/01/48 . . . . .	5,000,000	4,760,853
Connecticut State Higher Education Supplement Loan Authority, Revenue, 2020 B, 3.25%, 11/15/36 . . . . .	1,640,000	1,412,820
Revenue, 2020 D, Pre-Refunded, 3%, 11/15/35 . . . . .	1,145,000	1,141,020
Revenue, 2021 B, 2.25%, 11/15/37 . . . . .	2,500,000	1,909,408
Hartford County Metropolitan District, Clean Water Project, Revenue, 2014 A, Pre- Refunded, 5%, 11/01/42 . . . . .	2,500,000	2,548,307
South Central Connecticut Regional Water Authority, Revenue, Second Series, 32nd B, Refunding, 5%, 8/01/38 . . . . .	1,720,000	1,772,930
State of Connecticut, GO, 2020 A, 4%, 1/15/38 . . . . .	7,250,000	7,269,969
GO, 2020 C, 4%, 6/01/39 . . . . .	600,000	596,404
Special Tax, 2016 A, 5%, 9/01/33 . . . . .	1,000,000	1,044,271
Special Tax, 2018 A, 5%, 1/01/36 . . . . .	1,000,000	1,062,649
Special Tax, 2020 A, 5%, 5/01/35 . . . . .	4,500,000	4,974,763

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

	Principal Amount	Value
<b>Municipal Bonds</b> (continued)		
<b>Connecticut</b> (continued)		
State of Connecticut, (continued)		
Special Tax, 2020 A, 4%, 5/01/39	\$1,000,000	\$994,753
Special Tax, 2020 A, 5%, 5/01/40	2,000,000	2,146,124
Special Tax, 2021 A, 4%, 5/01/40	1,100,000	1,084,777
Special Tax, 2021 A, 5%, 5/01/41	1,500,000	1,619,743
Bradley International Airport CFC, Revenue, 2019 A, 5%, 7/01/49	1,400,000	1,347,502
Clean Water Fund - State Revolving Fund, Revenue, 2015 A, 5%, 3/01/34	3,000,000	3,073,062
Clean Water Fund - State Revolving Fund, Revenue, 2017 A, 5%, 5/01/37	1,000,000	1,056,251
Town of Hamden, GO, 2021, Refunding, BAM Insured, 4%, 8/15/41	500,000	459,216
Town of Stafford,		
GO, 2021, Refunding, 3%, 2/01/36	250,000	222,056
GO, 2021, Refunding, 3%, 2/01/38	310,000	261,756
GO, 2021, Refunding, 3%, 2/01/41	300,000	244,807
Town of Stratford,		
GO, 2017, AGMC Insured, 5%, 7/01/33	1,000,000	1,032,004
GO, 2020 A, Refunding, BAM Insured, 4%, 7/01/36	300,000	301,382
GO, 2020 A, Refunding, BAM Insured, 4%, 7/01/38	300,000	294,372
GO, 2020 A, Refunding, BAM Insured, 4%, 7/01/40	300,000	289,815
University of Connecticut,		
Revenue, 2013 A, 5%, 8/15/28	3,000,000	3,002,534
Revenue, 2017 A, 5%, 1/15/37	1,000,000	1,039,393
		127,384,352
<b>Florida 0.2%</b>		
<sup>a</sup> Capital Trust Agency, Inc., SHI - Lake Osborne LLC, Revenue, 144A, 2021 A-1, 3.68%, 1/01/57	500,000	327,366
<b>Georgia 0.4%</b>		
<sup>a</sup> Development Authority of Rockdale County, AHPC Terraces at Fieldstone LLC, Revenue, 144A, 2021 A-1, 3.5%, 12/01/36	625,000	493,381
<b>Illinois 0.7%</b>		
State of Illinois, GO, 2020 C, 4%, 10/01/42	1,000,000	924,910
<b>New Jersey 0.4%</b>		
New Jersey Economic Development Authority,		
Revenue, 2021 QQQ, 4%, 6/15/35	300,000	305,263
Revenue, 2021 QQQ, 4%, 6/15/36	100,000	101,199
New Jersey Transportation Trust Fund Authority, Revenue, 2020 AA, 3%, 6/15/50	230,000	167,864
		574,326
<b>South Carolina 0.9%</b>		
South Carolina Jobs-Economic Development Authority,		
<sup>a</sup> Revenue, 144A, 2021 A-1, 3.65%, 12/01/36	500,000	394,057
AHPC Vista Towers 2021 LLC, Revenue, 2021 A-1, 3.65%, 12/01/36	500,000	392,887
<sup>a</sup> Columbia Portfolio Obligated Group, Revenue, 144A, 2022 A-1, Zero Cpn., 6/01/37	750,000	494,374
		1,281,318
<b>Texas 0.9%</b>		
<sup>a</sup> EP Cimarron Ventanas PFC, Revenue, Senior Lien, 144A, 2021 A, 4%, 12/01/51	500,000	353,152
Lake Houston Redevelopment Authority, City of Houston Reinvestment Zone No. 10, Revenue, 2021, Refunding, 3%, 9/01/47	780,000	515,886
<sup>a</sup> Pecan Public Facility Corp., Revenue, 144A, 2022 A-2, 5%, 12/01/52	615,000	454,305
		1,323,343
<b>Washington 0.3%</b>		
<sup>a</sup> Washington State Housing Finance Commission, Madison at Rivers Edge Apartments LLC, Revenue, 144A, 2021 A, 3.65%, 1/01/37	500,000	394,013



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

	Principal Amount	Value
<b>Municipal Bonds (continued)</b>		
<b>Wisconsin 0.9%</b>		
<sup>a</sup> Public Finance Authority, Revenue, 144A, 2022, B-1, 4%, 12/28/44 . . . . .	\$400,000	\$309,601
Gulf Coast Portfolio Obligated Group, Revenue, 144A, 2021, 5.25%, 12/01/23 . . . . .	1,000,000	1,000,510
		1,310,111
<b>U.S. Territories 1.5%</b>		
<b>Puerto Rico 1.5%</b>		
HTA HRRB Custodial Trust, Revenue, 2007 CC, 5.25%, 7/01/34 . . . . .	2,010,000	2,023,945
<b>Total Municipal Bonds (Cost \$149,539,260) . . . . .</b>		<b>136,037,065</b>
<b>Short Term Investments 1.0%</b>		
<b>Municipal Bonds 1.0%</b>		
<b>Connecticut 1.0%</b>		
<sup>b</sup> Connecticut State Health & Educational Facilities Authority, Yale University, Revenue, 2001 V-2, Daily VRDN and Put, 3.8%, 7/01/36 . . . . .	1,400,000	1,400,000
<b>Total Municipal Bonds (Cost \$1,400,000) . . . . .</b>		<b>1,400,000</b>
<b>Total Short Term Investments (Cost \$1,400,000) . . . . .</b>		<b>1,400,000</b>
<b>Total Investments (Cost \$150,939,260) 98.3% . . . . .</b>		<b>\$137,437,065</b>
<b>Other Assets, less Liabilities 1.7% . . . . .</b>		<b>2,434,152</b>
<b>Net Assets 100.0% . . . . .</b>		<b>\$139,871,217</b>

See Abbreviations on page 151.

<sup>a</sup>Security was purchased pursuant to Rule 144A or Regulation S under the Securities Act of 1933. 144A securities may be sold in transactions exempt from registration only to qualified institutional buyers or in a public offering registered under the Securities Act of 1933. Regulation S securities cannot be sold in the United States without either an effective registration statement filed pursuant to the Securities Act of 1933, or pursuant to an exemption from registration. At August 31, 2023, the aggregate value of these securities was \$4,220,759, representing 3.0% of net assets.

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

## Financial Highlights

### Franklin Michigan Tax-Free Income Fund

	Six Months Ended August 31, 2023 (unaudited)	Year Ended February 28,				Year Ended February 28, 2019 <sup>b</sup>
		2023	2022	2021	2020 <sup>a</sup>	
<b>Class A</b>						
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$10.30	\$11.43	\$11.84	\$12.03	\$11.31	\$11.19
Income from investment operations <sup>c</sup> :						
Net investment income <sup>d</sup> . . . . .	0.16	0.29	0.26	0.28	0.29	0.15
Net realized and unrealized gains (losses) . . . . .	(0.07)	(1.14)	(0.41)	(0.19)	0.74	0.12
Total from investment operations . . . . .	0.09	(0.85)	(0.15)	0.09	1.03	0.27
Less distributions from:						
Net investment income . . . . .	(0.15)	(0.28)	(0.26)	(0.28)	(0.31)	(0.15)
Net asset value, end of period . . . . .	\$10.24	\$10.30	\$11.43	\$11.84	\$12.03	\$11.31
Total return <sup>e</sup> . . . . .	0.89%	(7.43)%	(1.35)%	0.75%	9.19%	2.46%
<b>Ratios to average net assets<sup>f</sup></b>						
Expenses <sup>g</sup> . . . . .	0.83%	0.83%	0.83%	0.82%	0.82%	0.83%
Net investment income . . . . .	3.02%	2.71%	2.16%	2.34%	2.51%	2.86%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$121,053	\$120,384	\$134,390	\$107,468	\$74,740	\$33,739
Portfolio turnover rate . . . . .	3.57%	27.70%	22.05%	10.86%	4.08%	11.55%

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

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

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

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

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

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

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

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

	Six Months Ended August 31, 2023 (unaudited)	Year Ended February 28,				
		2023	2022	2021	2020 <sup>a</sup>	2019
<b>Class A1</b>						
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$10.29	\$11.42	\$11.82	\$12.02	\$11.30	\$11.25
Income from investment operations <sup>b</sup> :						
Net investment income <sup>c</sup> . . . . .	0.16	0.30	0.28	0.30	0.31	0.34
Net realized and unrealized gains (losses) . . . . .	(0.06)	(1.13)	(0.40)	(0.20)	0.73	0.06
Total from investment operations . . . . .	0.10	(0.83)	(0.12)	0.10	1.04	0.40
Less distributions from:						
Net investment income . . . . .	(0.16)	(0.30)	(0.28)	(0.30)	(0.32)	(0.35)
Net asset value, end of period . . . . .	\$10.23	\$10.29	\$11.42	\$11.82	\$12.02	\$11.30
Total return <sup>d</sup> . . . . .	0.97%	(7.29)%	(1.12)%	0.82%	9.36%	3.59%
<b>Ratios to average net assets<sup>e</sup></b>						
Expenses <sup>f</sup> . . . . .	0.68%	0.68%	0.68%	0.67%	0.67%	0.68%
Net investment income . . . . .	3.15%	2.85%	2.32%	2.51%	2.66%	3.01%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$473,224	\$497,643	\$628,769	\$688,038	\$731,568	\$727,705
Portfolio turnover rate . . . . .	3.57%	27.70%	22.05%	10.86%	4.08%	11.55%

<sup>a</sup>For the year ended February 29.<sup>b</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.<sup>c</sup>Based on average daily shares outstanding.<sup>d</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable, and is not annualized for periods less than one year.<sup>e</sup>Ratios are annualized for periods less than one year.<sup>f</sup>Benefit of expense reduction rounds to less than 0.01%.

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

	<b>Six Months Ended August 31, 2023 (unaudited)</b>	<b>Year Ended February 28,</b>				
		<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020<sup>a</sup></b>	<b>2019</b>
<b>Class C</b>						
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$10.46	\$11.61	\$12.02	\$12.21	\$11.48	\$11.43
Income from investment operations <sup>b</sup> :						
Net investment income <sup>c</sup> . . . . .	0.13	0.24	0.21	0.23	0.25	0.28
Net realized and unrealized gains (losses) . . . . .	(0.06)	(1.15)	(0.41)	(0.19)	0.74	0.05
Total from investment operations . . . . .	0.07	(0.91)	(0.20)	0.04	0.99	0.33
Less distributions from:						
Net investment income . . . . .	(0.13)	(0.24)	(0.21)	(0.23)	(0.26)	(0.28)
Net asset value, end of period . . . . .	\$10.40	\$10.46	\$11.61	\$12.02	\$12.21	\$11.48
Total return <sup>d</sup> . . . . .	0.68%	(7.86)%	(1.73)%	0.35%	8.74%	2.96%
<b>Ratios to average net assets<sup>e</sup></b>						
Expenses <sup>f</sup> . . . . .	1.22%	1.22%	1.22%	1.22%	1.22%	1.23%
Net investment income . . . . .	2.51%	2.25%	1.73%	1.93%	2.11%	2.46%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$24,759	\$30,730	\$43,148	\$60,847	\$78,321	\$80,062
Portfolio turnover rate . . . . .	3.57%	27.70%	22.05%	10.86%	4.08%	11.55%

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

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

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

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

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

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

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

	Six Months Ended August 31, 2023 (unaudited)	Year Ended February 28,				
		2023	2022	2021	2020 <sup>a</sup>	2019
<b>Class R6</b>						
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$10.33	\$11.46	\$11.87	\$12.07	\$11.35	\$11.29
Income from investment operations <sup>b</sup> :						
Net investment income <sup>c</sup> . . . . .	0.17	0.32	0.29	0.31	0.33	0.35
Net realized and unrealized gains (losses) . . . . .	(0.06)	(1.14)	(0.41)	(0.20)	0.73	0.07
Total from investment operations . . . . .	0.11	(0.82)	(0.12)	0.11	1.06	0.42
Less distributions from:						
Net investment income . . . . .	(0.17)	(0.31)	(0.29)	(0.31)	(0.34)	(0.36)
Net asset value, end of period . . . . .	\$10.27	\$10.33	\$11.46	\$11.87	\$12.07	\$11.35
Total return <sup>d</sup> . . . . .	1.04%	(7.14)%	(1.06)%	0.96%	9.48%	3.79%
<b>Ratios to average net assets<sup>e</sup></b>						
Expenses before waiver and payments by affiliates . . . . .	0.54%	0.55%	0.55%	0.55%	0.55%	0.57%
Expenses net of waiver and payments by affiliates <sup>f</sup> . . . . .	0.54% <sup>g</sup>	0.54%	0.54%	0.53%	0.53%	0.54%
Net investment income . . . . .	3.30%	2.99%	2.44%	2.62%	2.80%	3.15%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$13,841	\$9,690	\$11,255	\$6,228	\$4,153	\$3,042
Portfolio turnover rate . . . . .	3.57%	27.70%	22.05%	10.86%	4.08%	11.55%

<sup>a</sup>For the year ended February 29.<sup>b</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.<sup>c</sup>Based on average daily shares outstanding.<sup>d</sup>Total return is not annualized for periods less than one year.<sup>e</sup>Ratios are annualized for periods less than one year.<sup>f</sup>Benefit of expense reduction rounds to less than 0.01%.<sup>g</sup>Benefit of waiver and payments by affiliates rounds to less than 0.01%.

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

	<b>Six Months Ended August 31, 2023 (unaudited)</b>	<b>Year Ended February 28,</b>				
		<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020<sup>a</sup></b>	<b>2019</b>
<b>Advisor Class</b>						
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$10.32	\$11.46	\$11.86	\$12.06	\$11.34	\$11.29
Income from investment operations <sup>b</sup> :						
Net investment income <sup>c</sup> . . . . .	0.17	0.31	0.29	0.31	0.32	0.35
Net realized and unrealized gains (losses) . . . . .	(0.06)	(1.14)	(0.40)	(0.20)	0.74	0.06
Total from investment operations . . . . .	0.11	(0.83)	(0.11)	0.11	1.06	0.41
Less distributions from:						
Net investment income . . . . .	(0.17)	(0.31)	(0.29)	(0.31)	(0.34)	(0.36)
Net asset value, end of period . . . . .	\$10.26	\$10.32	\$11.46	\$11.86	\$12.06	\$11.34
Total return <sup>d</sup> . . . . .	1.02%	(7.26)%	(1.01)%	0.92%	9.44%	3.67%
<b>Ratios to average net assets<sup>e</sup></b>						
Expenses <sup>f</sup> . . . . .	0.58%	0.58%	0.58%	0.57%	0.57%	0.58%
Net investment income . . . . .	3.22%	2.95%	2.41%	2.59%	2.76%	3.11%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$71,542	\$80,068	\$107,625	\$102,001	\$79,717	\$63,190
Portfolio turnover rate . . . . .	3.57%	27.70%	22.05%	10.86%	4.08%	11.55%

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

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

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

<sup>d</sup>Total return is not annualized for periods less than one year.

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

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

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

## Franklin Michigan Tax-Free Income Fund

	Principal Amount	Value
<b>Corporate Bonds 0.2%</b>		
<b>Software 0.2%</b>		
<sup>a</sup> Haven at Elgin LLC, 5.25%, 12/31/53 .....	\$1,800,000	\$1,754,272
<b>Total Corporate Bonds (Cost \$1,800,000) .....</b>		<b>1,754,272</b>
<b>Municipal Bonds 99.2%</b>		
<b>California 0.3%</b>		
California Municipal Finance Authority, Revenue, 2022 A-1, 4.25%, 12/01/37 .....	2,650,000	2,167,895
<b>Florida 1.2%</b>		
Capital Trust Agency, Inc., Kingdom Development West Palm Beach Portfolio Obligated Group, Revenue, 2021 A-1, 3.75%, 12/01/36 .....	5,256,000	4,303,413
<sup>b</sup> SHI - Lake Osborne LLC, Revenue, 144A, 2021 A-1, 3.68%, 1/01/57 .....	900,000	589,258
<sup>b</sup> Leon County Housing Finance Authority, Revenue, 144A, 2022 A, Zero Cpn., 5/01/57 .....	4,100,000	3,367,125
		8,259,796
<b>Illinois 0.6%</b>		
Metropolitan Pier & Exposition Authority, Revenue, 2022 A, Refunding, 4%, 6/15/52. .	2,500,000	2,131,538
State of Illinois, GO, 2021 B, 4%, 12/01/39 .....	1,860,000	1,756,271
		3,887,809
<b>Kentucky 0.8%</b>		
<sup>b</sup> Louisville/Jefferson County Metropolitan Government, PSG Vesta Derby Oaks LLC, Revenue, 144A, 2022 A, Zero Cpn., 5/01/52. ....	8,625,000	5,621,286
<b>Michigan 88.0%</b>		
<sup>c</sup> Bangor Township School District, GO, 2023, 5%, 5/01/53. ....	2,000,000	2,067,919
Battle Creek School District, GO, 2022, 4%, 5/01/45 .....	3,000,000	2,871,929
Belding Area Schools, GO, 2022, 4.25%, 5/01/52 .....	7,330,000	7,032,083
Byron Center Public Schools, GO, 2017 I, 5%, 5/01/34. ....	1,000,000	1,065,086
GO, 2017 I, 5%, 5/01/35. ....	1,920,000	2,034,499
GO, 2017 I, 5%, 5/01/36. ....	650,000	685,259
GO, 2017 I, 5%, 5/01/37. ....	1,480,000	1,549,745
GO, 2017 I, 5%, 5/01/38. ....	1,330,000	1,382,587
GO, 2017 I, 5%, 5/01/39. ....	2,290,000	2,371,103
GO, 2017 I, 5%, 5/01/43. ....	2,250,000	2,306,939
GO, 2017 I, 5%, 5/01/47. ....	4,140,000	4,230,386
Caledonia Community Schools, GO, 2023 I, 5%, 5/01/53. ....	2,000,000	2,119,238
Central Michigan University, Revenue, 2014, Refunding, 5%, 10/01/30. ....	1,910,000	1,932,811
Revenue, 2014, Refunding, 5%, 10/01/31. ....	1,055,000	1,066,492
Revenue, 2014, Refunding, 5%, 10/01/34. ....	1,600,000	1,615,752
Revenue, 2014, Refunding, 5%, 10/01/39. ....	2,000,000	2,015,716
Revenue, 2021, Refunding, 3%, 10/01/46. ....	1,325,000	972,697
Charter Township of Bloomfield, GO, 2016, Refunding, 5%, 5/01/32. ....	1,000,000	1,043,411
Charter Township of Commerce, GO, 2016, Refunding, 5%, 12/01/38 .....	3,250,000	3,329,771
City of Battle Creek, Water & Wastewater System, Revenue, 2016 A, 5%, 6/01/36 . .	1,300,000	1,350,039
City of Detroit, Great Lakes Water Authority Water Supply System, Revenue, Second Lien, 2003 B, NATL Insured, 5%, 7/01/34 .....	25,000	25,032
Great Lakes Water Authority Water Supply System, Revenue, Senior Lien, 06A, AGMC Insured, 5%, 7/01/34 .....	30,000	30,040
City of Grand Rapids, Sanitary Sewer System, Revenue, 2014, Pre-Refunded, 5%, 1/01/39 .....	80,000	80,399
Sanitary Sewer System, Revenue, 2018, 5%, 1/01/37. ....	1,040,000	1,097,969
Sanitary Sewer System, Revenue, 2018, 5%, 1/01/43. ....	1,000,000	1,030,791

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

	Principal Amount	Value
<b>Municipal Bonds</b> (continued)		
<b>Michigan</b> (continued)		
City of Grand Rapids, (continued)		
Sanitary Sewer System, Revenue, 2020, Refunding, 5%, 1/01/45 . . . . .	\$2,000,000	\$2,111,347
Water Supply System, Revenue, 2016, Refunding, 5%, 1/01/41 . . . . .	2,190,000	2,225,812
Water Supply System, Revenue, 2016, Refunding, 5%, 1/01/46 . . . . .	2,525,000	2,565,173
Water Supply System, Revenue, 2018, Refunding, 5%, 1/01/43 . . . . .	1,500,000	1,550,378
Water Supply System, Revenue, 2018, Refunding, 5%, 1/01/48 . . . . .	2,000,000	2,061,344
Water Supply System, Revenue, 2020, 5%, 1/01/40 . . . . .	2,400,000	2,566,043
Water Supply System, Revenue, 2020, 5%, 1/01/50 . . . . .	3,000,000	3,163,942
City of Lansing, GO, 2023, AGMC Insured, 4.25%, 6/01/53 . . . . .	2,225,000	2,083,193
Comstock Public Schools, GO, 2022 I, 4%, 5/01/52 . . . . .	3,000,000	2,734,568
County of Kent,		
GO, 2016, 5%, 6/01/32 . . . . .	1,305,000	1,361,216
GO, 2016, 5%, 6/01/33 . . . . .	1,275,000	1,328,905
County of Muskegon,		
GO, 2015, Refunding, 5%, 11/01/33 . . . . .	1,360,000	1,398,523
GO, 2015, Refunding, 5%, 11/01/36 . . . . .	1,735,000	1,780,155
Detroit City School District, GO, 2001 A, AGMC Insured, 6%, 5/01/29 . . . . .	8,400,000	9,231,355
DeWitt Public Schools,		
GO, 2017, 5%, 5/01/30 . . . . .	500,000	535,558
GO, 2017, 5%, 5/01/33 . . . . .	815,000	872,179
GO, 2017, 5%, 5/01/34 . . . . .	1,000,000	1,069,373
GO, 2017, 5%, 5/01/35 . . . . .	1,000,000	1,064,963
GO, 2017, 5%, 5/01/36 . . . . .	1,000,000	1,060,604
Downriver Utility Wastewater Authority,		
Revenue, 2018, Refunding, AGMC Insured, 5%, 4/01/34 . . . . .	510,000	544,131
Revenue, 2018, Refunding, AGMC Insured, 5%, 4/01/36 . . . . .	1,600,000	1,683,610
Revenue, 2018, Refunding, AGMC Insured, 5%, 4/01/38 . . . . .	1,500,000	1,560,631
Revenue, 2018, Refunding, AGMC Insured, 5%, 4/01/43 . . . . .	3,000,000	3,091,165
East Lansing School District,		
GO, 2017 I, 5%, 5/01/35 . . . . .	1,500,000	1,587,329
GO, 2017 I, 5%, 5/01/37 . . . . .	1,100,000	1,150,686
GO, 2017 I, 5%, 5/01/42 . . . . .	3,500,000	3,634,304
Farmington Public School District,		
GO, 2015, Refunding, AGMC Insured, 5%, 5/01/27 . . . . .	1,000,000	1,025,342
GO, 2015, Refunding, AGMC Insured, 5%, 5/01/28 . . . . .	2,000,000	2,050,035
GO, 2015, Refunding, AGMC Insured, 5%, 5/01/32 . . . . .	4,035,000	4,126,785
GO, 2015, Refunding, AGMC Insured, 5%, 5/01/33 . . . . .	2,900,000	2,965,498
GO, 2015, Refunding, AGMC Insured, 5%, 5/01/34 . . . . .	3,000,000	3,069,214
GO, 2015, Refunding, AGMC Insured, 5%, 5/01/35 . . . . .	1,000,000	1,022,586
GO, 2018, BAM Insured, 4.5%, 5/01/38 . . . . .	7,225,000	7,359,564
Flat Rock Community School District, GO, 2022 I, 4.5%, 5/01/52 . . . . .	2,100,000	1,985,604
Gerald R Ford International Airport Authority, Revenue, 2021, 5%, 1/01/51 . . . . .	2,000,000	2,060,877
Grand Traverse County Hospital Finance Authority,		
Munson Healthcare Obligated Group, Revenue, 2014 A, 5%, 7/01/44 . . . . .	2,000,000	2,004,766
Munson Healthcare Obligated Group, Revenue, 2014 A, 5%, 7/01/47 . . . . .	2,500,000	2,504,670
Munson Healthcare Obligated Group, Revenue, 2019 A, 5%, 7/01/44 . . . . .	1,110,000	1,124,227
Munson Healthcare Obligated Group, Revenue, 2019 B, 5%, 7/01/39 . . . . .	1,625,000	1,676,756
Munson Healthcare Obligated Group, Revenue, 2021, Refunding, 3%, 7/01/51 . . . .	10,000,000	6,576,299
Grand Valley State University,		
Revenue, 2016 A, Refunding, 5%, 12/01/32 . . . . .	4,295,000	4,440,158
Revenue, 2018, 5%, 12/01/38 . . . . .	900,000	945,625
Revenue, 2018, 5%, 12/01/43 . . . . .	1,800,000	1,877,954
Grandville Public Schools,		
GO, II, AGMC Insured, 5%, 5/01/29 . . . . .	750,000	768,519
GO, II, AGMC Insured, 5%, 5/01/30 . . . . .	1,000,000	1,023,071
GO, II, AGMC Insured, 5%, 5/01/31 . . . . .	1,150,000	1,176,532



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

	Principal Amount	Value
<b>Municipal Bonds</b> (continued)		
<b>Michigan</b> (continued)		
Grandville Public Schools, (continued)		
GO, II, AGMC Insured, 5%, 5/01/32	\$1,165,000	\$1,191,689
GO, II, AGMC Insured, 5%, 5/01/34	1,315,000	1,345,552
GO, II, AGMC Insured, 5%, 5/01/35	1,225,000	1,252,271
GO, II, AGMC Insured, 5%, 5/01/37	2,915,000	2,968,601
GO, II, AGMC Insured, 5%, 5/01/40	6,215,000	6,308,316
Great Lakes Water Authority,		
Sewage Disposal System, Revenue, Second Lien, 2022 B, 5.5%, 7/01/52	1,500,000	1,615,418
Water Supply System, Revenue, Second Lien, 2022 B, 5.5%, 7/01/52	5,000,000	5,339,556
Gull Lake Community School District,		
GO, 2018 I, 5%, 5/01/45	4,000,000	4,141,569
GO, 2018 I, 5%, 5/01/48	1,000,000	1,032,502
Holly Area School District,		
GO, 2014, Refunding, 5%, 5/01/30	1,045,000	1,055,498
GO, 2014, Refunding, 5%, 5/01/32	1,040,000	1,050,380
Hudsonville Public Schools,		
GO, 2017, Refunding, 5%, 5/01/37	1,550,000	1,627,924
GO, 2017, Refunding, 5%, 5/01/39	2,500,000	2,615,406
GO, 2017, Refunding, 5%, 5/01/41	2,500,000	2,612,817
Kent Hospital Finance Authority, Mary Free Bed Rehabilitation Hospital Obligated Group, Revenue, 2021 A, 3%, 4/01/51	6,010,000	3,744,756
Kentwood Economic Development Corp.,		
Holland Home Obligated Group, Revenue, 2021, 4%, 11/15/45	1,655,000	1,228,758
Holland Home Obligated Group, Revenue, 2022, Refunding, 4%, 11/15/31	2,000,000	1,818,905
Holland Home Obligated Group, Revenue, 2022, Refunding, 4%, 11/15/43	8,820,000	6,710,667
Kentwood Public Schools,		
GO, 2016, 5%, 5/01/35	1,205,000	1,245,102
GO, 2016, 5%, 5/01/36	1,205,000	1,240,791
GO, 2016, 5%, 5/01/38	1,210,000	1,241,323
GO, 2016, 5%, 5/01/44	2,920,000	2,971,986
Lansing Board of Water & Light, Revenue, 2021 A, 5%, 7/01/51	10,000,000	10,317,196
Lansing Community College, GO, 2017, Refunding, 5%, 5/01/32	2,000,000	2,154,133
Lansing School District,		
GO, 2016 I, 5%, 5/01/39	2,125,000	2,170,863
GO, 2016 I, 5%, 5/01/40	2,200,000	2,246,926
Ludington Area School District, GO, 2022 II, BAM Insured, 4%, 5/01/51	7,820,000	7,226,772
Melvindale Northern Allen Park Public Schools, GO, 2022, AGMC Insured, 4.375%, 5/01/47	1,500,000	1,470,827
Meridian Public School District, GO, 2015, Refunding, 5%, 5/01/31	1,130,000	1,154,242
Michigan Finance Authority,		
Albion College, Revenue, 2022, Refunding, 5%, 12/01/36	3,270,000	3,315,330
Albion College, Revenue, 2022, Refunding, 4%, 12/01/46	5,365,000	4,302,321
Albion College, Revenue, 2022, Refunding, 4%, 12/01/51	3,415,000	2,637,958
Bronson Health Care Group Obligated Group, Revenue, 2019 A, Refunding, 5%, 5/15/54	11,000,000	11,001,830
Calvin University Obligated Group, Revenue, 2021, Refunding, 3%, 9/01/50	895,000	559,247
Calvin University Obligated Group, Revenue, 2021, Refunding, 4%, 9/01/50	2,600,000	2,170,279
Clean Water Revolving Fund, Revenue, 2016 B, Refunding, 4%, 10/01/30	2,750,000	2,820,104
Clean Water Revolving Fund, Revenue, 2018 B, Refunding, 5%, 10/01/38	8,055,000	8,611,638
County of Wayne, Revenue, Second Lien, 2020, Refunding, BAM Insured, 4%, 11/01/55	4,000,000	3,648,718
Henry Ford Health System Obligated Group, Revenue, 2016, Refunding, 5%, 11/15/41	19,015,000	19,265,960
Henry Ford Health System Obligated Group, Revenue, 2019 A, 5%, 11/15/48	10,000,000	10,172,411
Kalamazoo College, Revenue, 2018, Refunding, 4%, 12/01/47	2,610,000	2,275,451
Kettering University, Revenue, 2020, Refunding, 4%, 9/01/35	400,000	390,088

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

	Principal Amount	Value
<b>Municipal Bonds</b> (continued)		
<b>Michigan</b> (continued)		
Michigan Finance Authority, (continued)		
Kettering University, Revenue, 2020, Refunding, 4%, 9/01/36 . . . . .	\$565,000	\$540,748
Kettering University, Revenue, 2020, Refunding, 4%, 9/01/37 . . . . .	640,000	595,046
Kettering University, Revenue, 2020, Refunding, 4%, 9/01/38 . . . . .	675,000	615,941
Kettering University, Revenue, 2020, Refunding, 4%, 9/01/39 . . . . .	645,000	584,572
Kettering University, Revenue, 2020, Refunding, 4%, 9/01/45 . . . . .	3,780,000	3,301,147
Kettering University, Revenue, 2020, Refunding, 4%, 9/01/50 . . . . .	3,000,000	2,542,420
Lawrence Technological University Obligated Group, Revenue, 2022, Refunding, 4%, 2/01/42 . . . . .	745,000	595,208
Michigan Finance Authority Clean Water Revolving Fund, Revenue, 2018 B, Refunding, 5%, 10/01/39 . . . . .	6,000,000	6,399,268
Tobacco Settlement, Revenue, Senior Lien, 2020 A-2, Refunding, 5%, 6/01/40 . . .	1,000,000	1,036,766
Tobacco Settlement, Revenue, Senior Lien, 2020 A, 1, Refunding, 4%, 6/01/49 . . .	17,170,000	15,244,381
Tobacco Settlement, Revenue, Senior Lien, 2020 B-1, 2, Refunding, 5%, 6/01/49 . .	1,560,000	1,586,409
Trinity Health Corp. Obligated Group, Revenue, 2016 MI, 5%, 12/01/45 . . . . .	19,710,000	19,908,068
Trinity Health Corp. Obligated Group, Revenue, 2016 MI, Pre-Refunded, 5%, 12/01/45 . . . . .	290,000	303,656
Michigan State Building Authority, Revenue, 2013 1-A, Refunding, 5%, 10/15/33 . . . . .	5,000,000	5,007,602
Revenue, 2013 1-A, Refunding, 5.25%, 10/15/47 . . . . .	5,000,000	5,008,967
Revenue, 2016 I, Refunding, 5%, 4/15/41 . . . . .	13,000,000	13,362,536
Revenue, 2016 I, Refunding, 5%, 10/15/46 . . . . .	9,910,000	10,165,847
Revenue, 2016 I, Refunding, 5%, 10/15/51 . . . . .	1,000,000	1,021,976
Revenue, 2019 I, Refunding, 4%, 4/15/54 . . . . .	2,000,000	1,831,724
Revenue, 2021 I, 3%, 10/15/51 . . . . .	1,500,000	1,089,790
Revenue, 2022 I, 4%, 10/15/52 . . . . .	4,250,000	3,953,048
Michigan State Hospital Finance Authority, Ascension Health Credit Group, Revenue, 1999 B-3, 4%, 11/15/33 . . . . .	5,370,000	5,440,402
Ascension Health Credit Group, Revenue, 2010 F-7, Refunding, 5%, 11/15/47 . . . .	10,000,000	10,080,857
Ascension Health Credit Group, Revenue, 2010 F-8, Refunding, 5%, 11/15/46 . . . .	5,000,000	5,045,428
Michigan State Housing Development Authority, Revenue, 2019 B, 3.1%, 12/01/44 . . . . .	15,000,000	11,429,279
Revenue, 2020 A, 2.8%, 12/01/45 . . . . .	4,350,000	3,025,623
Revenue, 2020 A, 2.85%, 6/01/50 . . . . .	5,150,000	3,462,123
Revenue, 2021 A, 2.5%, 6/01/52 . . . . .	3,000,000	1,866,813
Revenue, 2021 A, 2.7%, 10/01/56 . . . . .	5,000,000	2,981,701
Revenue, 2021 A, 2.73%, 10/01/59 . . . . .	5,000,000	2,942,556
Revenue, 2022 A, 4.1%, 6/01/43 . . . . .	5,000,000	4,509,597
Michigan State University, Revenue, 2015 A, 5%, 8/15/40 . . . . .	8,500,000	8,653,990
Michigan Strategic Fund, State of Michigan Department of Transportation, Revenue, 2018, 5%, 6/30/33 . . . .	2,200,000	2,299,305
State of Michigan Department of Transportation, Revenue, 2018, 5%, 6/30/48 . . . .	7,000,000	7,012,526
Michigan Technological University, Revenue, 2015 A, 5%, 10/01/45 . . . . .	2,400,000	2,434,891
Revenue, 2023 A, AGMC Insured, 5%, 10/01/47 . . . . .	3,000,000	3,119,199
Revenue, 2023 A, AGMC Insured, 5.25%, 10/01/52 . . . . .	1,675,000	1,760,497
Oakland University, Revenue, 2014, Refunding, 5%, 3/01/32 . . . . .	1,000,000	1,004,536
Revenue, 2014, Refunding, 5%, 3/01/33 . . . . .	1,285,000	1,290,766
Revenue, 2014, Refunding, 5%, 3/01/34 . . . . .	1,000,000	1,004,343
Revenue, 2014, Refunding, 5%, 3/01/39 . . . . .	3,000,000	3,004,528
Revenue, 2016, 5%, 3/01/41 . . . . .	5,000,000	5,077,526
Revenue, 2019, 5%, 3/01/50 . . . . .	2,230,000	2,278,873

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

	Principal Amount	Value
<b>Municipal Bonds</b> (continued)		
<b>Michigan</b> (continued)		
Plainwell Community Schools, GO, 2022 II, 4%, 5/01/52 . . . . .	\$7,000,000	\$6,392,214
Rochester Community School District, GO, 2016 I, 5%, 5/01/36 . . . . .	2,800,000	2,875,326
Roseville Community Schools,		
GO, 2014, Pre-Refunded, 5%, 5/01/30 . . . . .	1,620,000	1,664,923
GO, 2014, Pre-Refunded, 5%, 5/01/31 . . . . .	1,585,000	1,628,953
Saginaw Valley State University,		
Revenue, 2016 A, Refunding, 5%, 7/01/30 . . . . .	1,750,000	1,821,122
Revenue, 2016 A, Refunding, 5%, 7/01/31 . . . . .	2,170,000	2,255,951
Revenue, 2016 A, Refunding, 5%, 7/01/33 . . . . .	1,240,000	1,284,355
Saline Area Schools,		
GO, 2016, 5%, 5/01/34 . . . . .	2,750,000	2,854,937
GO, 2016, 5%, 5/01/36 . . . . .	2,950,000	3,058,772
South Haven Public Schools,		
GO, 2015 B, AGMC Insured, 5%, 5/01/33 . . . . .	350,000	357,962
GO, 2015 B, AGMC Insured, 5%, 5/01/35 . . . . .	1,575,000	1,610,572
Sparta Area Schools, GO, 2019 II, 5%, 5/01/48 . . . . .	5,750,000	6,061,097
State of Michigan, Trunk Line, Revenue, 2023, 5.25%, 11/15/49 . . . . .	2,000,000	2,195,417
Trenton Public Schools School District,		
GO, 2018, 5%, 5/01/42 . . . . .	4,920,000	5,196,856
GO, 2018, 5%, 5/01/45 . . . . .	11,480,000	12,064,829
Universal Academy,		
Revenue, 2021, Refunding, 2%, 12/01/26 . . . . .	405,000	377,406
Revenue, 2021, Refunding, 4%, 12/01/31 . . . . .	500,000	470,412
Revenue, 2021, Refunding, 4%, 12/01/40 . . . . .	1,100,000	941,853
University of Michigan,		
Revenue, 2015, Pre-Refunded, 5%, 4/01/46 . . . . .	2,000,000	2,095,559
Revenue, 2017 A, Pre-Refunded, 5%, 4/01/37 . . . . .	2,700,000	2,882,616
Revenue, 2017 A, Pre-Refunded, 5%, 4/01/42 . . . . .	5,635,000	6,016,125
Revenue, 2017 A, Pre-Refunded, 5%, 4/01/47 . . . . .	5,000,000	5,338,177
Walled Lake Consolidated School District,		
GO, 2020, 5%, 5/01/45 . . . . .	2,500,000	2,635,017
GO, 2022, 5%, 5/01/49 . . . . .	1,500,000	1,570,587
Wayne County Airport Authority,		
Detroit Metropolitan Wayne County Airport, Revenue, 2018 A, 5%, 12/01/43 . . . . .	7,750,000	7,992,235
Detroit Metropolitan Wayne County Airport, Revenue, 2021 A, 5%, 12/01/40 . . . . .	3,330,000	3,550,110
Detroit Metropolitan Wayne County Airport, Revenue, 2021 A, 5%, 12/01/46 . . . . .	4,670,000	4,890,189
Detroit Metropolitan Wayne County Airport, Revenue, 2021 B, 5%, 12/01/39 . . . . .	1,675,000	1,744,893
Wayne State University,		
Revenue, 2015 A, Refunding, 5%, 11/15/31 . . . . .	1,860,000	1,881,291
Revenue, 2018 A, 5%, 11/15/43 . . . . .	4,500,000	4,637,932
Revenue, 2018 A, 4%, 11/15/48 . . . . .	10,000,000	9,345,756
Wayne-Westland Community Schools,		
GO, 2022, 3%, 11/01/44 . . . . .	2,830,000	2,123,150
GO, 2022, 3%, 11/01/46 . . . . .	1,475,000	1,080,249
Western Michigan University,		
Revenue, 2015 A, Refunding, 5%, 11/15/28 . . . . .	1,635,000	1,668,740
Revenue, 2015 A, Refunding, 5%, 11/15/29 . . . . .	2,000,000	2,037,645
Revenue, 2015 A, Refunding, 5%, 11/15/30 . . . . .	2,500,000	2,544,175
Revenue, 2015 A, Refunding, 5%, 11/15/40 . . . . .	1,560,000	1,578,619
Revenue, 2015 A, Refunding, 5%, 11/15/45 . . . . .	2,000,000	2,016,055
Revenue, 2019 A, Refunding, 5%, 11/15/44 . . . . .	2,315,000	2,385,689
Revenue, 2021 A, AGMC Insured, 5%, 11/15/51 . . . . .	2,785,000	2,847,611
Western School District, GO, 2022, 5.25%, 5/01/52 . . . . .	2,000,000	2,168,547
Zeeland Public Schools,		
GO, 2015 A, AGMC Insured, 5%, 5/01/31 . . . . .	1,530,000	1,563,565
GO, 2015 A, AGMC Insured, 5%, 5/01/33 . . . . .	2,000,000	2,042,260

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

	Principal Amount	Value
<b>Municipal Bonds</b> (continued)		
<b>Michigan</b> (continued)		
Zeeland Public Schools, (continued)		
GO, 2015 A, Pre-Refunded, AGMC Insured, 5%, 5/01/35 . . . . .	\$2,000,000	\$2,055,461
		619,606,032
<b>New Jersey 0.1%</b>		
New Jersey Transportation Trust Fund Authority,		
Revenue, 2019 BB, 4%, 6/15/50. . . . .	500,000	460,486
Revenue, 2020 AA, 3%, 6/15/50. . . . .	600,000	437,905
		898,391
<b>New York 1.2%</b>		
Metropolitan Transportation Authority, Revenue, 2021 A-1, 4%, 11/15/48 . . . . .	9,300,000	8,365,756
<b>South Carolina 1.1%</b>		
South Carolina Jobs-Economic Development Authority,		
<sup>b</sup> Revenue, 144A, 2021 A-1, 3.65%, 12/01/36 . . . . .	1,800,000	1,418,605
AHPC Vista Towers 2021 LLC, Revenue, 2021 A-1, 3.65%, 12/01/36 . . . . .	1,800,000	1,414,392
<sup>b</sup> Columbia Portfolio Obligated Group, Revenue, 144A, 2022 A-2, Zero Cpn., 6/01/52	6,200,000	3,874,117
<sup>b</sup> South Carolina State Housing Finance & Development Authority, Garden Oaks LP,		
Revenue, 144A, 2021 A, 4.2%, 12/01/39 . . . . .	1,000,000	749,870
		7,456,984
<b>Texas 0.7%</b>		
<sup>b</sup> EP Cimarron Ventanas PFC, Revenue, Senior Lien, 144A, 2021 A, 4%, 12/01/51. . . .	2,400,000	1,695,131
Lake Houston Redevelopment Authority,		
City of Houston Reinvestment Zone No. 10, Revenue, 2021, Refunding, 3%, 9/01/39	325,000	242,749
City of Houston Reinvestment Zone No. 10, Revenue, 2021, Refunding, 3%, 9/01/40	300,000	219,839
City of Houston Reinvestment Zone No. 10, Revenue, 2021, Refunding, 3%, 9/01/47	550,000	363,766
<sup>b</sup> Pecan Public Facility Corp., Revenue, 144A, 2022 A-2, 5%, 12/01/52 . . . . .	3,500,000	2,585,473
		5,106,958
<b>Washington 0.2%</b>		
<sup>b</sup> Washington State Housing Finance Commission, Madison at Rivers Edge Apartments		
LLC, Revenue, 144A, 2021 A, 3.65%, 1/01/37 . . . . .	1,800,000	1,418,448
<b>Wisconsin 0.8%</b>		
<sup>b</sup> Public Finance Authority,		
Revenue, 144A, 2022, B-1, 4%, 12/28/44. . . . .	1,800,000	1,393,203
Gulf Coast Portfolio Obligated Group, Revenue, 144A, 2021, 5.25%, 12/01/23 . . . .	4,600,000	4,602,346
		5,995,549
<b>U.S. Territories 4.2%</b>		
<b>Guam 0.2%</b>		
Guam Government Waterworks Authority, Revenue, 2020 A, 5%, 1/01/50 . . . . .	1,750,000	1,741,862
<b>Puerto Rico 4.0%</b>		
HTA HRRB Custodial Trust,		
Revenue, 2007 CC, 5.25%, 7/01/32 . . . . .	2,100,000	2,108,656
Revenue, 2007 CC, 5.25%, 7/01/36 . . . . .	1,515,000	1,526,798
HTA TRRB Custodial Trust,		
Revenue, 2005 L, 5.25%, 7/01/41 . . . . .	3,900,000	3,888,087
Revenue, 2007 N, 5.25%, 7/01/34 . . . . .	7,420,000	7,471,480
Revenue, 2007 N, 5.25%, 7/01/36 . . . . .	500,000	503,894
Puerto Rico Highway & Transportation Authority,		
Revenue, 2022 A, 5%, 7/01/62. . . . .	95,927	94,608
Revenue, 2022 B, Zero Cpn., 7/01/32. . . . .	62,340	40,131
Revenue, 2022 C, Zero Cpn., 7/01/53 . . . . .	106,638	67,582

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

	Principal Amount	Value
<b>Municipal Bonds</b> (continued)		
<b>U.S. Territories</b> (continued)		
<b>Puerto Rico</b> (continued)		
Puerto Rico Sales Tax Financing Corp., Sales Tax, Revenue, A-1, 5%, 7/01/58 . . . . .	\$12,900,000	\$12,518,231
		28,219,467
<b>Total U.S. Territories</b> . . . . .		29,961,329
<b>Total Municipal Bonds (Cost \$747,017,341)</b> . . . . .		698,746,233
<b>Total Long Term Investments (Cost \$748,817,341)</b> . . . . .		700,500,505
<b>Total Investments (Cost \$748,817,341) 99.4%</b> . . . . .		\$700,500,505
<b>Other Assets, less Liabilities 0.6%</b> . . . . .		3,918,826
<b>Net Assets 100.0%</b> . . . . .		\$704,419,331

See Abbreviations on page 151.

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

<sup>b</sup> Security was purchased pursuant to Rule 144A or Regulation S under the Securities Act of 1933. 144A securities may be sold in transactions exempt from registration only to qualified institutional buyers or in a public offering registered under the Securities Act of 1933. Regulation S securities cannot be sold in the United States without either an effective registration statement filed pursuant to the Securities Act of 1933, or pursuant to an exemption from registration. At August 31, 2023, the aggregate value of these securities was \$27,314,862, representing 3.9% of net assets.

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

## Financial Highlights

### Franklin Minnesota Tax-Free Income Fund

	Six Months Ended August 31, 2023 (unaudited)	Year Ended February 28,				Year Ended February 28, 2019 <sup>b</sup>
		2023	2022	2021	2020 <sup>a</sup>	
<b>Class A</b>						
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$11.03	\$12.20	\$12.62	\$12.82	\$12.10	\$11.97
Income from investment operations <sup>c</sup> :						
Net investment income <sup>d</sup> . . . . .	0.15	0.28	0.23	0.25	0.30	0.16
Net realized and unrealized gains (losses) . . . . .	(0.14)	(1.18)	(0.42)	(0.20)	0.72	0.13
Total from investment operations . . . . .	0.01	(0.90)	(0.19)	0.05	1.02	0.29
Less distributions from:						
Net investment income . . . . .	(0.15)	(0.27)	(0.23)	(0.25)	(0.30)	(0.16)
Net asset value, end of period . . . . .	\$10.89	\$11.03	\$12.20	\$12.62	\$12.82	\$12.10
Total return <sup>e</sup> . . . . .	0.09%	(7.35)%	(1.59)%	0.38%	8.56%	2.45%
<b>Ratios to average net assets<sup>f</sup></b>						
Expenses <sup>g</sup> . . . . .	0.84%	0.84%	0.83%	0.83%	0.83%	0.83%
Net investment income . . . . .	2.75%	2.48%	1.79%	1.96%	2.42%	2.81%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$172,253	\$173,008	\$193,021	\$160,623	\$96,802	\$39,129
Portfolio turnover rate . . . . .	10.21%	19.82%	19.81%	9.45%	16.45%	13.97%

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

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

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

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

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

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

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

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

	Six Months Ended August 31, 2023 (unaudited)	Year Ended February 28,				
		2023	2022	2021	2020 <sup>a</sup>	2019
<b>Class A1</b>						
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$11.02	\$12.19	\$12.61	\$12.82	\$12.09	\$12.07
Income from investment operations <sup>b</sup> :						
Net investment income <sup>c</sup> . . . . .	0.16	0.29	0.25	0.27	0.32	0.35
Net realized and unrealized gains (losses) . . . . .	(0.13)	(1.17)	(0.42)	(0.21)	0.73	0.02
Total from investment operations . . . . .	0.03	(0.88)	(0.17)	0.06	1.05	0.37
Less distributions from:						
Net investment income . . . . .	(0.16)	(0.29)	(0.25)	(0.27)	(0.32)	(0.35)
Net asset value, end of period . . . . .	\$10.89	\$11.02	\$12.19	\$12.61	\$12.82	\$12.09
Total return <sup>d</sup> . . . . .	0.26%	(7.21)%	(1.44)%	0.45%	8.82%	3.16%
<b>Ratios to average net assets<sup>e</sup></b>						
Expenses <sup>f</sup> . . . . .	0.69%	0.69%	0.69%	0.68%	0.68%	0.68%
Net investment income . . . . .	2.90%	2.62%	1.94%	2.13%	2.57%	2.96%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$350,900	\$376,659	\$506,601	\$583,105	\$606,559	\$588,878
Portfolio turnover rate . . . . .	10.21%	19.82%	19.81%	9.45%	16.45%	13.97%

<sup>a</sup>For the year ended February 29.<sup>b</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.<sup>c</sup>Based on average daily shares outstanding.<sup>d</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable, and is not annualized for periods less than one year.<sup>e</sup>Ratios are annualized for periods less than one year.<sup>f</sup>Benefit of expense reduction rounds to less than 0.01%.

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

	Six Months Ended August 31, 2023 (unaudited)	Year Ended February 28,				
		2023	2022	2021	2020 <sup>a</sup>	2019
<b>Class C</b>						
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$11.15	\$12.33	\$12.76	\$12.97	\$12.23	\$12.21
Income from investment operations <sup>b</sup> :						
Net investment income <sup>c</sup> . . . . .	0.13	0.23	0.17	0.20	0.25	0.29
Net realized and unrealized gains (losses) . . . . .	(0.13)	(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 . . . . .	(0.13)	(0.23)	(0.17)	(0.20)	(0.26)	(0.29)
Net asset value, end of period . . . . .	\$11.02	\$11.15	\$12.33	\$12.76	\$12.97	\$12.23
Total return <sup>d</sup> . . . . .	(0.02)%	(7.73)%	(2.05)%	(0.10)%	8.23%	2.56%
<b>Ratios to average net assets<sup>e</sup></b>						
Expenses <sup>f</sup> . . . . .	1.24%	1.23%	1.23%	1.23%	1.23%	1.23%
Net investment income . . . . .	2.31%	2.03%	1.36%	1.57%	2.02%	2.41%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$43,614	\$52,613	\$81,058	\$109,387	\$138,417	\$148,269
Portfolio turnover rate . . . . .	10.21%	19.82%	19.81%	9.45%	16.45%	13.97%

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

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

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

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

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

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



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

	Six Months Ended August 31, 2023 (unaudited)	Year Ended February 28,				
		2023	2022	2021	2020 <sup>a</sup>	2019
<b>Class R6</b>						
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$11.04	\$12.21	\$12.64	\$12.84	\$12.11	\$12.09
Income from investment operations <sup>b</sup> :						
Net investment income <sup>c</sup> . . . . .	0.17	0.31	0.27	0.29	0.34	0.37
Net realized and unrealized gains (losses) . . . . .	(0.13)	(1.17)	(0.43)	(0.20)	0.73	0.02
Total from investment operations . . . . .	0.04	(0.86)	(0.16)	0.09	1.07	0.39
Less distributions from:						
Net investment income . . . . .	(0.17)	(0.31)	(0.27)	(0.29)	(0.34)	(0.37)
Net asset value, end of period . . . . .	\$10.91	\$11.04	\$12.21	\$12.64	\$12.84	\$12.11
Total return <sup>d</sup> . . . . .	0.33%	(7.06)%	(1.28)%	0.60%	8.97%	3.30%
<b>Ratios to average net assets<sup>e</sup></b>						
Expenses before waiver and payments by affiliates . . . . .	0.54%	0.54%	0.54%	0.55%	0.55%	0.56%
Expenses net of waiver and payments by affiliates <sup>f</sup> . . . . .	0.54% <sup>g</sup>	0.53%	0.53%	0.53%	0.53%	0.53%
Net investment income . . . . .	3.06%	2.77%	2.10%	2.26%	2.72%	3.11%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$17,336	\$11,973	\$16,571	\$13,889	\$9,693	\$7,177
Portfolio turnover rate . . . . .	10.21%	19.82%	19.81%	9.45%	16.45%	13.97%

<sup>a</sup>For the year ended February 29.<sup>b</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.<sup>c</sup>Based on average daily shares outstanding.<sup>d</sup>Total return is not annualized for periods less than one year.<sup>e</sup>Ratios are annualized for periods less than one year.<sup>f</sup>Benefit of expense reduction rounds to less than 0.01%.<sup>g</sup>Benefit of waiver and payments by affiliates rounds to less than 0.01%.

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

	<b>Six Months Ended August 31, 2023 (unaudited)</b>	<b>Year Ended February 28,</b>				
		<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020<sup>a</sup></b>	<b>2019</b>
<b>Advisor Class</b>						
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$11.04	\$12.21	\$12.63	\$12.83	\$12.11	\$12.09
Income from investment operations <sup>b</sup> :						
Net investment income <sup>c</sup> . . . . .	0.17	0.31	0.26	0.28	0.33	0.37
Net realized and unrealized gains (losses) . . . . .	(0.14)	(1.18)	(0.42)	(0.20)	0.73	0.02
Total from investment operations . . . . .	0.03	(0.87)	(0.16)	0.08	1.06	0.39
Less distributions from:						
Net investment income . . . . .	(0.17)	(0.30)	(0.26)	(0.28)	(0.34)	(0.37)
Net asset value, end of period . . . . .	\$10.90	\$11.04	\$12.21	\$12.63	\$12.83	\$12.11
Total return <sup>d</sup> . . . . .	0.22%	(7.11)%	(1.34)%	0.63%	8.83%	3.26%
<b>Ratios to average net assets<sup>e</sup></b>						
Expenses <sup>f</sup> . . . . .	0.59%	0.59%	0.58%	0.58%	0.58%	0.58%
Net investment income . . . . .	3.00%	2.71%	2.04%	2.22%	2.67%	3.06%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$177,541	\$197,029	\$266,255	\$244,156	\$203,230	\$156,683
Portfolio turnover rate . . . . .	10.21%	19.82%	19.81%	9.45%	16.45%	13.97%

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

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

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

<sup>d</sup>Total return is not annualized for periods less than one year.

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

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

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

## Franklin Minnesota Tax-Free Income Fund

	Principal Amount	Value
<b>Municipal Bonds 99.5%</b>		
<b>Florida 0.8%</b>		
Capital Trust Agency, Inc.,		
Kingdom Development West Palm Beach Portfolio Obligated Group, Revenue, 2021		
A-1, 3.75%, 12/01/36	\$6,192,000	\$5,069,774
<sup>a</sup> SHI - Lake Osborne LLC, Revenue, 144A, 2021 A-1, 3.68%, 1/01/57	2,100,000	1,374,936
		6,444,710
<b>Minnesota 96.3%</b>		
Alexandria Independent School District No. 206, GO, 2017 A, Refunding, 3%, 2/01/37	29,905,000	26,259,886
Anoka-Hennepin Independent School District No. 11,		
GO, 2018 A, 3.25%, 2/01/37	5,355,000	4,984,489
GO, 2018 A, 4%, 2/01/39	8,905,000	9,016,126
GO, 2018 A, 3.375%, 2/01/43	4,020,000	3,506,156
Becker Independent School District No. 726,		
GO, 2022 A, Zero Cpn., 2/01/41	1,000,000	429,990
GO, 2022 A, Zero Cpn., 2/01/42	1,000,000	405,125
GO, 2022 A, Zero Cpn., 2/01/43	1,700,000	652,563
Blooming Prairie Independent School District No. 756, GO, 2022 A, Refunding, 2.25%, 2/01/45	1,500,000	1,004,058
Brainerd Independent School District No. 181,		
GO, 2018 A, 4%, 2/01/32	3,065,000	3,156,286
GO, 2018 A, 4%, 2/01/39	10,600,000	10,483,715
GO, 2018 A, 4%, 2/01/43	1,900,000	1,849,703
Centennial Independent School District No. 12,		
GO, 2015 A, Refunding, Zero Cpn., 2/01/32	1,450,000	1,049,440
GO, 2015 A, Refunding, Zero Cpn., 2/01/34	1,600,000	1,060,933
GO, 2015 A, Refunding, Zero Cpn., 2/01/35	350,000	222,259
City of Center City, Hazelden Betty Ford Foundation, Revenue, 2019, Refunding, 4%, 11/01/41	1,000,000	882,629
City of Corcoran, GO, 2023 A, BAM Insured, 4%, 2/01/53	3,605,000	3,310,371
City of Elk River, Electric, Revenue, 2021 B, 2.25%, 8/01/47	1,475,000	912,916
City of Fridley,		
GO, 2022 A, 4%, 2/01/36	350,000	352,490
GO, 2022 A, 4%, 2/01/37	735,000	738,702
GO, 2022 A, 4%, 2/01/38	800,000	801,314
Fridley Leased Housing Associates I LLLP, Revenue, 2018, FNMA Insured, 3.75%, 11/01/34	9,428,475	9,179,162
<sup>a</sup> Roers Fridley Apartments Owner II LLC, Revenue, 144A, 2023 A, 5.75%, 6/01/41	16,000,000	15,001,331
City of Minneapolis,		
GO, 2018, 4%, 12/01/43	5,000,000	4,941,704
GO, 2018, 4%, 12/01/46	3,500,000	3,376,880
GO, 2019, 3%, 12/01/40	3,000,000	2,503,546
14th and Central LLLP, Revenue, 2020, FNMA Insured, 2.35%, 2/01/38	7,482,822	5,665,862
Allina Health Obligated Group, Revenue, 2021, 4%, 11/15/40	6,750,000	6,396,426
Fairview Health Services Obligated Group, Revenue, 2015 A, Refunding, AGMC Insured, 5%, 11/15/44	10,000,000	10,076,185
Fairview Health Services Obligated Group, Revenue, 2018 A, Refunding, AGMC Insured, 5%, 11/15/49	6,000,000	6,112,170
City of Minneapolis St. Paul Housing & Redevelopment Authority, Allina Health Obligated Group, Revenue, 2017 A, Refunding, 5%, 11/15/27	2,000,000	2,115,616
<sup>b</sup> City of Mounds View, Sherman Forbes Housing Partners LP, Revenue, 2023 A, Mandatory Put, 4.05%, 11/01/24	1,000,000	997,182
City of Rochester,		
Electric Utility, Revenue, 2013 B, Pre-Refunded, 5%, 12/01/43	1,000,000	1,004,035
Electric Utility, Revenue, 2017 A, Refunding, 5%, 12/01/47	11,210,000	11,455,107
Mayo Clinic, Revenue, 2016 B, Refunding, 5%, 11/15/33	4,425,000	5,168,350
Mayo Clinic, Revenue, 2016 B, Refunding, 5%, 11/15/34	10,235,000	12,027,009
Mayo Clinic, Revenue, 2016 B, Refunding, 5%, 11/15/36	8,400,000	9,782,460

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

	Principal Amount	Value
<b>Municipal Bonds</b> (continued)		
<b>Minnesota</b> (continued)		
City of Rochester, (continued)		
Mayo Clinic, Revenue, 2018, 4%, 11/15/48 . . . . .	\$6,000,000	\$5,650,906
Mayo Clinic, Revenue, 2022, Refunding, 3.25%, 11/15/41 . . . . .	4,000,000	3,351,432
Mayo Clinic, Revenue, 2022, Refunding, 5%, 11/15/57 . . . . .	2,000,000	2,105,216
City of St. Cloud,		
CentraCare Health System Obligated Group, Revenue, 2016 A, Refunding, 4%, 5/01/37 . . . . .	12,310,000	11,991,959
CentraCare Health System Obligated Group, Revenue, 2016 A, Refunding, 5%, 5/01/46 . . . . .	4,650,000	4,684,860
CentraCare Health System Obligated Group, Revenue, 2019, Refunding, 5%, 5/01/48 . . . . .	10,000,000	10,180,482
City of St. Paul,		
Sales & Use Tax, Revenue, 2014 G, 5%, 11/01/31 . . . . .	1,000,000	1,014,881
Sales & Use Tax, Revenue, 2014 G, 5%, 11/01/32 . . . . .	1,000,000	1,013,861
Water, Revenue, 2023 A, 4%, 12/01/46 . . . . .	13,340,000	13,005,642
Cloquet Independent School District No. 94, GO, 2015 B, 5%, 2/01/32 . . . . .	3,615,000	3,676,803
County of Norman, GO, 2022 A, 3.25%, 2/01/52 . . . . .	3,115,000	2,426,212
County of Rice, GO, 2022 A, 4%, 2/01/48 . . . . .	5,200,000	4,915,322
Dakota County Community Development Agency, Revenue, 2011 A, GNMA Insured, 4.875%, 12/01/33 . . . . .	385,000	385,168
Dawson-Boyd Independent School District No. 378, GO, 2019 A, 3.125%, 2/01/40 . . . . .	2,965,000	2,621,473
Dilworth Glyndon Felton Independent School District No. 2164, GO, 2020 A, 3%, 2/01/39 . . . . .	1,000,000	857,118
Duluth Economic Development Authority,		
Essentia Health Obligated Group, Revenue, 2018 A, Refunding, 5.25%, 2/15/53 . . . . .	28,935,000	29,157,863
St. Luke's Hospital of Duluth Obligated Group, Revenue, 2021 A, Refunding, 4%, 6/15/38 . . . . .	150,000	131,798
St. Luke's Hospital of Duluth Obligated Group, Revenue, 2021 A, Refunding, 4%, 6/15/39 . . . . .	155,000	134,378
St. Luke's Hospital of Duluth Obligated Group, Revenue, 2021 A, Refunding, 3%, 6/15/44 . . . . .	850,000	568,087
St. Luke's Hospital of Duluth Obligated Group, Revenue, 2022 A, Refunding, 5%, 6/15/29 . . . . .	400,000	411,590
St. Luke's Hospital of Duluth Obligated Group, Revenue, 2022 A, Refunding, 5%, 6/15/30 . . . . .	425,000	439,497
St. Luke's Hospital of Duluth Obligated Group, Revenue, 2022 A, Refunding, 5%, 6/15/31 . . . . .	450,000	467,723
St. Luke's Hospital of Duluth Obligated Group, Revenue, 2022 A, Refunding, 5%, 6/15/32 . . . . .	500,000	521,329
St. Luke's Hospital of Duluth Obligated Group, Revenue, 2022 A, Refunding, 5%, 6/15/33 . . . . .	600,000	625,174
St. Luke's Hospital of Duluth Obligated Group, Revenue, 2022 A, Refunding, 4%, 6/15/34 . . . . .	520,000	495,655
St. Luke's Hospital of Duluth Obligated Group, Revenue, 2022 A, Refunding, 4%, 6/15/35 . . . . .	425,000	399,171
St. Luke's Hospital of Duluth Obligated Group, Revenue, 2022 A, Refunding, 4%, 6/15/36 . . . . .	400,000	368,271
St. Luke's Hospital of Duluth Obligated Group, Revenue, 2022 A, Refunding, 4%, 6/15/37 . . . . .	375,000	336,980
St. Luke's Hospital of Duluth Obligated Group, Revenue, 2022 A, Refunding, 4%, 6/15/38 . . . . .	400,000	351,461
St. Luke's Hospital of Duluth Obligated Group, Revenue, 2022 A, Refunding, 4%, 6/15/39 . . . . .	250,000	216,739
St. Luke's Hospital of Duluth Obligated Group, Revenue, 2022 B, 5.25%, 6/15/52 . . . . .	8,000,000	7,827,813
Duluth Independent School District No. 709,		
GO, 2015 B, Refunding, 2.5%, 2/01/26 . . . . .	2,840,000	2,744,689
GO, 2021 C, Zero Cpn., 2/01/29 . . . . .	1,870,000	1,511,377

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

	Principal Amount	Value
<b>Municipal Bonds (continued)</b>		
<b>Minnesota (continued)</b>		
Duluth Independent School District No. 709, (continued)		
GO, 2021 C, Zero Cpn., 2/01/30 . . . . .	\$1,275,000	\$988,268
GO, 2021 C, Zero Cpn., 2/01/31 . . . . .	1,325,000	984,499
GO, 2021 C, Zero Cpn., 2/01/32 . . . . .	1,080,000	767,801
GO, 2021 C, Zero Cpn., 2/01/33 . . . . .	1,075,000	729,524
Edina Independent School District No. 273, GO, 2019 A, 3%, 2/01/36 . . . . .	1,630,000	1,514,064
Elk River Independent School District No. 728, GO, 2015 A, 4%, 2/01/32 . . . . .	1,630,000	1,635,861
Fridley Independent School District No. 14, GO, 2016 A, 4%, 2/01/29 . . . . .	2,220,000	2,264,210
Gibbon Independent School District No. 2365,		
GO, 2023 A, 5%, 2/01/48 . . . . .	1,850,000	1,943,687
GO, 2023 A, 4.125%, 2/01/52 . . . . .	2,250,000	2,149,943
Hastings Independent School District No. 200,		
GO, 2018 A, Zero Cpn., 2/01/38 . . . . .	4,685,000	2,465,991
GO, 2018 A, Zero Cpn., 2/01/39 . . . . .	4,685,000	2,307,611
GO, 2018 A, Zero Cpn., 2/01/40 . . . . .	4,685,000	2,176,678
Hennepin County Regional Railroad Authority,		
County of Hennepin, GO, 2019 A, 5%, 12/01/35 . . . . .	1,480,000	1,625,519
County of Hennepin, GO, 2019 A, 5%, 12/01/36 . . . . .	5,220,000	5,687,186
County of Hennepin, GO, 2019 A, 5%, 12/01/37 . . . . .	1,000,000	1,080,429
County of Hennepin, GO, 2019 A, 5%, 12/01/38 . . . . .	2,000,000	2,145,186
Hermantown Independent School District No. 700, GO, 2014 A, Refunding, 4%, 2/01/29 . . . . .	2,310,000	2,314,658
Hopkins Independent School District No. 270,		
GO, 2019 A, 3%, 2/01/33 . . . . .	5,640,000	5,376,904
GO, 2019 A, 3%, 2/01/34 . . . . .	2,450,000	2,331,635
Jordan Independent School District No. 717, GO, 2023 A, 4%, 2/01/42 . . . . .	1,300,000	1,269,450
Lakeview Independent School District No. 2167, GO, 2021 A, 2%, 2/01/38 . . . . .	1,055,000	769,659
Lakeville Independent School District No. 194, GO, 2021 B, 2.125%, 2/01/42 . . . . .	2,085,000	1,441,055
Mankato Independent School District No. 77, COP, 2022 A, 3%, 2/01/42 . . . . .	2,730,000	2,077,829
Metropolitan Council,		
GO, 2016 C, Refunding, 3%, 3/01/30 . . . . .	3,305,000	3,142,218
GO, 2020 B, 2.125%, 3/01/36 . . . . .	3,500,000	2,806,783
GO, 2020 B, 2.125%, 3/01/37 . . . . .	4,000,000	3,110,108
GO, 2020 B, 2.125%, 3/01/38 . . . . .	4,000,000	3,007,760
GO, 2022 C, 4%, 3/01/40 . . . . .	3,275,000	3,249,986
GO, 2022 C, 4%, 3/01/41 . . . . .	3,410,000	3,355,955
Minneapolis-St. Paul Metropolitan Airports Commission,		
Revenue, 2022 A, Refunding, 4.25%, 1/01/52 . . . . .	2,990,000	2,844,361
Revenue, Senior Lien, 2016 C, 5%, 1/01/34 . . . . .	2,870,000	3,020,948
Revenue, Senior Lien, 2016 C, 5%, 1/01/35 . . . . .	4,025,000	4,225,390
Revenue, Senior Lien, 2016 C, 5%, 1/01/41 . . . . .	5,180,000	5,315,315
Revenue, Senior Lien, 2016 C, 5%, 1/01/46 . . . . .	29,975,000	30,632,205
Minnesota Higher Education Facilities Authority,		
Macalester College, Revenue, 2017, Refunding, 3%, 3/01/33 . . . . .	3,010,000	2,891,626
Macalester College, Revenue, 2017, Refunding, 4%, 3/01/42 . . . . .	900,000	874,840
Macalester College, Revenue, 2021, Refunding, 4%, 3/01/36 . . . . .	125,000	127,824
Macalester College, Revenue, 2021, Refunding, 3%, 3/01/40 . . . . .	365,000	301,094
Macalester College, Revenue, 2021, Refunding, 3%, 3/01/43 . . . . .	330,000	257,375
St. Catherine University, Revenue, 2023, 5%, 10/01/43 . . . . .	600,000	603,498
St. Catherine University, Revenue, 2023, 5.125%, 10/01/48 . . . . .	750,000	751,443
St. Catherine University, Revenue, 2023, 5%, 10/01/52 . . . . .	3,000,000	2,924,669
St. John's University, Revenue, 2021, Refunding, 4%, 10/01/32 . . . . .	255,000	259,452
St. John's University, Revenue, 2021, Refunding, 4%, 10/01/33 . . . . .	240,000	242,562
St. John's University, Revenue, 2021, Refunding, 4%, 10/01/34 . . . . .	355,000	358,090
St. John's University, Revenue, 2021, Refunding, 3%, 10/01/37 . . . . .	250,000	204,893
St. John's University, Revenue, 2021, Refunding, 3%, 10/01/38 . . . . .	250,000	201,199

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

	Principal Amount	Value
<b>Municipal Bonds</b> (continued)		
<b>Minnesota</b> (continued)		
Minnesota Higher Education Facilities Authority, (continued)		
St. Olaf College, Revenue, 2021, 3%, 10/01/41	\$2,600,000	\$1,978,263
St. Olaf College, Revenue, Eight N, Refunding, 4%, 10/01/35	500,000	496,732
University of St. Thomas, Revenue, 2016 8-L, Refunding, 4%, 4/01/31	4,200,000	4,241,870
University of St. Thomas, Revenue, 2016 8-L, Refunding, 5%, 4/01/35	1,720,000	1,785,290
University of St. Thomas, Revenue, 2017 A, Refunding, 4%, 10/01/36	750,000	742,370
University of St. Thomas, Revenue, 2017 A, Refunding, 4%, 10/01/37	750,000	726,919
University of St. Thomas, Revenue, 2022 A, 5%, 10/01/52	10,000,000	10,221,437
Minnesota Housing Finance Agency,		
Revenue, 2009, 4%, 8/01/29	1,675,000	1,684,015
Revenue, 2011, 5%, 8/01/31	2,225,000	2,227,863
Revenue, 2020 B, GNMA Insured, 2.8%, 1/01/44	2,870,000	2,395,879
Revenue, 2020 D, 4%, 8/01/42	1,815,000	1,705,743
Revenue, 2020 E, GNMA Insured, 2.5%, 7/01/40	1,840,000	1,459,298
Revenue, 2020 E, GNMA Insured, 2.7%, 7/01/44	2,580,000	2,082,481
Revenue, 2020 G, GNMA Insured, 2.45%, 7/01/45	2,115,000	1,692,443
Revenue, 2021 B, GNMA Insured, 2.1%, 7/01/36	950,000	734,814
Revenue, 2021 B, GNMA Insured, 2.3%, 7/01/41	3,345,000	2,383,719
Revenue, 2021 B, GNMA Insured, 2.45%, 7/01/46	3,320,000	2,331,544
Revenue, 2021 H, GNMA Insured, 2.55%, 1/01/46	3,950,000	3,029,505
Revenue, 2022 A, GNMA Insured, 2.75%, 7/01/42	2,660,000	2,042,863
Revenue, 2022 A, GNMA Insured, 2.9%, 1/01/45	1,280,000	985,468
Revenue, 2022 C, GNMA Insured, 3%, 7/01/43	1,725,000	1,334,486
Revenue, 2023 D, GNMA Insured, 4.5%, 7/01/43	1,000,000	983,041
Revenue, 2023 D, GNMA Insured, 4.6%, 7/01/45	1,000,000	965,174
<sup>b</sup> Minnesota Municipal Gas Agency, Revenue, 2022 A, Mandatory Put, 4%, 12/01/27	13,550,000	13,384,208
Minnesota Municipal Power Agency,		
Revenue, 2014 A, Refunding, 4%, 10/01/31	1,265,000	1,275,470
Revenue, 2014 A, Refunding, 4%, 10/01/32	1,200,000	1,208,703
Revenue, 2014 A, Refunding, 4%, 10/01/33	1,000,000	1,006,839
Revenue, 2014 A, Refunding, 5%, 10/01/34	1,000,000	1,014,066
Revenue, 2014 A, Refunding, 5%, 10/01/35	1,005,000	1,018,818
Revenue, 2016, 5%, 10/01/47	4,650,000	4,775,242
Minnesota Office of Higher Education, Revenue, Senior Lien, 2023, Refunding, 4%, 11/01/42	2,250,000	2,063,104
Minnesota Public Facilities Authority, State Revolving Fund, Revenue, 2010 A, 5%, 3/01/24	9,010,000	9,086,607
Moorhead Independent School District No. 152, GO, 2020 A, 2.5%, 2/01/37	9,295,000	7,511,344
Nashwauk Keewatin Independent School District No. 319, GO, 2022 A, Refunding, 4%, 2/01/48	9,020,000	8,539,165
North St. Paul-Maplewood-Oakdale Independent School District No. 622, GO, 2019 A, 3%, 2/01/42	5,975,000	4,706,393
GO, 2019 A, 3%, 2/01/46	22,965,000	17,456,234
Northern Municipal Power Agency,		
Revenue, 2013 A, 5%, 1/01/30	1,190,000	1,191,180
Revenue, 2017, Refunding, 5%, 1/01/41	800,000	816,837
Norwood Young America Independent School District No. 108, GO, 2022 A, 2.25%, 2/01/45	1,700,000	1,133,856
Prior Lake-Savage Independent School District No. 719,		
GO, 2018 B, Zero Cpn., 2/01/27	10,545,000	9,220,884
GO, 2018 B, Zero Cpn., 2/01/28	13,055,000	11,028,247
GO, 2018 B, Zero Cpn., 2/01/30	9,010,000	7,017,238
GO, 2018 B, Zero Cpn., 2/01/31	5,310,000	3,970,489

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

	Principal Amount	Value
<b>Municipal Bonds (continued)</b>		
<b>Minnesota (continued)</b>		
Red Rock Central Independent School District No. 2884, GO, 2022 A, 2.375%, 2/01/47	\$3,000,000	\$2,003,936
°Rosemount-Apple Valley-Eagan Independent School District No. 196, GO, 2023 A, 4%, 2/01/44	2,000,000	1,947,895
Roseville Independent School District No. 623, GO, 2018 A, 5%, 2/01/30	3,700,000	3,926,752
GO, 2018 A, 4%, 2/01/35	4,900,000	5,009,320
GO, 2018 A, 4%, 2/01/37	5,000,000	5,056,946
Sartell-St. Stephen Independent School District No. 748, GO, 2016 B, Zero Cpn., 2/01/36	3,000,000	1,745,090
GO, 2016 B, Zero Cpn., 2/01/37	2,820,000	1,539,534
GO, 2016 B, Zero Cpn., 2/01/38	5,220,000	2,663,785
GO, 2016 B, Zero Cpn., 2/01/39	3,020,000	1,449,937
°Scott County Community Development Agency, Spero BP Senior LLC, Revenue, Senior Lien, 144A, 2022 A, 5.25%, 8/01/37	8,000,000	7,354,082
Southern Minnesota Municipal Power Agency, Revenue, 1994 A, NATL Insured, Zero Cpn., 1/01/26	5,395,000	4,941,136
Revenue, 1994 A, NATL Insured, Zero Cpn., 1/01/27	6,600,000	5,826,764
Revenue, 2015 A, Refunding, 5%, 1/01/46	9,345,000	9,503,325
Revenue, 2017 A, 5%, 1/01/42	1,315,000	1,389,151
Revenue, 2019 A, 5%, 1/01/33	560,000	621,176
Revenue, 2019 A, 5%, 1/01/34	610,000	675,548
St. Cloud Independent School District No. 742, COP, 2017 A, 4%, 2/01/38	1,000,000	991,199
GO, 2015 A, 4%, 2/01/28	2,080,000	2,103,991
GO, 2017 B, Refunding, 4%, 2/01/30	4,060,000	4,112,147
GO, 2017 B, Refunding, 4%, 2/01/36	2,500,000	2,532,110
GO, 2017 B, Refunding, 4%, 2/01/37	2,250,000	2,278,899
St. Francis Independent School District No. 15, GO, 2018 A, 4%, 2/01/37	1,025,000	1,025,192
GO, 2018 A, 3.5%, 2/01/41	3,350,000	2,952,860
St. Paul Port Authority, District Energy St. Paul Obligated Group, Revenue, 2021-1, Refunding, 3%, 10/01/34	300,000	268,423
State of Minnesota, COP, 2014, 5%, 6/01/36	1,615,000	1,628,206
GO, 2019 A, 5%, 8/01/34	1,900,000	2,118,421
GO, 2023 B, 4%, 8/01/43	4,745,000	4,660,086
Stearns County Housing & Redevelopment Authority, Revenue, 2021 A, Refunding, 3%, 2/01/61	1,105,000	724,752
University of Minnesota, Revenue, 2014 B, 5%, 1/01/38	4,500,000	4,511,429
Revenue, 2014 B, 4%, 1/01/44	3,750,000	3,587,208
Revenue, 2015 A, Refunding, 5%, 8/01/28	5,225,000	5,386,406
Revenue, 2016 A, 5%, 4/01/41	5,000,000	5,124,475
Revenue, 2017 A, 5%, 9/01/39	1,500,000	1,566,594
Revenue, 2017 A, 5%, 9/01/41	3,000,000	3,118,738
Revenue, 2017 B, Refunding, 5%, 12/01/30	5,575,000	5,998,979
Revenue, 2019 A, 5%, 4/01/40	2,110,000	2,244,326
Revenue, 2019 A, 5%, 4/01/41	6,045,000	6,423,770
Revenue, 2019 A, 5%, 4/01/44	3,505,000	3,713,012
Revenue, 2020 A, 5%, 11/01/42	5,230,000	5,624,503
Watertown-Mayer Independent School District No. 111, GO, 2020 A, Zero Cpn., 2/01/33	2,470,000	1,677,752
GO, 2020 A, Zero Cpn., 2/01/34	2,470,000	1,606,454
GO, 2020 A, Zero Cpn., 2/01/36	1,470,000	856,133
GO, 2020 A, Zero Cpn., 2/01/37	2,470,000	1,351,997

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

	Principal Amount	Value
<b>Municipal Bonds</b> (continued)		
<b>Minnesota</b> (continued)		
Waterville-Elysian-Morristown Independent School District No. 2143, GO, 2019 A, 3%, 2/01/32 .....	\$1,995,000	\$1,948,490
West St. Paul-Mendota Heights-Eagan Independent School District No. 197, GO, 2018 A, 4%, 2/01/34 .....	2,655,000	2,725,197
Western Minnesota Municipal Power Agency, Revenue, 2014 A, Pre-Refunded, 5%, 1/01/40 .....	8,075,000	8,117,902
Revenue, 2014 A, Pre-Refunded, 5%, 1/01/46 .....	6,870,000	6,906,500
Revenue, 2015 A, Refunding, 5%, 1/01/35 .....	3,000,000	3,087,196
Revenue, 2015 A, Refunding, 5%, 1/01/36 .....	2,035,000	2,085,479
Revenue, 2018 A, 5%, 1/01/49 .....	5,000,000	5,191,361
Zumbro Education District, COP, 2021 A, 4%, 2/01/32 .....	200,000	196,206
COP, 2021 A, 4%, 2/01/33 .....	150,000	146,718
COP, 2021 A, 4%, 2/01/34 .....	125,000	122,110
COP, 2021 A, 2.125%, 2/01/35 .....	325,000	251,197
COP, 2021 A, 4%, 2/01/38 .....	390,000	357,998
COP, 2021 A, 4%, 2/01/41 .....	635,000	563,216
		<u>733,428,497</u>
<b>South Carolina 0.8%</b>		
South Carolina Jobs-Economic Development Authority, <sup>a</sup> Revenue, 144A, 2021 A-1, 3.65%, 12/01/36 .....	2,100,000	1,655,040
AHPC Vista Towers 2021 LLC, Revenue, 2021 A-1, 3.65%, 12/01/36 .....	2,100,000	1,650,124
<sup>a</sup> South Carolina State Housing Finance & Development Authority, Garden Oaks LP, Revenue, 144A, 2021 A, 4.2%, 12/01/39 .....	3,500,000	2,624,544
		<u>5,929,708</u>
<b>Texas 0.4%</b>		
<sup>a</sup> Pecan Public Facility Corp., Revenue, 144A, 2022 A-2, 5%, 12/01/52 .....	4,000,000	2,954,827
<b>Washington 0.2%</b>		
<sup>a</sup> Washington State Housing Finance Commission, Madison at Rivers Edge Apartments LLC, Revenue, 144A, 2021 A, 3.65%, 1/01/37 .....	2,100,000	1,654,856
<b>Wisconsin 1.0%</b>		
<sup>a</sup> Public Finance Authority, Revenue, 144A, 2022, B-1, 4%, 12/28/44 .....	2,100,000	1,625,404
Gulf Coast Portfolio Obligated Group, Revenue, 144A, 2021, 5.25%, 12/01/23 .....	5,600,000	5,602,856
		<u>7,228,260</u>
<b>Total Municipal Bonds (Cost \$813,502,785) .....</b>		<b>757,640,858</b>
<b>Total Investments (Cost \$813,502,785) 99.5% .....</b>		<b>\$757,640,858</b>
<b>Other Assets, less Liabilities 0.5% .....</b>		<b>4,002,042</b>
<b>Net Assets 100.0% .....</b>		<b>\$761,642,900</b>

See Abbreviations on page 151.

<sup>a</sup>Security was purchased pursuant to Rule 144A or Regulation S under the Securities Act of 1933. 144A securities may be sold in transactions exempt from registration only to qualified institutional buyers or in a public offering registered under the Securities Act of 1933. Regulation S securities cannot be sold in the United States without either an effective registration statement filed pursuant to the Securities Act of 1933, or pursuant to an exemption from registration. At August 31, 2023, the aggregate value of these securities was \$39,847,876, representing 5.2% of net assets.

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

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



## Financial Highlights

### Franklin Ohio Tax-Free Income Fund

	Six Months Ended August 31, 2023 (unaudited)	Year Ended February 28,				Year Ended February 28, 2019 <sup>b</sup>
		2023	2022	2021	2020 <sup>a</sup>	
<b>Class A</b>						
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$11.29	\$12.54	\$12.90	\$13.20	\$12.49	\$12.38
Income from investment operations <sup>c</sup> :						
Net investment income <sup>d</sup> . . . . .	0.17	0.31	0.25	0.30	0.35	0.17
Net realized and unrealized gains (losses) . . . . .	(0.12)	(1.26)	(0.36)	(0.30)	0.71	0.11
Total from investment operations . . . . .	0.05	(0.95)	(0.11)	—	1.06	0.28
Less distributions from:						
Net investment income . . . . .	(0.17)	(0.30)	(0.25)	(0.30)	(0.35)	(0.17)
Net asset value, end of period . . . . .	\$11.17	\$11.29	\$12.54	\$12.90	\$13.20	\$12.49
Total return <sup>e</sup> . . . . .	0.39%	(7.57)%	(0.90)%	0.02%	8.60%	2.30%
<b>Ratios to average net assets<sup>f</sup></b>						
Expenses <sup>g</sup> . . . . .	0.81%	0.81%	0.81%	0.80%	0.81%	0.80%
Net investment income . . . . .	2.90%	2.66%	1.94%	2.31%	2.69%	2.88%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$261,373	\$269,364	\$315,516	\$261,661	\$160,174	\$75,132
Portfolio turnover rate . . . . .	3.21%	26.92%	24.59%	20.64%	4.56%	13.09%

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

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

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

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

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

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

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

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

	Six Months Ended August 31, 2023 (unaudited)	Year Ended February 28,				
		2023	2022	2021	2020 <sup>a</sup>	2019
<b>Class A1</b>						
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$11.28	\$12.54	\$12.90	\$13.20	\$12.49	\$12.46
Income from investment operations <sup>b</sup> :						
Net investment income <sup>c</sup> . . . . .	0.17	0.32	0.27	0.33	0.37	0.38
Net realized and unrealized gains (losses) . . . . .	(0.12)	(1.26)	(0.36)	(0.31)	0.71	0.03
Total from investment operations . . . . .	0.05	(0.94)	(0.09)	0.02	1.08	0.41
Less distributions from:						
Net investment income . . . . .	(0.17)	(0.32)	(0.27)	(0.32)	(0.37)	(0.38)
Net asset value, end of period . . . . .	\$11.16	\$11.28	\$12.54	\$12.90	\$13.20	\$12.49
Total return <sup>d</sup> . . . . .	0.47%	(7.51)%	(0.75)%	0.17%	8.76%	3.34%
<b>Ratios to average net assets<sup>e</sup></b>						
Expenses <sup>f</sup> . . . . .	0.66%	0.66%	0.66%	0.65%	0.66%	0.65%
Net investment income . . . . .	3.05%	2.80%	2.10%	2.49%	2.84%	3.03%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$586,596	\$628,747	\$850,932	\$929,798	\$996,280	\$985,590
Portfolio turnover rate . . . . .	3.21%	26.92%	24.59%	20.64%	4.56%	13.09%

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

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

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

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

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

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

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

	<b>Six Months Ended August 31, 2023 (unaudited)</b>	<b>Year Ended February 28,</b>				
		<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020<sup>a</sup></b>	<b>2019</b>
<b>Class C</b>						
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$11.44	\$12.71	\$13.08	\$13.38	\$12.66	\$12.63
Income from investment operations <sup>b</sup> :						
Net investment income <sup>c</sup> . . . . .	0.14	0.26	0.20	0.25	0.30	0.31
Net realized and unrealized gains (losses)	(0.12)	(1.28)	(0.37)	(0.30)	0.72	0.03
Total from investment operations . . . . .	0.02	(1.02)	(0.17)	(0.05)	1.02	0.34
Less distributions from:						
Net investment income . . . . .	(0.14)	(0.25)	(0.20)	(0.25)	(0.30)	(0.31)
Net asset value, end of period . . . . .	\$11.32	\$11.44	\$12.71	\$13.08	\$13.38	\$12.66
Total return <sup>d</sup> . . . . .	0.18%	(8.00)%	(1.36)%	(0.37)%	8.16%	2.72%
<b>Ratios to average net assets<sup>e</sup></b>						
Expenses <sup>f</sup> . . . . .	1.21%	1.20%	1.20%	1.20%	1.21%	1.20%
Net investment income . . . . .	2.45%	2.20%	1.52%	1.92%	2.29%	2.48%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$66,108	\$78,486	\$125,479	\$169,258	\$203,367	\$215,045
Portfolio turnover rate . . . . .	3.21%	26.92%	24.59%	20.64%	4.56%	13.09%

<sup>a</sup>For the year ended February 29.<sup>b</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.<sup>c</sup>Based on average daily shares outstanding.<sup>d</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable, and is not annualized for periods less than one year.<sup>e</sup>Ratios are annualized for periods less than one year.<sup>f</sup>Benefit of expense reduction rounds to less than 0.01%.

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

	Six Months Ended August 31, 2023 (unaudited)	Year Ended February 28,				
		2023	2022	2021	2020 <sup>a</sup>	2019
<b>Class R6</b>						
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$11.30	\$12.55	\$12.91	\$13.22	\$12.50	\$12.47
Income from investment operations <sup>b</sup> :						
Net investment income <sup>c</sup> . . . . .	0.18	0.34	0.29	0.34	0.38	0.39
Net realized and unrealized gains (losses) . . . . .	(0.13)	(1.25)	(0.36)	(0.31)	0.73	0.03
Total from investment operations . . . . .	0.05	(0.91)	(0.07)	0.03	1.11	0.42
Less distributions from:						
Net investment income . . . . .	(0.18)	(0.34)	(0.29)	(0.34)	(0.39)	(0.39)
Net asset value, end of period . . . . .	\$11.17	\$11.30	\$12.55	\$12.91	\$13.22	\$12.50
Total return <sup>d</sup> . . . . .	0.45%	(7.29)%	(0.61)%	0.31%	8.90%	3.47%
<b>Ratios to average net assets<sup>e</sup></b>						
Expenses before waiver and payments by affiliates . . . . .	0.53%	0.54%	0.53%	0.54%	0.53%	0.53%
Expenses net of waiver and payments by affiliates <sup>f</sup> . . . . .	0.52%	0.52%	0.52%	0.51%	0.52%	0.51%
Net investment income . . . . .	3.20%	2.94%	2.23%	2.59%	2.98%	3.17%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$20,238	\$14,734	\$21,433	\$16,977	\$10,638	\$6,942
Portfolio turnover rate . . . . .	3.21%	26.92%	24.59%	20.64%	4.56%	13.09%

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

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

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

<sup>d</sup>Total return is not annualized for periods less than one year.

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

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

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

	<b>Six Months Ended August 31, 2023 (unaudited)</b>	<b>Year Ended February 28,</b>				
		<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020<sup>a</sup></b>	<b>2019</b>
<b>Advisor Class</b>						
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$11.30	\$12.55	\$12.91	\$13.21	\$12.50	\$12.47
Income from investment operations <sup>b</sup> :						
Net investment income <sup>c</sup> . . . . .	0.18	0.33	0.29	0.34	0.38	0.39
Net realized and unrealized gains (losses)	(0.13)	(1.25)	(0.37)	(0.30)	0.71	0.03
Total from investment operations . . . . .	0.05	(0.92)	(0.08)	0.04	1.09	0.42
Less distributions from:						
Net investment income . . . . .	(0.18)	(0.33)	(0.28)	(0.34)	(0.38)	(0.39)
Net asset value, end of period . . . . .	\$11.17	\$11.30	\$12.55	\$12.91	\$13.21	\$12.50
Total return <sup>d</sup> . . . . .	0.43%	(7.33)%	(0.65)%	0.27%	8.86%	3.43%
<b>Ratios to average net assets<sup>e</sup></b>						
Expenses <sup>f</sup> . . . . .	0.56%	0.56%	0.56%	0.55%	0.56%	0.55%
Net investment income . . . . .	3.15%	2.89%	2.20%	2.58%	2.94%	3.13%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$195,881	\$209,487	\$299,002	\$295,666	\$243,913	\$179,427
Portfolio turnover rate . . . . .	3.21%	26.92%	24.59%	20.64%	4.56%	13.09%

<sup>a</sup>For the year ended February 29.<sup>b</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.<sup>c</sup>Based on average daily shares outstanding.<sup>d</sup>Total return is not annualized for periods less than one year.<sup>e</sup>Ratios are annualized for periods less than one year.<sup>f</sup>Benefit of expense reduction rounds to less than 0.01%.

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

## Franklin Ohio Tax-Free Income Fund

	Principal Amount	Value
<b>Corporate Bonds 0.3%</b>		
<b>Software 0.3%</b>		
<sup>a</sup> Haven at Elgin LLC, 5.25%, 12/31/53 . . . . .	\$3,200,000	\$3,118,705
<b>Total Corporate Bonds (Cost \$3,200,000) . . . . .</b>		<b>3,118,705</b>
<b>Municipal Bonds 96.4%</b>		
<b>California 0.2%</b>		
California Municipal Finance Authority, Revenue, 2022 A-1, 4.25%, 12/01/37 . . . . .	2,800,000	2,290,605
<b>Florida 0.8%</b>		
Capital Trust Agency, Inc., Kingdom Development West Palm Beach Portfolio Obligated Group, Revenue, 2021 A-1, 3.75%, 12/01/36 . . . . .	9,144,000	7,486,760
<sup>b</sup> SHI - Lake Osborne LLC, Revenue, 144A, 2021 A-1, 3.68%, 1/01/57 . . . . .	2,200,000	1,440,409
		8,927,169
<b>Illinois 0.1%</b>		
State of Illinois, GO, 2021 A, 5%, 3/01/32 . . . . .	1,250,000	1,362,983
<b>Kentucky 0.9%</b>		
<sup>b</sup> Louisville/Jefferson County Metropolitan Government, PSG Vesta Derby Oaks LLC, Revenue, 144A, 2022 A, Zero Cpn., 5/01/52 . . . . .	15,210,000	9,913,016
<b>New Jersey 0.3%</b>		
New Jersey Transportation Trust Fund Authority, Revenue, 2020 AA, 4%, 6/15/35 . . . . .	1,500,000	1,525,358
Revenue, 2022 A, 4%, 6/15/38 . . . . .	2,000,000	1,982,230
		3,507,588
<b>New York 0.6%</b>		
Metropolitan Transportation Authority, Revenue, 2020 A-1, 4%, 11/15/40 . . . . .	6,750,000	6,354,575
Revenue, 2021 A-1, 4%, 11/15/48 . . . . .	750,000	674,658
		7,029,233
<b>Ohio 89.1%</b>		
American Municipal Power, Inc., Combined Hydroelectric, Revenue, 2016 A, Refunding, 4%, 2/15/35 . . . . .	1,000,000	1,002,665
Combined Hydroelectric, Revenue, 2016 A, Refunding, 5%, 2/15/46 . . . . .	7,500,000	7,556,345
Greenup Hydroelectric, Revenue, 2016 A, 5%, 2/15/41 . . . . .	5,000,000	5,058,282
Prairie State Energy Campus, Revenue, 2015 A, Refunding, 5%, 2/15/28 . . . . .	5,000,000	5,027,269
Prairie State Energy Campus, Revenue, 2017 A, Refunding, 5%, 2/15/37 . . . . .	3,700,000	3,875,020
Prairie State Energy Campus, Revenue, 2017 A, Refunding, 5%, 2/15/38 . . . . .	3,500,000	3,637,816
Solar Electricity Prepayment, Revenue, 2019 A, 5%, 2/15/44 . . . . .	3,345,000	3,430,062
Anthony Wayne Local School District, GO, 2017 A, 4%, 12/01/39 . . . . .	3,000,000	2,911,824
Apollo Joint Vocational School District, GO, 2017, Refunding, 4%, 12/01/39 . . . . .	6,530,000	6,422,666
Beachwood City School District, GO, 2023, 4%, 12/01/53 . . . . .	7,575,000	7,010,532
Bethel Local School District, COP, 2020, BAM Insured, 2.75%, 12/01/49 . . . . .	4,000,000	2,635,622
Big Walnut Local School District, GO, 2019, 5%, 12/01/53 . . . . .	9,155,000	9,545,940
Bloom-Carroll Local School District, GO, 2018 A, 5%, 11/01/55 . . . . .	7,025,000	7,399,036
Bowling Green State University, Revenue, 2017 B, Refunding, 5%, 6/01/42 . . . . .	3,250,000	3,354,258
Brooklyn City School District, GO, 2017, Refunding, AGMC Insured, 5%, 12/01/38 . . . . .	1,905,000	1,984,986
GO, 2017, Refunding, AGMC Insured, 5%, 12/01/49 . . . . .	9,000,000	9,229,417
Buckeye Tobacco Settlement Financing Authority, Revenue, Senior Lien, 2020 A-2, 1, Refunding, 3%, 6/01/48 . . . . .	8,215,000	6,057,869
Revenue, Senior Lien, 2020 A-2, 1, Refunding, 4%, 6/01/48 . . . . .	3,245,000	2,875,555

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

	Principal Amount	Value
<b>Municipal Bonds</b> (continued)		
<b>Ohio</b> (continued)		
Butler County Port Authority,		
Community First Solutions Obligated Group, Revenue, 2021 A, Refunding, 4%, 5/15/32 .....	\$120,000	\$119,071
Community First Solutions Obligated Group, Revenue, 2021 A, Refunding, 4%, 5/15/33 .....	135,000	133,745
Community First Solutions Obligated Group, Revenue, 2021 A, Refunding, 4%, 5/15/34 .....	185,000	183,876
Community First Solutions Obligated Group, Revenue, 2021 A, Refunding, 4%, 5/15/35 .....	195,000	192,761
Community First Solutions Obligated Group, Revenue, 2021 A, Refunding, 4%, 5/15/36 .....	205,000	200,062
Community First Solutions Obligated Group, Revenue, 2021 A, Refunding, 4%, 5/15/37 .....	210,000	201,282
Community First Solutions Obligated Group, Revenue, 2021 A, Refunding, 4%, 5/15/38 .....	220,000	207,237
Community First Solutions Obligated Group, Revenue, 2021 A, Refunding, 4%, 5/15/39 .....	225,000	209,538
Community First Solutions Obligated Group, Revenue, 2021 A, Refunding, 4%, 5/15/40 .....	240,000	222,075
Community First Solutions Obligated Group, Revenue, 2021 A, Refunding, 4%, 5/15/41 .....	245,000	224,861
Community First Solutions Obligated Group, Revenue, 2021 A, Refunding, 4%, 5/15/46 .....	900,000	803,018
Community First Solutions Obligated Group, Revenue, 2021 A, Refunding, 4%, 5/15/51 .....	1,000,000	869,040
Canal Winchester Local School District,		
GO, 2005, NATL Insured, Zero Cpn., 12/01/32 .....	3,955,000	2,825,461
GO, 2005, NATL Insured, Zero Cpn., 12/01/33 .....	2,000,000	1,371,319
Chillicothe City School District,		
GO, 2006, Refunding, NATL Insured, Zero Cpn., 12/01/23 .....	1,905,000	1,887,526
GO, 2006, Refunding, NATL Insured, Zero Cpn., 12/01/24 .....	1,905,000	1,816,154
Cincinnati City School District,		
GO, 2006, Refunding, NATL Insured, 5.25%, 12/01/27 .....	14,900,000	16,258,140
GO, 2006, Refunding, NATL Insured, 5.25%, 12/01/28 .....	8,180,000	9,053,505
City of Chillicothe,		
Adena Health System Obligated Group, Revenue, 2017, Refunding, 5%, 12/01/37 ..	2,890,000	2,942,050
Adena Health System Obligated Group, Revenue, 2017, Refunding, 5%, 12/01/47 ..	2,110,000	2,110,402
City of Cincinnati, GO, 2015 A, Pre-Refunded, 5.25%, 12/01/40 .....	6,500,000	6,711,359
City of Cleveland,		
GO, 2012, 5%, 12/01/30 .....	35,000	35,040
GO, 2020 A, 2%, 12/01/36 .....	1,215,000	903,397
Water Pollution Control, Revenue, 2016, 5%, 11/15/41 .....	2,000,000	2,021,588
City of Columbus,		
GO, 2016-3, Refunding, 5%, 2/15/27 .....	5,000,000	5,324,471
GO, 2018 A, 5%, 4/01/34 .....	7,000,000	7,669,688
GO, 2019 A, 5%, 4/01/40 .....	3,000,000	3,195,003
GO, 2021 A, 5%, 4/01/40 .....	1,900,000	2,053,181
Sewerage, Revenue, 2014, Refunding, 4%, 6/01/31 .....	15,000,000	15,070,692
Sewerage, Revenue, 2015, Refunding, 5%, 6/01/30 .....	5,000,000	5,227,072
City of Marysville,		
Wastewater Treatment System, Revenue, 2015, Refunding, BAM Insured, 4%, 12/01/40 .....	3,015,000	2,955,758
Wastewater Treatment System, Revenue, 2015, Refunding, BAM Insured, 5%, 12/01/47 .....	5,035,000	5,080,225
Wastewater Treatment System, Revenue, 2016, Refunding, BAM Insured, 4%, 12/01/46 .....	9,370,000	8,890,780

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

	Principal Amount	Value
<b>Municipal Bonds</b> (continued)		
<b>Ohio</b> (continued)		
City of Mount Vernon, Mount Vernon Nazarene University, Revenue, 2022, Refunding, 4%, 2/01/37 . . . . .	\$995,000	\$898,940
City of St. Bernard, Income Tax, Revenue, 2013, AGMC Insured, 5%, 12/01/43 . . . . .	3,760,000	3,764,594
City of Westerville, Revenue, 2014, 5%, 12/01/30 . . . . .	2,765,000	2,793,660
Cleveland Department of Public Utilities Division of Public Power, Revenue, 2020 A, Refunding, AGMC Insured, 4%, 11/15/38 . . . . .	600,000	581,941
Revenue, B-2, NATL Insured, Zero Cpn., 11/15/38 . . . . .	10,000,000	4,933,237
Cleveland Department of Public Utilities Division of Water, Revenue, 2020 FF, Refunding, 5%, 1/01/33 . . . . .	1,000,000	1,114,919
Cleveland-Cuyahoga County Port Authority, Cleveland Museum of Natural History (The), Revenue, 2021, 4%, 7/01/37 . . . . .	700,000	691,013
Cleveland Museum of Natural History (The), Revenue, 2021, 4%, 7/01/38 . . . . .	100,000	97,012
Cleveland Museum of Natural History (The), Revenue, 2021, 4%, 7/01/39 . . . . .	700,000	662,206
Cleveland Museum of Natural History (The), Revenue, 2021, 4%, 7/01/40 . . . . .	100,000	92,980
Cleveland Museum of Natural History (The), Revenue, 2021, 4%, 7/01/46 . . . . .	500,000	428,551
Cleveland Museum of Natural History (The), Revenue, 2021, 4%, 7/01/51 . . . . .	2,000,000	1,679,687
Euclid Avenue Development Corp., Revenue, 2022 A, 5.5%, 8/01/52 . . . . .	9,000,000	9,327,918
Columbus-Franklin County Finance Authority, Revenue, 2021 C, 2.5%, 11/15/41 . . . . .	900,000	644,762
Revenue, 2021 C, 3%, 5/15/51 . . . . .	2,180,000	1,408,972
County of Butler, Cincinnati Children's Hospital Medical Center Obligated Group, Revenue, 2016 X, Refunding, 5%, 5/15/29 . . . . .	6,750,000	7,375,582
UC Health Obligated Group, Revenue, 2016, Refunding, 5%, 11/15/45 . . . . .	20,270,000	19,213,118
UC Health Obligated Group, Revenue, 2017, Refunding, 4%, 11/15/36 . . . . .	4,140,000	3,729,369
UC Health Obligated Group, Revenue, 2017, Refunding, 4%, 11/15/37 . . . . .	1,500,000	1,325,881
County of Cuyahoga, GO, 2020 A, Refunding, 4%, 12/01/34 . . . . .	750,000	779,431
County of Franklin, Nationwide Children's Hospital, Inc., Revenue, 2016 C, Refunding, 5%, 11/01/34 . .	2,600,000	2,750,115
Nationwide Children's Hospital, Inc., Revenue, 2016 C, Refunding, 4%, 11/01/40 . .	5,000,000	4,762,861
Ohio Living Obligated Group, Revenue, 2022, Refunding, 4%, 7/01/33 . . . . .	5,270,000	4,852,194
Ohio Living Obligated Group, Revenue, 2022, Refunding, 4%, 7/01/34 . . . . .	2,240,000	2,041,557
Ohio Living Obligated Group, Revenue, 2022, Refunding, 4%, 7/01/35 . . . . .	2,900,000	2,596,734
Ohio Living Obligated Group, Revenue, 2022, Refunding, 4%, 7/01/36 . . . . .	2,640,000	2,305,127
Ohio Living Obligated Group, Revenue, 2022, Refunding, 4%, 7/01/40 . . . . .	2,590,000	2,126,144
Ohio Living Obligated Group, Revenue, 2023, Refunding, 5.25%, 7/01/41 . . . . .	5,000,000	4,787,564
OhioHealth Obligated Group, Revenue, 2015, 5%, 5/15/33 . . . . .	6,290,000	6,440,074
Sales Tax, Revenue, 2018, 5%, 6/01/48 . . . . .	6,000,000	6,247,315
Trinity Health Corp. Obligated Group, Revenue, 2017, 5%, 12/01/46 . . . . .	3,515,000	3,568,380
Trinity Health Corp. Obligated Group, Revenue, 2017 A-OH, 5%, 12/01/47 . . . . .	11,800,000	11,982,289
Trinity Health Corp. Obligated Group, Revenue, 2019 A, 4%, 12/01/49 . . . . .	6,030,000	5,481,163
County of Hamilton, Sewer System, Revenue, 2019 A, Refunding, 5%, 12/01/33 . . . . .	6,965,000	7,712,248
TriHealth Obligated Group, Revenue, 2017 A, 5%, 8/15/42 . . . . .	5,000,000	5,082,549
County of Lucas, GO, 2022, 4.75%, 12/01/52 . . . . .	3,000,000	3,019,742
County of Mahoning, Sewer System, Revenue, 2022, Refunding, 5%, 12/01/46 . . . . .	3,000,000	3,131,158
Western Reserve Care System, Revenue, 1995, NATL Insured, ETM, 5.5%, 10/15/25	1,700,000	1,732,648



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

	Principal Amount	Value
<b>Municipal Bonds (continued)</b>		
<b>Ohio (continued)</b>		
County of Miami, Kettering Health Network Obligated Group, Revenue, 2019, Refunding, 5%, 8/01/45	\$5,000,000	\$5,105,890
County of Montgomery, Premier Health Partners Obligated Group, Revenue, 2019 A, Refunding, 4%, 11/15/39	5,000,000	4,490,315
County of Ross, Adena Health System Obligated Group, Revenue, 2019, Refunding, 5%, 12/01/44	4,705,000	4,711,861
County of Union, GO, 2018, 5%, 12/01/47	5,000,000	5,146,619
Cuyahoga Falls City School District, GO, 2021, BAM Insured, 4%, 12/01/51	1,485,000	1,337,279
Dayton City School District, GO, 2014, Refunding, 5%, 11/01/30	5,000,000	5,583,057
Dayton-Montgomery County Port Authority, Southwest Ohio Regional Bond Fund, Revenue, 2021 C, 2%, 11/15/31	430,000	359,343
Southwest Ohio Regional Bond Fund, Revenue, 2021 C, 2.5%, 11/15/41	1,615,000	1,138,603
Deer Park Community City School District, GO, 2017 A, 5.25%, 12/01/53	3,000,000	3,046,691
Dublin City School District, GO, 2019 A, 4%, 12/01/44	10,000,000	9,556,109
Elyria City School District, GO, 2017 A, 5%, 12/01/43	5,500,000	5,665,564
Franklin County Convention Facilities Authority, Revenue, 2014, Pre-Refunded, 5%, 12/01/35	20,000,000	20,390,680
Fremont City School District, GO, 2017 A, 5%, 1/15/49	13,970,000	14,158,610
Grandview Heights City School District, GO, 2019, 5%, 12/01/53	2,150,000	2,225,637
Green Local School District, COP, 2022, AGMC Insured, 5%, 11/01/52	2,000,000	2,050,671
Hilliard School District, GO, 2017, 4%, 12/01/46	10,000,000	9,302,676
Hudson City School District, GO, 2018, 4%, 12/01/45	18,870,000	17,605,587
Indian Creek Local School District, GO, 2018 A, 5%, 11/01/55	3,000,000	3,075,041
GO, 2018 B, BAM Insured, 5%, 11/01/55	3,910,000	4,071,762
Lakota Local School District, GO, 2005, Refunding, NATL Insured, 5.25%, 12/01/26	2,000,000	2,131,747
GO, 2014 C, Pre-Refunded, 5%, 12/01/30	4,035,000	4,116,286
Licking Heights Local School District, GO, 2022, 4.5%, 10/01/51	1,800,000	1,792,393
Little Miami Local School District, GO, 2018, 5%, 11/01/43	1,000,000	1,015,654
GO, 2018, 5%, 11/01/48	2,460,000	2,490,411
Madeira City School District, GO, Refunding, AGMC Insured, 5.25%, 12/01/32	9,605,000	10,937,209
Miami University, Revenue, 2014, Refunding, 5%, 9/01/31	2,320,000	2,350,357
Revenue, 2014, Refunding, 5%, 9/01/34	3,500,000	3,540,698
Revenue, 2017, Refunding, 5%, 9/01/41	5,000,000	5,136,331
Revenue, 2022 A, Refunding, 5%, 9/01/34	1,000,000	1,131,772
Miami Valley Career Technology Center, GO, 2018, 5%, 12/01/44	20,000,000	20,888,558
Northeast Ohio Medical University, Revenue, 2021 A, Refunding, 3%, 12/01/23	75,000	74,850
Revenue, 2021 A, Refunding, 5%, 12/01/25	125,000	126,701
Revenue, 2021 A, Refunding, 5%, 12/01/27	100,000	103,088
Revenue, 2021 A, Refunding, 5%, 12/01/29	110,000	114,722
Revenue, 2021 A, Refunding, 3%, 12/01/40	500,000	372,567
Revenue, 2021 A, Refunding, 4%, 12/01/45	450,000	375,342
Revenue, 2022, BAM Insured, 5%, 12/01/43	1,000,000	1,032,392
Northeast Ohio Regional Sewer District, Revenue, 2019, Refunding, 3%, 11/15/35	3,500,000	3,193,855
Northeastern Local School District, GO, 2018, AGMC Insured, 5.25%, 12/01/45	5,420,000	5,749,510
GO, 2018, AGMC Insured, 4%, 12/01/55	5,000,000	4,408,301
Norwood City School District, GO, 2017 A, Pre-Refunded, 5%, 11/01/46	5,000,000	5,233,515
GO, 2017 A, Pre-Refunded, 5.25%, 11/01/51	7,645,000	8,050,352
°Ohio Air Quality Development Authority, Ohio Valley Electric Corp., Revenue, 2009 B, Mandatory Put, 1.375%, 11/01/24	1,875,000	1,788,131

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

	Principal Amount	Value
<b>Municipal Bonds</b> (continued)		
<b>Ohio</b> (continued)		
°Ohio Air Quality Development Authority, (continued)		
Ohio Valley Electric Corp., Revenue, 2009 C, Mandatory Put, 1.5%, 11/04/25 . . . . .	\$2,000,000	\$1,831,462
Ohio Center Local Government Capital Asset Financing Program, GO, 2003, AGMC Insured, 5.25%, 12/01/23 . . . . .	120,000	120,185
Ohio Higher Educational Facility Commission,		
Ashtabula County Medical Center Obligated Group, Revenue, 2022, 5.25%, 1/01/52 . . . . .	4,895,000	4,905,225
Baldwin Wallace University, Revenue, 2022, 6%, 12/01/52 . . . . .	5,970,000	6,193,177
Capital University, Revenue, 2022, Refunding, 6%, 9/01/42 . . . . .	4,900,000	5,060,632
Capital University, Revenue, 2022, Refunding, 6%, 9/01/47 . . . . .	2,000,000	2,048,374
Capital University, Revenue, 2022, Refunding, 6%, 9/01/52 . . . . .	5,100,000	5,199,620
Case Western Reserve University, Revenue, 2016, Refunding, 5%, 12/01/40 . . . . .	6,000,000	6,156,758
Cleveland Institute of Music (The), Revenue, 2022, 5%, 12/01/32 . . . . .	300,000	309,990
Cleveland Institute of Music (The), Revenue, 2022, 5.125%, 12/01/42 . . . . .	3,390,000	3,318,735
Cleveland Institute of Music (The), Revenue, 2022, 5.375%, 12/01/52 . . . . .	3,100,000	3,031,522
John Carroll University, Revenue, 2020, 4%, 10/01/45 . . . . .	1,100,000	913,242
John Carroll University, Revenue, 2020, 4%, 10/01/50 . . . . .	3,500,000	2,797,817
John Carroll University, Revenue, 2022, Refunding, 4%, 10/01/47 . . . . .	11,360,000	9,274,491
Judson Obligated Group, Revenue, 2020 A, Refunding, 5%, 12/01/42 . . . . .	1,540,000	1,401,481
Judson Obligated Group, Revenue, 2020 A, Refunding, 5%, 12/01/45 . . . . .	1,360,000	1,213,983
Judson Obligated Group, Revenue, 2020 A, Refunding, 5%, 12/01/50 . . . . .	2,900,000	2,530,467
Kenyon College, Revenue, 2016, Refunding, 5%, 7/01/42 . . . . .	5,320,000	5,420,290
Kenyon College, Revenue, 2016, Refunding, 4%, 7/01/44 . . . . .	5,180,000	4,716,467
Kenyon College, Revenue, 2017, 5%, 7/01/42 . . . . .	1,250,000	1,284,465
Kenyon College, Revenue, 2017, 4%, 7/01/47 . . . . .	4,000,000	3,517,805
Otterbein Homes Obligated Group, Revenue, 2021, Refunding, 4%, 7/01/30 . . . . .	1,095,000	1,087,816
University of Dayton, Revenue, 2018 A, 4%, 12/01/43 . . . . .	11,885,000	10,825,886
University of Dayton, Revenue, 2020, Refunding, 5%, 2/01/28 . . . . .	150,000	159,969
University of Dayton, Revenue, 2020, Refunding, 5%, 2/01/29 . . . . .	415,000	448,845
University of Dayton, Revenue, 2020, Refunding, 5%, 2/01/30 . . . . .	400,000	438,072
University of Dayton, Revenue, 2020, Refunding, 5%, 2/01/31 . . . . .	550,000	600,451
University of Dayton, Revenue, 2020, Refunding, 5%, 2/01/32 . . . . .	340,000	371,003
University of Dayton, Revenue, 2020, Refunding, 5%, 2/01/33 . . . . .	130,000	141,744
University of Dayton, Revenue, 2020, Refunding, 5%, 2/01/34 . . . . .	500,000	544,489
University of Dayton, Revenue, 2020, Refunding, 4%, 2/01/36 . . . . .	900,000	897,525
University of Dayton, Revenue, 2020, Refunding, 4%, 2/01/39 . . . . .	480,000	454,394
Ohio Housing Finance Agency,		
Revenue, 2020 B, GNMA Insured, 2.1%, 9/01/35 . . . . .	485,000	384,703
<sup>b</sup> Revenue, 144A, 2023 A, 5.625%, 8/01/41 . . . . .	17,000,000	16,758,600
Ohio State University (The),		
Revenue, 2014 A, 4%, 12/01/30 . . . . .	4,325,000	4,337,422
Revenue, 2021 A, 4%, 12/01/48 . . . . .	10,020,000	9,406,249
Ohio Turnpike & Infrastructure Commission,		
Revenue, 2018 A, 5%, 2/15/43 . . . . .	33,350,000	34,713,645
Revenue, Junior Lien, 2013 A-2, BAM Insured, Zero Cpn., 2/15/38 . . . . .	3,665,000	1,972,592
Revenue, Junior Lien, 2013 A-2, Zero Cpn., 2/15/43 . . . . .	10,485,000	4,244,418
Ohio University, Revenue, 2017 A, Refunding, 5%, 12/01/44 . . . . .	7,000,000	7,183,306
Ohio Water Development Authority,		
Revenue, 2019, 5%, 12/01/39 . . . . .	5,000,000	5,392,982
Revenue, 2019, 5%, 6/01/44 . . . . .	5,650,000	6,014,722
Revenue, 2021, 5%, 6/01/46 . . . . .	10,555,000	11,376,433
Water Pollution Control Loan Fund, Revenue, 2019 B, Refunding, 5%, 12/01/44 . . . . .	10,000,000	10,642,638
Water Pollution Control Loan Fund, Revenue, 2020 A, 5%, 12/01/39 . . . . .	5,000,000	5,420,889
Water Pollution Control Loan Fund, Revenue, 2020 A, 5%, 12/01/50 . . . . .	2,500,000	2,645,478
Olentangy Local School District, GO, 2016, 4%, 12/01/46 . . . . .	7,660,000	7,346,756
Princeton City School District,		
GO, 2014, Pre-Refunded, 5%, 12/01/39 . . . . .	12,000,000	12,249,080
GO, 2014, Refunding, Zero Cpn., 12/01/40 . . . . .	6,000,000	2,877,895

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

	Principal Amount	Value
<b>Municipal Bonds</b> (continued)		
<b>Ohio</b> (continued)		
Princeton City School District, (continued)		
GO, 2014, Refunding, Zero Cpn., 12/01/41	\$6,000,000	\$2,752,588
Reading Community City School District, GO, 2016 A, 5%, 11/01/46	2,000,000	2,017,412
Russia Local School District, GO, 2023, 5%, 12/01/52	1,670,000	1,746,889
Springboro Community City School District,		
GO, 2007, Refunding, AGMC Insured, 5.25%, 12/01/27	5,175,000	5,565,433
GO, 2007, Refunding, AGMC Insured, 5.25%, 12/01/28	2,000,000	2,187,200
State of Ohio,		
GO, 2018 A, 5%, 6/15/38	10,000,000	10,292,324
GO, 2019 A, 5%, 6/15/38	6,500,000	6,995,511
GO, 2020 C, 5%, 3/01/38	2,300,000	2,521,415
GO, V, 5%, 5/01/33	1,000,000	1,087,181
GO, V, 5%, 5/01/34	4,000,000	4,343,532
Cleveland Clinic Health System Obligated Group, Revenue, 2017 A, Refunding, 3.25%, 1/01/35	10,000,000	9,152,472
Cleveland Clinic Health System Obligated Group, Revenue, 2021 B, Refunding, 5%, 1/01/29	4,850,000	5,296,578
Department of Administrative Services, Revenue, 2021 A, 5%, 4/01/39	1,000,000	1,084,527
Department of Administrative Services, Revenue, 2021 A, 5%, 4/01/41	750,000	804,986
Premier Health Partners Obligated Group, Revenue, 2020, Refunding, 4%, 11/15/37	1,000,000	907,399
Premier Health Partners Obligated Group, Revenue, 2020, Refunding, 4%, 11/15/39	875,000	772,368
University Hospitals Health System, Inc. Obligated Group, Revenue, 2021 A, Refunding, 4%, 1/15/46	18,795,000	16,899,068
Summit County Development Finance Authority, City of Akron, Revenue, 2022, 4%, 5/15/46	5,585,000	4,912,667
Sycamore Community City School District, GO, 2020, 4%, 12/01/45	6,000,000	5,700,266
Sylvania City School District, GO, 2015, Refunding, BAM Insured, 5%, 12/01/36	9,700,000	9,892,331
Three Rivers Local School District, GO, 2014, Refunding, 5%, 12/01/39	5,885,000	5,959,166
Toledo-Lucas County Port Authority,		
Revenue, 2021 A, 2%, 11/15/31	430,000	362,941
ParkUToledo, Inc., Revenue, 2021, 4%, 1/01/46	1,625,000	1,281,934
ParkUToledo, Inc., Revenue, 2021, 4%, 1/01/51	2,840,000	2,134,056
ParkUToledo, Inc., Revenue, 2021, 4%, 1/01/57	6,000,000	4,385,330
Triway Local School District, COP, 2021, BAM Insured, 4%, 12/01/39	2,200,000	2,140,983
University of Akron (The),		
Revenue, 2015 A, Refunding, 5%, 1/01/31	4,365,000	4,430,747
Revenue, 2016 A, Refunding, BAM Insured, 5%, 1/01/34	6,000,000	6,138,686
Revenue, 2016 A, Refunding, 5%, 1/01/36	11,065,000	11,303,487
Revenue, 2016 A, Refunding, 5%, 1/01/38	13,225,000	13,429,056
Revenue, 2018 A, Refunding, 5%, 1/01/42	5,725,000	5,877,702
University of Cincinnati, Revenue, 2018 A, Refunding, 4%, 6/01/48	10,000,000	9,351,088
Upper Arlington City School District, GO, 2018 A, Pre-Refunded, 5%, 12/01/48	13,000,000	14,067,143
Village of Bluffton,		
Blanchard Valley Health System Obligated Group, Revenue, 2017, Refunding, 4%, 12/01/33	1,655,000	1,656,840
Blanchard Valley Health System Obligated Group, Revenue, 2017, Refunding, 4%, 12/01/34	1,900,000	1,906,592
Warren County Port Authority,		
Ohio Communities Accelerator Fund, Revenue, 2021 C, 4%, 12/01/41	2,075,000	1,717,586
Ohio Communities Accelerator Fund, Revenue, 2021 C, 4%, 12/01/55	3,500,000	2,626,241
Ohio Communities Accelerator Fund, Revenue, 2021 D, 5%, 12/01/46	3,895,000	3,231,188
Ohio Communities Accelerator Fund, Revenue, 2021 H, 4%, 12/01/41	570,000	472,971
Ohio Communities Accelerator Fund, Revenue, 2021 H, 4%, 12/01/53	1,375,000	1,041,313
Ohio Communities Accelerator Fund, Revenue, 2022 A, 5.5%, 12/01/50	3,210,000	3,027,771
Ohio Communities Accelerator Fund, Revenue, 2022 B, 4.75%, 12/01/34	1,065,000	1,059,516

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

	Principal Amount	Value
<b>Municipal Bonds</b> (continued)		
<b>Ohio</b> (continued)		
Warren County Port Authority, (continued)		
Warren County Port Authority Ohio Communities Accelerator Fund, Revenue, 2020 D-1, Refunding, 3%, 12/01/30 . . . . .	\$525,000	\$468,832
Warren County Port Authority Ohio Communities Accelerator Fund, Revenue, 2020 D-1, Refunding, 4%, 12/01/40 . . . . .	1,390,000	1,161,285
Warren County Port Authority Ohio Communities Accelerator Fund, Revenue, 2020 D-1, Refunding, 4%, 12/01/52 . . . . .	1,930,000	1,466,080
Warrensville Heights City School District, GO, 2019 A, BAM Insured, 5%, 12/01/44 . . . . .	190,000	191,981
GO, 2019 A, Pre-Refunded, BAM Insured, 5.25%, 12/01/55 . . . . .	1,740,000	1,781,352
Westerville City School District, GO, 2006, Refunding, XLCA Insured, 5%, 12/01/27 . .	3,820,000	4,068,717
Westlake City School District, GO, 2021 A, Refunding, 4%, 12/01/49 . . . . .	3,965,000	3,625,432
Willoughby-Eastlake City School District, GO, 2016, Pre-Refunded, 5%, 12/01/46 . .	10,000,000	10,384,894
Winton Woods City School District, GO, 2017, Refunding, 4%, 11/01/43 . . . . .	7,000,000	6,762,734
GO, 2022, Refunding, BAM Insured, 4%, 11/01/53 . . . . .	2,000,000	1,819,092
Wright State University, Revenue, 2021 A, Refunding, BAM Insured, 5%, 5/01/30 . .	1,285,000	1,411,864
Xenia Community School District, GO, 2014, Pre-Refunded, 5%, 12/01/40 . . . . .	7,285,000	7,431,757
		<u>1,006,617,607</u>
<b>South Carolina 1.0%</b>		
South Carolina Jobs-Economic Development Authority, <sup>b</sup> Revenue, 144A, 2021 A-1, 3.65%, 12/01/36 . . . . .	3,200,000	2,521,965
AHPC Vista Towers 2021 LLC, Revenue, 2021 A-1, 3.65%, 12/01/36 . . . . .	3,200,000	2,514,475
<sup>b</sup> Columbia Portfolio Obligated Group, Revenue, 144A, 2022 A-1, Zero Cpn., 6/01/37	5,250,000	3,460,623
<sup>b</sup> South Carolina State Housing Finance & Development Authority, Garden Oaks LP, Revenue, 144A, 2021 A, 4.2%, 12/01/39 . . . . .	3,200,000	2,399,583
		<u>10,896,646</u>
<b>Tennessee 0.1%</b>		
<sup>c</sup> Tennessee Energy Acquisition Corp., Revenue, 2021 A, Mandatory Put, 5%, 11/01/31	1,500,000	1,551,924
<b>Texas 0.7%</b>		
<sup>b</sup> EP Cimarron Ventanas PFC, Revenue, Senior Lien, 144A, 2021 A, 4%, 12/01/51 . . .	4,300,000	3,037,110
Lake Houston Redevelopment Authority, City of Houston Reinvestment Zone No. 10, Revenue, 2021, Refunding, 3%, 9/01/38	300,000	228,335
City of Houston Reinvestment Zone No. 10, Revenue, 2021, Refunding, 3%, 9/01/47	1,000,000	661,392
<sup>b</sup> Pecan Public Facility Corp., Revenue, 144A, 2022 A-2, 5%, 12/01/52 . . . . .	6,000,000	4,432,240
		<u>8,359,077</u>
<b>Washington 0.2%</b>		
<sup>b</sup> Washington State Housing Finance Commission, Madison at Rivers Edge Apartments LLC, Revenue, 144A, 2021 A, 3.65%, 1/01/37 . . . . .	3,200,000	2,521,686
<b>Wisconsin 1.2%</b>		
<sup>b</sup> Public Finance Authority, Revenue, 144A, 2022, B-1, 4%, 12/28/44 . . . . .	3,100,000	2,399,405
FAH Tree House LLC, Revenue, 144A, 2023 A, 6.5%, 8/01/53 . . . . .	2,800,000	2,720,803
Gulf Coast Portfolio Obligated Group, Revenue, 144A, 2021, 5.25%, 12/01/23 . . . .	8,200,000	8,204,182
		<u>13,324,390</u>
<b>U.S. Territories 1.2%</b>		
<b>Puerto Rico 1.2%</b>		
HTA HRRB Custodial Trust, Revenue, 2007 CC, 5.25%, 7/01/32 . . . . .	2,890,000	2,901,912
Revenue, 2007 CC, 5.25%, 7/01/34 . . . . .	800,000	805,550

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

	Principal Amount	Value
<b>Municipal Bonds (continued)</b>		
<b>U.S. Territories (continued)</b>		
<b>Puerto Rico (continued)</b>		
HTA TRRB Custodial Trust,		
Revenue, 2005 L, 5.25%, 7/01/41 .....	\$4,515,000	\$4,501,208
Revenue, 2007 N, 5.25%, 7/01/36 .....	1,575,000	1,587,266
Revenue, 2007 N, 5.25%, 7/01/39 .....	295,353	298,004
Puerto Rico Electric Power Authority,		
Revenue, VV, Refunding, NATL Insured, 5.25%, 7/01/32 .....	1,000,000	983,039
Revenue, VV, Refunding, NATL Insured, 5.25%, 7/01/34 .....	1,000,000	981,968
Puerto Rico Industrial Tourist Educational Medical & Environmental Control Facilities Financing Authority,		
Hospital Auxilio Mutuo Obligated Group, Revenue, 2021, Refunding, 5%, 7/01/33. .	440,000	471,493
Hospital Auxilio Mutuo Obligated Group, Revenue, 2021, Refunding, 5%, 7/01/35. .	235,000	249,143
Puerto Rico Sales Tax Financing Corp., Sales Tax, Revenue, A-1, 5%, 7/01/58 . . . . .	1,100,000	1,067,446
		13,847,029
<b>Total U.S. Territories .....</b>		<b>13,847,029</b>
<b>Total Municipal Bonds (Cost \$1,144,741,699) .....</b>		<b>1,090,148,953</b>
<b>Total Long Term Investments (Cost \$1,147,941,699) .....</b>		<b>1,093,267,658</b>
<b>Short Term Investments 1.3%</b>		
<b>Municipal Bonds 1.3%</b>		
<b>Ohio 1.3%</b>		
<sup>d</sup> County of Allen Hospital Facilities, Bon Secours Mercy Health, Inc., Revenue, 2010 C, LOC Bank of Montreal, Daily VRDN and Put, 4%, 6/01/34 .....	3,800,000	3,800,000
<sup>d</sup> Ohio Higher Educational Facility Commission, Cleveland Clinic Health System Obligated Group, Revenue, 2013 B-3, SPA US Bank NA, Daily VRDN and Put, 4.15%, 1/01/39 .....	2,325,000	2,325,000
<sup>d</sup> State of Ohio, Cleveland Clinic Health System Obligated Group, Revenue, 2019 F, SPA US Bank NA, Daily VRDN and Put, 4.15%, 1/01/52 .....	8,850,000	8,850,000
		14,975,000
<b>Total Municipal Bonds (Cost \$14,975,000) .....</b>		<b>14,975,000</b>
<b>Total Short Term Investments (Cost \$14,975,000) .....</b>		<b>14,975,000</b>
<b>Total Investments (Cost \$1,162,916,699) 98.0% .....</b>		<b>\$1,108,242,658</b>
<b>Other Assets, less Liabilities 2.0% .....</b>		<b>21,953,841</b>
<b>Net Assets 100.0% .....</b>		<b>\$1,130,196,499</b>

See Abbreviations on page 151.

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

<sup>b</sup>Security was purchased pursuant to Rule 144A or Regulation S under the Securities Act of 1933. 144A securities may be sold in transactions exempt from registration only to qualified institutional buyers or in a public offering registered under the Securities Act of 1933. Regulation S securities cannot be sold in the United States without either an effective registration statement filed pursuant to the Securities Act of 1933, or pursuant to an exemption from registration. At August 31, 2023, the aggregate value of these securities was \$59,809,622, representing 5.3% of net assets.

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

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

## Financial Highlights

### Franklin Oregon Tax - Free Income Fund

	Six Months Ended August 31, 2023 (unaudited)	Year Ended February 28,				Year Ended February 28, 2019 <sup>b</sup>
		2023	2022	2021	2020 <sup>a</sup>	
<b>Class A</b>						
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$10.35	\$11.45	\$11.73	\$12.00	\$11.37	\$11.30
Income from investment operations <sup>c</sup> :						
Net investment income <sup>d</sup> . . . . .	0.16	0.27	0.23	0.26	0.30	0.16
Net realized and unrealized gains (losses) . . . . .	(0.12)	(1.10)	(0.28)	(0.27)	0.64	0.07
Total from investment operations . . . . .	0.04	(0.83)	(0.05)	(0.01)	0.94	0.23
Less distributions from:						
Net investment income . . . . .	(0.15)	(0.27)	(0.23)	(0.26)	(0.31)	(0.16)
Net asset value, end of period . . . . .	\$10.24	\$10.35	\$11.45	\$11.73	\$12.00	\$11.37
Total return <sup>e</sup> . . . . .	0.39%	(7.27)%	(0.48)%	(0.07)%	8.39%	2.09%
<b>Ratios to average net assets<sup>f</sup></b>						
Expenses <sup>g</sup> . . . . .	0.81%	0.81%	0.80%	0.80%	0.80%	0.80%
Net investment income . . . . .	3.02%	2.56%	1.93%	2.20%	2.58%	3.05%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$200,787	\$208,460	\$251,006	\$218,010	\$162,664	\$62,119
Portfolio turnover rate . . . . .	3.94%	32.94%	19.83%	18.23%	15.49%	9.09%

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

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

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

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

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

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

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

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

	Six Months Ended August 31, 2023 (unaudited)	Year Ended February 28,				
		2023	2022	2021	2020 <sup>a</sup>	2019
<b>Class A1</b>						
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$10.34	\$11.44	\$11.72	\$11.99	\$11.36	\$11.37
Income from investment operations <sup>b</sup> :						
Net investment income <sup>c</sup> . . . . .	0.17	0.29	0.25	0.28	0.32	0.36
Net realized and unrealized gains (losses)	(0.12)	(1.11)	(0.28)	(0.27)	0.64	(0.01)
Total from investment operations . . . . .	0.05	(0.82)	(0.03)	0.01	0.96	0.35
Less distributions from:						
Net investment income . . . . .	(0.16)	(0.28)	(0.25)	(0.28)	(0.33)	(0.36)
Net asset value, end of period . . . . .	\$10.23	\$10.34	\$11.44	\$11.72	\$11.99	\$11.36
Total return <sup>d</sup> . . . . .	0.46%	(7.14)%	(0.33)%	0.08%	8.56%	3.13%
<b>Ratios to average net assets<sup>e</sup></b>						
Expenses <sup>f</sup> . . . . .	0.66%	0.66%	0.65%	0.65%	0.65%	0.65%
Net investment income . . . . .	3.17%	2.71%	2.08%	2.37%	2.73%	3.20%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$533,521	\$562,620	\$731,732	\$805,688	\$866,593	\$843,042
Portfolio turnover rate . . . . .	3.94%	32.94%	19.83%	18.23%	15.49%	9.09%

<sup>a</sup>For the year ended February 29.<sup>b</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.<sup>c</sup>Based on average daily shares outstanding.<sup>d</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable, and is not annualized for periods less than one year.<sup>e</sup>Ratios are annualized for periods less than one year.<sup>f</sup>Benefit of expense reduction rounds to less than 0.01%.

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

	<b>Six Months Ended August 31, 2023 (unaudited)</b>	<b>Year Ended February 28,</b>				
		<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020<sup>a</sup></b>	<b>2019</b>
<b>Class C</b>						
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$10.50	\$11.63	\$11.91	\$12.19	\$11.54	\$11.55
Income from investment operations <sup>b</sup> :						
Net investment income <sup>c</sup> . . . . .	0.14	0.23	0.18	0.22	0.26	0.30
Net realized and unrealized gains (losses) . . . . .	(0.11)	(1.14)	(0.28)	(0.29)	0.66	(0.01)
Total from investment operations . . . . .	0.03	(0.91)	(0.10)	(0.07)	0.92	0.29
Less distributions from:						
Net investment income . . . . .	(0.13)	(0.22)	(0.18)	(0.21)	(0.27)	(0.30)
Net asset value, end of period . . . . .	\$10.40	\$10.50	\$11.63	\$11.91	\$12.19	\$11.54
Total return <sup>d</sup> . . . . .	0.27%	(7.79)%	(0.79)%	(0.63)%	8.05%	2.51%
<b>Ratios to average net assets<sup>e</sup></b>						
Expenses <sup>f</sup> . . . . .	1.20%	1.20%	1.19%	1.19%	1.20%	1.20%
Net investment income . . . . .	2.56%	2.10%	1.50%	1.80%	2.18%	2.65%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$34,621	\$43,030	\$72,237	\$98,075	\$127,898	\$128,133
Portfolio turnover rate . . . . .	3.94%	32.94%	19.83%	18.23%	15.49%	9.09%

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

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

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

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

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

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



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

	Six Months Ended August 31, 2023 (unaudited)	Year Ended February 28,				
		2023	2022	2021	2020 <sup>a</sup>	2019
<b>Class R6</b>						
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$10.35	\$11.45	\$11.73	\$12.00	\$11.37	\$11.38
Income from investment operations <sup>b</sup> :						
Net investment income <sup>c</sup> . . . . .	0.17	0.30	0.26	0.29	0.33	0.38
Net realized and unrealized gains (losses) . . . . .	(0.11)	(1.10)	(0.28)	(0.27)	0.64	(0.02)
Total from investment operations . . . . .	0.06	(0.80)	(0.02)	0.02	0.97	0.36
Less distributions from:						
Net investment income . . . . .	(0.17)	(0.30)	(0.26)	(0.29)	(0.34)	(0.37)
Net asset value, end of period . . . . .	\$10.24	\$10.35	\$11.45	\$11.73	\$12.00	\$11.37
Total return <sup>d</sup> . . . . .	0.53%	(7.01)%	(0.12)%	0.12%	8.69%	3.24%
<b>Ratios to average net assets<sup>e</sup></b>						
Expenses before waiver and payments by affiliates . . . . .	0.53%	0.53%	0.52%	0.52%	0.53%	0.53%
Expenses net of waiver and payments by affiliates <sup>f</sup> . . . . .	0.53% <sup>g</sup>	0.52%	0.52% <sup>g</sup>	0.52% <sup>g</sup>	0.52%	0.52%
Net investment income . . . . .	3.31%	2.85%	2.21%	2.49%	2.86%	3.33%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$23,412	\$21,344	\$26,269	\$22,928	\$19,823	\$13,308
Portfolio turnover rate . . . . .	3.94%	32.94%	19.83%	18.23%	15.49%	9.09%

<sup>a</sup>For the year ended February 29.<sup>b</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.<sup>c</sup>Based on average daily shares outstanding.<sup>d</sup>Total return is not annualized for periods less than one year.<sup>e</sup>Ratios are annualized for periods less than one year.<sup>f</sup>Benefit of expense reduction rounds to less than 0.01%.<sup>g</sup>Benefit of waiver and payments by affiliates rounds to less than 0.01%.

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

	<b>Six Months Ended August 31, 2023 (unaudited)</b>	<b>Year Ended February 28,</b>				
		<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020<sup>a</sup></b>	<b>2019</b>
<b>Advisor Class</b>						
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$10.35	\$11.46	\$11.73	\$12.01	\$11.37	\$11.38
Income from investment operations <sup>b</sup> :						
Net investment income <sup>c</sup> . . . . .	0.17	0.30	0.26	0.29	0.33	0.37
Net realized and unrealized gains (losses) . . . . .	(0.11)	(1.12)	(0.27)	(0.28)	0.65	(0.01)
Total from investment operations . . . . .	0.06	(0.82)	(0.01)	0.01	0.98	0.36
Less distributions from:						
Net investment income . . . . .	(0.16)	(0.29)	(0.26)	(0.29)	(0.34)	(0.37)
Net asset value, end of period . . . . .	\$10.25	\$10.35	\$11.46	\$11.73	\$12.01	\$11.37
Total return <sup>d</sup> . . . . .	0.61%	(7.12)%	(0.15)%	0.09%	8.75%	3.22%
<b>Ratios to average net assets<sup>e</sup></b>						
Expenses <sup>f</sup> . . . . .	0.56%	0.56%	0.55%	0.55%	0.55%	0.55%
Net investment income . . . . .	3.27%	2.80%	2.18%	2.45%	2.83%	3.30%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$133,189	\$134,222	\$181,163	\$171,322	\$145,073	\$107,253
Portfolio turnover rate . . . . .	3.94%	32.94%	19.83%	18.23%	15.49%	9.09%

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

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

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

<sup>d</sup>Total return is not annualized for periods less than one year.

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

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

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

## Franklin Oregon Tax-Free Income Fund

	Principal Amount	Value
<b>Corporate Bonds 0.3%</b>		
<b>Software 0.3%</b>		
<sup>a</sup> Haven at Elgin LLC, 5.25%, 12/31/53 .....	\$2,500,000	\$2,436,488
<b>Total Corporate Bonds (Cost \$2,500,000) .....</b>		<b>2,436,488</b>
<b>Municipal Bonds 98.7%</b>		
<b>California 0.3%</b>		
California Municipal Finance Authority, Revenue, 2022 A-1, 4.25%, 12/01/37 .....	3,500,000	2,863,257
<b>Florida 0.6%</b>		
<sup>b</sup> Capital Trust Agency, Inc., SHI - Lake Osborne LLC, Revenue, 144A, 2021 A-1, 3.68%, 1/01/57 .....	1,500,000	982,097
<sup>b</sup> Leon County Housing Finance Authority, Revenue, 144A, 2022 A, Zero Cpn., 5/01/57 .....	5,600,000	4,599,000
		5,581,097
<b>Illinois 0.5%</b>		
Metropolitan Pier & Exposition Authority, Revenue, 2022 A, Refunding, 4%, 12/15/42 .....	5,000,000	4,594,955
<b>Kentucky 0.6%</b>		
<sup>b</sup> Louisville/Jefferson County Metropolitan Government, PSG Vesta Derby Oaks LLC, Revenue, 144A, 2022 A, Zero Cpn., 5/01/52 .....	8,300,000	5,409,470
<b>New Jersey 0.9%</b>		
New Jersey Transportation Trust Fund Authority, Revenue, 2019 BB, 5%, 6/15/44 .....	2,250,000	2,320,113
Revenue, 2020 AA, 3%, 6/15/50 .....	1,000,000	729,841
Revenue, 2021 A, Refunding, 4%, 6/15/36 .....	1,000,000	1,009,343
Revenue, 2022 A, 4%, 6/15/38 .....	2,165,000	2,145,764
Revenue, 2022 BB, 4%, 6/15/46 .....	2,000,000	1,876,933
		8,081,994
<b>New York 0.5%</b>		
Metropolitan Transportation Authority, Revenue, 2021 A-1, 4%, 11/15/47 .....	5,500,000	4,975,775
<b>Oregon 88.2%</b>		
Astoria Hospital Facilities Authority, Columbia Lutheran Charities Obligated Group, Revenue, 2016, 5%, 8/01/41 .....	4,250,000	4,269,842
Columbia Lutheran Charities Obligated Group, Revenue, 2016, 4%, 8/01/46 .....	1,750,000	1,477,804
Benton & Polk School District No. 17J, GO, 2010 B, Zero Cpn., 6/15/31 .....	1,000,000	731,218
Central Lincoln People's Utility District JATC, Inc., Revenue, 2016, 5%, 12/01/45 .....	2,900,000	2,951,377
City of Beaverton, Water, Revenue, 2020, 5%, 4/01/36 .....	1,760,000	1,941,442
Water, Revenue, 2020, 5%, 4/01/37 .....	1,850,000	2,021,910
Water, Revenue, 2020, 5%, 4/01/38 .....	1,940,000	2,099,704
Water, Revenue, 2020, 5%, 4/01/39 .....	2,040,000	2,197,967
Water, Revenue, 2020, 5%, 4/01/40 .....	2,140,000	2,297,866
City of Eugene, Electric Utility System, Revenue, 2017, 5%, 8/01/47 .....	3,580,000	3,701,540
City of Forest Grove, Pacific University, Revenue, 2015 A, Refunding, 5%, 5/01/36 .....	6,575,000	6,624,289
Pacific University, Revenue, 2017, Refunding, 4%, 3/01/37 .....	3,500,000	3,240,728
Pacific University, Revenue, 2022 A, Refunding, 5%, 5/01/26 .....	335,000	340,376
Pacific University, Revenue, 2022 A, Refunding, 5%, 5/01/27 .....	1,195,000	1,224,173
Pacific University, Revenue, 2022 A, Refunding, 5%, 5/01/29 .....	1,315,000	1,366,334
Pacific University, Revenue, 2022 A, Refunding, 5%, 5/01/30 .....	1,385,000	1,445,980
Pacific University, Revenue, 2022 A, Refunding, 5%, 5/01/31 .....	1,450,000	1,519,623
Pacific University, Revenue, 2022 A, Refunding, 5%, 5/01/32 .....	1,525,000	1,594,395
Pacific University, Revenue, 2022 A, Refunding, 5%, 5/01/33 .....	1,600,000	1,668,455
Pacific University, Revenue, 2022 A, Refunding, 4%, 5/01/35 .....	490,000	464,593
Pacific University, Revenue, 2022 A, Refunding, 4%, 5/01/37 .....	1,905,000	1,744,404
Pacific University, Revenue, 2022 A, Refunding, 4%, 5/01/38 .....	3,960,000	3,561,389

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

	Principal Amount	Value
<b>Municipal Bonds</b> (continued)		
<b>Oregon</b> (continued)		
City of Forest Grove, (continued)		
Pacific University, Revenue, 2022 A, Refunding, 4%, 5/01/39 .....	\$1,750,000	\$1,554,458
City of Keizer, Special Assessment, 2008, 5.2%, 6/01/31 .....	1,175,000	1,177,104
City of Tigard, Water, Revenue, 2015, 5%, 8/01/45 .....	23,545,000	23,901,921
Clackamas Community College District,		
GO, 2017 A, 5%, 6/15/38 .....	760,000	795,581
GO, 2017 A, 5%, 6/15/39 .....	1,000,000	1,044,662
GO, 2017 A, 5%, 6/15/40 .....	1,250,000	1,302,693
Clackamas County School District No. 12 North Clackamas,		
GO, 2017 A, Zero Cpn., 6/15/40 .....	10,000,000	4,404,326
GO, 2017 A, Zero Cpn., 6/15/41 .....	17,030,000	7,080,333
GO, 2017 A, Zero Cpn., 6/15/42 .....	16,625,000	6,505,118
GO, 2017 B, 5%, 6/15/34 .....	8,000,000	8,464,301
GO, 2017 B, 5%, 6/15/37 .....	10,000,000	10,475,371
GO, 2018, 5%, 6/15/42 .....	1,750,000	1,836,240
Clackamas County School District No. 46 Oregon Trail,		
GO, Zero Cpn., 6/15/37 .....	12,130,000	6,670,021
GO, Zero Cpn., 6/15/38 .....	12,495,000	6,450,022
Clackamas County School District No. 7J Lake Oswego, GO, 2005, Refunding, AGMC Insured, 5.25%, 6/01/25 .....	3,075,000	3,178,681
Clackamas County School District No. 86 Canby, GO, 2020 A, Refunding, 4%, 6/15/40	3,470,000	3,410,804
Clackamas River Water, Revenue, 2016, 5%, 11/01/43 .....	1,970,000	1,997,685
Coos County School District No. 9 Coos Bay, GO, 2018, 5%, 6/15/43 .....	5,005,000	5,260,832
County of Benton, GO, 2023, 4.125%, 6/01/53 .....	2,035,000	1,911,330
County of Yamhill,		
George Fox University, Revenue, 2021, Refunding, 4%, 12/01/24 .....	750,000	751,560
George Fox University, Revenue, 2021, Refunding, 4%, 12/01/29 .....	910,000	925,587
George Fox University, Revenue, 2021, Refunding, 4%, 12/01/31 .....	990,000	1,006,844
George Fox University, Revenue, 2021, Refunding, 4%, 12/01/36 .....	2,585,000	2,521,021
George Fox University, Revenue, 2021, Refunding, 4%, 12/01/46 .....	3,830,000	3,358,700
Linfield University, Revenue, 2020 A, Refunding, 5%, 10/01/40 .....	7,010,000	6,948,102
Linfield University, Revenue, 2020 A, Refunding, 5%, 10/01/45 .....	9,285,000	8,988,573
Deschutes County Administrative School District No. 1 Bend-La Pine, GO, 2023, 4%, 6/15/45 .....	2,485,000	2,363,642
Deschutes County Hospital Facilities Authority, St. Charles Health System Obligated Group, Revenue, 2016 A, Refunding, 5%, 1/01/48 .....	8,440,000	8,444,017
Hospital Facilities Authority of Multnomah County Oregon, Terwilliger Plaza, Inc. Obligated Group, Revenue, 2012, Refunding, 5%, 12/01/29 .....	3,690,000	3,606,667
Jackson County School District No. 5 Ashland,		
GO, 2019, 5%, 6/15/42 .....	5,970,000	6,319,333
GO, 2019, 5%, 6/15/43 .....	6,495,000	6,865,124
GO, 2019, 5%, 6/15/44 .....	6,000,000	6,330,156
Jackson County School District No. 6 Central Point,		
GO, 2019 B, Zero Cpn., 6/15/40 .....	705,000	314,085
GO, 2019 B, Zero Cpn., 6/15/41 .....	710,000	298,793
GO, 2019 B, Zero Cpn., 6/15/42 .....	610,000	241,764
GO, 2019 B, Zero Cpn., 6/15/43 .....	820,000	307,847
GO, 2019 B, Zero Cpn., 6/15/44 .....	1,115,000	395,358
GO, 2019 B, Zero Cpn., 6/15/45 .....	985,000	329,958
GO, 2019 B, Zero Cpn., 6/15/46 .....	1,190,000	376,804
GO, 2019 B, Zero Cpn., 6/15/47 .....	1,170,000	350,258
GO, 2019 B, Zero Cpn., 6/15/48 .....	1,320,000	373,573

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

	Principal Amount	Value
<b>Municipal Bonds</b> (continued)		
<b>Oregon</b> (continued)		
Klamath Falls Intercommunity Hospital Authority, Sky Lakes Medical Center, Inc., Revenue, 2016, Refunding, 5%, 9/01/46 . . . . .	\$1,000,000	\$1,005,970
Lane & Douglas Counties School District No. 28J Fern Ridge, GO, 2014 A, 5%, 6/15/30 . . . . .	695,000	728,593
Marion & Linn Counties School District No. 14J Jefferson, GO, 2017 B, 5%, 6/15/41 . . . . .	1,360,000	1,407,639
Medford Hospital Facilities Authority, Asante Health System Obligated Group, Revenue, 2020 A, Refunding, AGMC Insured, 4%, 8/15/45 . . . . .	5,620,000	5,168,541
Asante Health System Obligated Group, Revenue, 2020 A, Refunding, 5%, 8/15/45 . . . . .	8,245,000	8,436,844
Asante Health System Obligated Group, Revenue, 2020 A, Refunding, 4%, 8/15/50 . . . . .	5,685,000	5,111,630
Asante Health System Obligated Group, Revenue, 2020 A, Refunding, 5%, 8/15/50 . . . . .	4,500,000	4,576,146
Rogue Valley Manor, Revenue, 2013 A, Refunding, 5%, 10/01/33 . . . . .	1,500,000	1,501,698
Rogue Valley Manor, Revenue, 2013 A, Refunding, 5%, 10/01/42 . . . . .	9,420,000	9,430,663
Metro, County of Multnomah Transient Lodging Tax, Revenue, 2017, 5%, 6/15/42 . . . . .	7,500,000	7,784,040
County of Multnomah Transient Lodging Tax, Revenue, 2017, 5%, 6/15/47 . . . . .	10,950,000	11,302,532
Multnomah & Clackamas Counties School District No. 10JT Gresham-Barlow, GO, 2017 A, 5%, 6/15/37 . . . . .	7,885,000	8,197,670
GO, 2019 A, Zero Cpn., 6/15/39 . . . . .	9,500,000	4,426,035
Multnomah County School District No. 40, GO, 2012 B, Zero Cpn., 6/15/24 . . . . .	1,640,000	1,592,344
GO, 2012 B, Zero Cpn., 6/15/25 . . . . .	1,325,000	1,238,924
GO, 2012 B, Zero Cpn., 6/15/26 . . . . .	2,585,000	2,332,617
GO, 2012 B, Zero Cpn., 6/15/27 . . . . .	2,655,000	2,310,209
GO, 2012 B, Zero Cpn., 6/15/28 . . . . .	2,495,000	2,090,545
GO, 2012 B, Zero Cpn., 6/15/29 . . . . .	2,595,000	2,091,926
GO, 2012 B, Zero Cpn., 6/15/30 . . . . .	1,885,000	1,460,407
GO, 2012 B, Zero Cpn., 6/15/31 . . . . .	2,030,000	1,510,641
GO, 2012 B, Zero Cpn., 6/15/32 . . . . .	2,000,000	1,425,186
Multnomah-Clackamas Counties Centennial School District No. 28JT, GO, 2020, Refunding, 5%, 6/15/45 . . . . .	13,000,000	13,836,720
Oregon City School District No. 62, GO, 2018 B, Refunding, 5%, 6/15/49 . . . . .	17,000,000	17,736,690
Oregon Health & Science University, Obligated Group, Revenue, 2021 A, Refunding, 4%, 7/01/44 . . . . .	4,125,000	3,941,083
Oregon Health & Science University Obligated Group, Revenue, 2017 A, 5%, 7/01/42 . . . . .	10,000,000	10,275,134
Oregon State Facilities Authority, b CHNW Clifton House LLC, Revenue, 144A, A, 4%, 10/01/26 . . . . .	1,170,000	1,131,212
b CHNW Clifton House LLC, Revenue, 144A, A, 5%, 10/01/36 . . . . .	1,670,000	1,548,671
b CHNW Clifton House LLC, Revenue, 144A, A, 5%, 10/01/48 . . . . .	4,000,000	3,536,416
Legacy Health Obligated Group, Revenue, 2016 A, Refunding, 5%, 6/01/46 . . . . .	31,395,000	31,643,221
Legacy Health Obligated Group, Revenue, 2022 A, 4.125%, 6/01/52 . . . . .	3,000,000	2,731,754
Providence St. Joseph Health Obligated Group, Revenue, 2015 C, 5%, 10/01/45 . . . . .	4,000,000	4,000,008
Samaritan Health Services, Inc. Obligated Group, Revenue, 2016 A, Refunding, 5%, 10/01/41 . . . . .	7,800,000	7,826,502
Samaritan Health Services, Inc. Obligated Group, Revenue, 2016 A, 5%, 10/01/46 . . . . .	3,280,000	3,247,542
Samaritan Health Services, Inc. Obligated Group, Revenue, 2016 A, Pre-Refunded, 5%, 10/01/46 . . . . .	220,000	231,209
Samaritan Health Services, Inc. Obligated Group, Revenue, 2020 A, Refunding, 5%, 10/01/40 . . . . .	11,025,000	11,249,853
Willamette University, Revenue, 2016 B, Refunding, 5%, 10/01/40 . . . . .	1,950,000	1,960,526
Willamette University, Revenue, 2021 A, Refunding, 4%, 10/01/51 . . . . .	47,505,000	38,383,456
Oregon State University, Revenue, 2015 A, 5%, 4/01/45 . . . . .	12,500,000	12,655,466
Port of Portland, Airport, Revenue, 24 A, 5%, 7/01/47 . . . . .	4,700,000	4,792,220
Airport, Revenue, 24 B, 5%, 7/01/42 . . . . .	7,645,000	7,735,399
Airport, Revenue, 24 B, 5%, 7/01/47 . . . . .	1,750,000	1,762,798
Airport, Revenue, 25 A, 5%, 7/01/49 . . . . .	7,825,000	8,084,960
Airport, Revenue, 25 B, 5%, 7/01/44 . . . . .	4,830,000	4,939,076

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

	Principal Amount	Value
<b>Municipal Bonds</b> (continued)		
<b>Oregon</b> (continued)		
Port of Portland, (continued)		
Airport, Revenue, 25 B, 5%, 7/01/49 . . . . .	\$6,300,000	\$6,402,323
Airport, Revenue, 27 A, 5%, 7/01/30 . . . . .	1,585,000	1,703,159
Airport, Revenue, 27 A, 5%, 7/01/31 . . . . .	3,880,000	4,168,159
Airport, Revenue, 27 A, 5%, 7/01/32 . . . . .	3,170,000	3,402,750
Airport, Revenue, 27 A, 5%, 7/01/45 . . . . .	15,670,000	16,064,215
Airport, Revenue, 28, 4%, 7/01/47 . . . . .	5,000,000	4,590,555
Salem Hospital Facility Authority,		
Capital Manor, Inc. Obligated Group, Revenue, 2018, 5%, 5/15/33 . . . . .	545,000	548,584
Capital Manor, Inc. Obligated Group, Revenue, 2018, 5%, 5/15/38 . . . . .	500,000	484,472
Capital Manor, Inc. Obligated Group, Revenue, 2018, 5%, 5/15/43 . . . . .	2,250,000	2,101,272
Capital Manor, Inc. Obligated Group, Revenue, 2018, 5%, 5/15/48 . . . . .	3,700,000	3,357,483
Capital Manor, Inc. Obligated Group, Revenue, 2022, Refunding, 5%, 5/15/24 . . . .	110,000	110,111
Capital Manor, Inc. Obligated Group, Revenue, 2022, Refunding, 5%, 5/15/25 . . . .	130,000	130,325
Capital Manor, Inc. Obligated Group, Revenue, 2022, Refunding, 5%, 5/15/26 . . . .	135,000	135,200
Capital Manor, Inc. Obligated Group, Revenue, 2022, Refunding, 5%, 5/15/27 . . . .	260,000	260,837
Capital Manor, Inc. Obligated Group, Revenue, 2022, Refunding, 5%, 5/15/28 . . . .	310,000	312,298
Capital Manor, Inc. Obligated Group, Revenue, 2022, Refunding, 4%, 5/15/29 . . . .	515,000	492,485
Capital Manor, Inc. Obligated Group, Revenue, 2022, Refunding, 4%, 5/15/30 . . . .	385,000	365,922
Capital Manor, Inc. Obligated Group, Revenue, 2022, Refunding, 4%, 5/15/31 . . . .	400,000	377,871
Capital Manor, Inc. Obligated Group, Revenue, 2022, Refunding, 4%, 5/15/32 . . . .	370,000	345,801
Capital Manor, Inc. Obligated Group, Revenue, 2022, Refunding, 4%, 5/15/40 . . . .	1,540,000	1,270,598
Capital Manor, Inc. Obligated Group, Revenue, 2022, Refunding, 4%, 5/15/57 . . . .	2,750,000	1,962,942
Salem Health Obligated Group, Revenue, 2016 A, Refunding, 5%, 5/15/46 . . . . .	17,105,000	17,277,535
Salem-Keizer School District No. 24J,		
GO, 2009 B, Zero Cpn., 6/15/30 . . . . .	8,500,000	6,660,306
GO, 2020 C, 4%, 6/15/38 . . . . .	6,000,000	5,981,892
Santiam Canyon School District 129J, GO, 2019, 5%, 6/15/44 . . . . .	2,330,000	2,470,573
Seaside School District No. 10,		
GO, 2017 B, 5%, 6/15/35 . . . . .	2,000,000	2,114,619
GO, 2017 B, 5%, 6/15/36 . . . . .	2,500,000	2,634,193
State of Oregon,		
GO, 2007 A, 4.7%, 8/01/42 . . . . .	3,050,000	2,875,957
GO, 2017 A, 5%, 5/01/42 . . . . .	2,500,000	2,597,041
GO, 2017 H, 5%, 8/01/42 . . . . .	15,000,000	15,613,733
GO, 2019 A, 5%, 5/01/44 . . . . .	5,000,000	5,289,368
GO, 2019 G, 5%, 8/01/44 . . . . .	5,370,000	5,690,401
GO, L, Refunding, 5%, 8/01/42 . . . . .	3,270,000	3,400,185
Department of Transportation, Revenue, Sub. Lien, 2019 A, Refunding, 5%, 11/15/37	12,500,000	13,598,456
Department of Transportation, Revenue, Sub. Lien, 2019 A, Refunding, 5%, 11/15/39	23,175,000	25,038,228
Department of Transportation, Revenue, Sub. Lien, 2019 A, Refunding, 5%, 11/15/42	6,825,000	7,308,910
<sup>b</sup> 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	19,495,416
Tillamook & Yamhill Counties School District No. 101 Nestucca Valley,		
GO, 2018 B, 5%, 6/15/36 . . . . .	2,850,000	3,071,950
GO, 2018 B, 5%, 6/15/37 . . . . .	2,520,000	2,696,506
Tri-County Metropolitan Transportation District of Oregon,		
Revenue, 2018 A, 5%, 10/01/31 . . . . .	5,025,000	5,372,198
Revenue, 2018 A, 5%, 10/01/32 . . . . .	1,865,000	1,992,374
Revenue, Senior Lien, 2017 A, Pre-Refunded, 5%, 9/01/41 . . . . .	8,650,000	9,148,052
Tualatin Valley Water District, Revenue, 2023, 5%, 6/01/48 . . . . .	10,805,000	11,641,863
Umatilla Hospital District No. 1, GO, 2023, 5%, 6/01/53 . . . . .	750,000	752,225
Union County Hospital Facility Authority,		
Grande Ronde Hospital, Inc. Obligated Group, Revenue, 2022, 5%, 7/01/47 . . . . .	2,250,000	2,142,386
Grande Ronde Hospital, Inc. Obligated Group, Revenue, 2022, 5%, 7/01/52 . . . . .	3,375,000	3,128,919

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

	Principal Amount	Value
<b>Municipal Bonds</b> (continued)		
<b>Oregon</b> (continued)		
University of Oregon,		
Revenue, 2015 A, 5%, 4/01/45 . . . . .	\$20,000,000	\$20,291,364
Revenue, 2016 A, 5%, 4/01/46 . . . . .	11,690,000	11,960,912
Revenue, 2020 A, 5%, 4/01/50 . . . . .	20,000,000	20,973,836
<sup>b</sup> Warm Springs Reservation Confederated Tribe,		
Revenue, 144A, 2019 B, Refunding, 5%, 11/01/33 . . . . .	250,000	270,930
Revenue, 144A, 2019 B, Refunding, 5%, 11/01/34 . . . . .	300,000	325,450
Revenue, 144A, 2019 B, Refunding, 5%, 11/01/39 . . . . .	2,200,000	2,318,255
Washington & Clackamas Counties School District No. 23J Tigard-Tualatin,		
GO, 2017, 5%, 6/15/36 . . . . .	9,400,000	9,863,783
GO, 2017, 5%, 6/15/37 . . . . .	6,000,000	6,267,973
Washington & Multnomah Counties School District No. 48J Beaverton,		
GO, 2017 D, 5%, 6/15/35 . . . . .	10,000,000	10,584,019
GO, 2017 D, 5%, 6/15/36 . . . . .	10,000,000	10,522,288
Washington Clackamas & Yamhill Counties School District No. 88J,		
GO, 2018 A, Zero Cpn., 6/15/38 . . . . .	2,350,000	1,195,689
GO, 2018 A, Zero Cpn., 6/15/39 . . . . .	3,275,000	1,568,725
Washington County School District No. 15 Forest Grove,		
GO, 2012 B, Zero Cpn., 6/15/29 . . . . .	2,545,000	2,072,678
GO, 2012 B, Zero Cpn., 6/15/30 . . . . .	2,490,000	1,952,377
GO, 2012 B, Zero Cpn., 6/15/31 . . . . .	3,140,000	2,368,990
Yachats Rural Fire Protection District, GO, 2017, AGMC Insured, 5%, 6/15/47 . . . . .	1,600,000	1,646,032
		816,469,323
<b>South Carolina 1.2%</b>		
South Carolina Jobs-Economic Development Authority,		
<sup>b</sup> Revenue, 144A, 2021 A-1, 3.65%, 12/01/36 . . . . .	2,500,000	1,970,285
AHPC Vista Towers 2021 LLC, Revenue, 2021 A-1, 3.65%, 12/01/36 . . . . .	2,500,000	1,964,434
<sup>b</sup> Columbia Portfolio Obligated Group, Revenue, 144A, 2022 A-1, Zero Cpn., 6/01/37	7,650,000	5,042,622
<sup>b</sup> South Carolina State Housing Finance & Development Authority, Garden Oaks LP,		
Revenue, 144A, 2021 A, 4.2%, 12/01/39 . . . . .	3,000,000	2,249,609
		11,226,950
<b>Texas 0.6%</b>		
<sup>b</sup> EP Cimarron Ventanas PFC, Revenue, Senior Lien, 144A, 2021 A, 4%, 12/01/51 . . . . .	3,300,000	2,330,805
Lake Houston Redevelopment Authority,		
City of Houston Reinvestment Zone No. 10, Revenue, 2021, Refunding, 5%, 9/01/30	250,000	254,155
City of Houston Reinvestment Zone No. 10, Revenue, 2021, Refunding, 5%, 9/01/31	250,000	254,905
<sup>b</sup> Pecan Public Facility Corp., Revenue, 144A, 2022 A-2, 5%, 12/01/52 . . . . .	4,200,000	3,102,568
		5,942,433
<b>Washington 0.2%</b>		
<sup>b</sup> Washington State Housing Finance Commission, Madison at Rivers Edge Apartments		
LLC, Revenue, 144A, 2021 A, 3.65%, 1/01/37 . . . . .	2,500,000	1,970,067
<b>Wisconsin 0.9%</b>		
<sup>b</sup> Public Finance Authority,		
Revenue, 144A, 2022, B-1, 4%, 12/28/44 . . . . .	2,400,000	1,857,604
Gulf Coast Portfolio Obligated Group, Revenue, 144A, 2021, 5.25%, 12/01/23 . . . . .	6,300,000	6,303,213
		8,160,817
<b>U.S. Territories 4.2%</b>		
<b>Puerto Rico 4.2%</b>		
Children's Trust Fund, Revenue, 2002, 5.625%, 5/15/43 . . . . .	6,000,000	6,030,125
HTA TRRB Custodial Trust,		
Revenue, 2005 L, 5.25%, 7/01/41 . . . . .	400,000	398,778
Revenue, 2007 N, 5.25%, 7/01/36 . . . . .	1,100,000	1,108,567

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

	Principal Amount	Value
<b>Municipal Bonds</b> (continued)		
<b>U.S. Territories</b> (continued)		
<b>Puerto Rico</b> (continued)		
Puerto Rico Electric Power Authority,		
<sup>a,c</sup> Revenue, 6%, 7/01/41 . . . . .	\$791,038	\$791,038
<sup>a,c</sup> Revenue, 7.125%, 7/01/59 . . . . .	3,841,715	3,841,715
Revenue, VV, Refunding, NATL Insured, 5.25%, 7/01/32 . . . . .	1,300,000	1,277,950
Revenue, VV, Refunding, NATL Insured, 5.25%, 7/01/34 . . . . .	1,000,000	981,968
<sup>d</sup> Revenue, WW, 5.25%, 7/01/33 . . . . .	7,040,000	1,936,000
Puerto Rico Highway & Transportation Authority,		
Revenue, 2022 A, 5%, 7/01/62 . . . . .	94,046	92,753
Revenue, 2022 B, Zero Cpn., 7/01/32 . . . . .	61,117	39,344
Revenue, 2022 C, Zero Cpn., 7/01/53 . . . . .	104,547	66,257
Puerto Rico Sales Tax Financing Corp.,		
Sales Tax, Revenue, A-1, 5%, 7/01/58 . . . . .	19,745,000	19,160,656
Sales Tax, Revenue, A-2, 4.329%, 7/01/40 . . . . .	3,000,000	2,848,817
		38,573,968
<b>Total U.S. Territories</b> . . . . .		38,573,968
<b>Total Municipal Bonds (Cost \$962,006,987)</b> . . . . .		<b>913,850,106</b>
	<b>Shares</b>	
<b>Escrows and Litigation Trusts 0.0%<sup>†</sup></b>		
<sup>a,e</sup> Puerto Rico Electric Power Authority . . . . .	357,633	286,106
<b>Total Escrows and Litigation Trusts (Cost \$—)</b> . . . . .		<b>286,106</b>
<b>Total Long Term Investments (Cost \$964,506,987)</b> . . . . .		<b>916,572,700</b>
<b>Short Term Investments 0.1%</b>		
	<b>Principal Amount</b>	
<b>Municipal Bonds 0.1%</b>		
<b>Oregon 0.1%</b>		
<sup>f</sup> Oregon State Facilities Authority, PeaceHealth Obligated Group, Revenue, 2018 B, Refunding, LOC TD Bank NA, Daily VRDN and Put, 3.93%, 8/01/34 . . . . .	700,000	700,000
<b>Total Municipal Bonds (Cost \$700,000)</b> . . . . .		<b>700,000</b>
<b>Total Short Term Investments (Cost \$700,000)</b> . . . . .		<b>700,000</b>
<b>Total Investments (Cost \$965,206,987) 99.1%</b> . . . . .		<b>\$917,272,700</b>
<b>Other Assets, less Liabilities 0.9%</b> . . . . .		<b>8,258,410</b>
<b>Net Assets 100.0%</b> . . . . .		<b>\$925,531,110</b>



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

See Abbreviations on page 151.

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

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

<sup>b</sup> Security was purchased pursuant to Rule 144A or Regulation S under the Securities Act of 1933. 144A securities may be sold in transactions exempt from registration only to qualified institutional buyers or in a public offering registered under the Securities Act of 1933. Regulation S securities cannot be sold in the United States without either an effective registration statement filed pursuant to the Securities Act of 1933, or pursuant to an exemption from registration. At August 31, 2023, the aggregate value of these securities was \$64,443,690, representing 7.0% of net assets.

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

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

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

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

## Financial Highlights

### Franklin Pennsylvania Tax-Free Income Fund

	Six Months Ended August 31, 2023 (unaudited)	Year Ended February 28,				Year Ended February 28, 2019 <sup>b</sup>
		2023	2022	2021	2020 <sup>a</sup>	
<b>Class A</b>						
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$8.64	\$9.64	\$9.89	\$10.11	\$9.73	\$9.74
Income from investment operations <sup>c</sup> :						
Net investment income <sup>d</sup> . . . . .	0.13	0.22	0.20	0.26	0.29	0.16
Net realized and unrealized gains (losses) . . . . .	(0.06)	(1.00)	(0.25)	(0.23)	0.39	(0.01)
Total from investment operations . . . . .	0.07	(0.78)	(0.05)	0.03	0.68	0.15
Less distributions from:						
Net investment income . . . . .	(0.13)	(0.22)	(0.20)	(0.25)	(0.30)	(0.16)
Net asset value, end of period . . . . .	\$8.58	\$8.64	\$9.64	\$9.89	\$10.11	\$9.73
Total return <sup>e</sup> . . . . .	0.76%	(8.13)%	(0.56)%	0.32%	7.14%	1.59%
<b>Ratios to average net assets<sup>f</sup></b>						
Expenses <sup>g</sup> . . . . .	0.83%	0.82%	0.81%	0.81%	0.82%	0.83%
Net investment income . . . . .	2.90%	2.48%	2.00%	2.59%	2.98%	3.40%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$149,457	\$150,381	\$175,896	\$146,124	\$105,032	\$52,673
Portfolio turnover rate . . . . .	4.44%	30.73%	36.04%	28.44%	13.61%	6.40%

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

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

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

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

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

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

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

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

	Six Months Ended August 31, 2023 (unaudited)	Year Ended February 28,				
		2023	2022	2021	2020 <sup>a</sup>	2019
<b>Class A1</b>						
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$8.64	\$9.64	\$9.89	\$10.11	\$9.73	\$9.78
Income from investment operations <sup>b</sup> :						
Net investment income <sup>c</sup> . . . . .	0.13	0.23	0.22	0.27	0.31	0.34
Net realized and unrealized gains (losses)	(0.07)	(1.00)	(0.25)	(0.23)	0.39	(0.04)
Total from investment operations . . . . .	0.06	(0.77)	(0.03)	0.04	0.70	0.30
Less distributions from:						
Net investment income . . . . .	(0.13)	(0.23)	(0.22)	(0.26)	(0.32)	(0.35)
Net asset value, end of period . . . . .	\$8.57	\$8.64	\$9.64	\$9.89	\$10.11	\$9.73
Total return <sup>d</sup> . . . . .	0.72%	(7.99)%	(0.41)%	0.47%	7.29%	3.17%
<b>Ratios to average net assets<sup>e</sup></b>						
Expenses <sup>f</sup> . . . . .	0.68%	0.67%	0.66%	0.67%	0.67%	0.68%
Net investment income . . . . .	3.05%	2.63%	2.16%	2.77%	3.13%	3.55%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$465,260	\$494,179	\$644,308	\$709,450	\$772,506	\$784,367
Portfolio turnover rate . . . . .	4.44%	30.73%	36.04%	28.44%	13.61%	6.40%

<sup>a</sup>For the year ended February 29.<sup>b</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.<sup>c</sup>Based on average daily shares outstanding.<sup>d</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable, and is not annualized for periods less than one year.<sup>e</sup>Ratios are annualized for periods less than one year.<sup>f</sup>Benefit of expense reduction rounds to less than 0.01%.

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

	Six Months Ended August 31, 2023 (unaudited)	Year Ended February 28,				
		2023	2022	2021	2020 <sup>a</sup>	2019
<b>Class C</b>						
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$8.76	\$9.77	\$10.02	\$10.24	\$9.86	\$9.91
Income from investment operations <sup>b</sup> :						
Net investment income <sup>c</sup> . . . . .	0.11	0.18	0.16	0.22	0.26	0.30
Net realized and unrealized gains (losses)	(0.07)	(1.01)	(0.25)	(0.23)	0.39	(0.05)
Total from investment operations . . . . .	0.04	(0.83)	(0.09)	(0.01)	0.65	0.25
Less distributions from:						
Net investment income . . . . .	(0.11)	(0.18)	(0.16)	(0.21)	(0.27)	(0.30)
Net asset value, end of period . . . . .	\$8.69	\$8.76	\$9.77	\$10.02	\$10.24	\$9.86
Total return <sup>d</sup> . . . . .	0.43%	(8.49)%	(0.95)%	(0.08)%	6.64%	2.56%
<b>Ratios to average net assets<sup>e</sup></b>						
Expenses <sup>f</sup> . . . . .	1.22%	1.22%	1.21%	1.21%	1.22%	1.23%
Net investment income . . . . .	2.44%	2.03%	1.60%	2.21%	2.58%	3.00%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$34,688	\$41,736	\$63,426	\$104,823	\$146,042	\$173,240
Portfolio turnover rate . . . . .	4.44%	30.73%	36.04%	28.44%	13.61%	6.40%

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

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

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

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

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

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

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

	Six Months Ended August 31, 2023 (unaudited)	Year Ended February 28,				
		2023	2022	2021	2020 <sup>a</sup>	2019
<b>Class R6</b>						
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$8.65	\$9.66	\$9.90	\$10.12	\$9.75	\$9.80
Income from investment operations <sup>b</sup> :						
Net investment income <sup>c</sup> . . . . .	0.14	0.25	0.23	0.28	0.32	0.36
Net realized and unrealized gains (losses)	(0.07)	(1.02)	(0.24)	(0.22)	0.38	(0.04)
Total from investment operations . . . . .	0.07	(0.77)	(0.01)	0.06	0.70	0.32
Less distributions from:						
Net investment income . . . . .	(0.14)	(0.24)	(0.23)	(0.28)	(0.33)	(0.37)
Net asset value, end of period . . . . .	\$8.58	\$8.65	\$9.66	\$9.90	\$10.12	\$9.75
Total return <sup>d</sup> . . . . .	0.79%	(7.95)%	(0.17)%	0.61%	7.32%	3.30%
<b>Ratios to average net assets<sup>e</sup></b>						
Expenses before waiver and payments by affiliates . . . . .	0.54%	0.55%	0.56%	0.55%	0.55%	0.57%
Expenses net of waiver and payments by affiliates <sup>f</sup> . . . . .	0.54% <sup>g</sup>	0.54%	0.52%	0.53%	0.53%	0.54%
Net investment income . . . . .	3.19%	2.84%	2.29%	2.86%	3.27%	3.69%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$9,533	\$8,556	\$5,802	\$4,300	\$2,905	\$2,282
Portfolio turnover rate . . . . .	4.44%	30.73%	36.04%	28.44%	13.61%	6.40%

<sup>a</sup>For the year ended February 29.<sup>b</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.<sup>c</sup>Based on average daily shares outstanding.<sup>d</sup>Total return is not annualized for periods less than one year.<sup>e</sup>Ratios are annualized for periods less than one year.<sup>f</sup>Benefit of expense reduction rounds to less than 0.01%.<sup>g</sup>Benefit of waiver and payments by affiliates rounds to less than 0.01%.

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

	Six Months Ended August 31, 2023 (unaudited)	Year Ended February 28,				
		2023	2022	2021	2020 <sup>a</sup>	2019
<b>Advisor Class</b>						
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$8.65	\$9.66	\$9.90	\$10.12	\$9.75	\$9.80
Income from investment operations <sup>b</sup> :						
Net investment income <sup>c</sup> . . . . .	0.14	0.24	0.23	0.28	0.32	0.36
Net realized and unrealized gains (losses) . . . . .	(0.06)	(1.01)	(0.24)	(0.23)	0.38	(0.05)
Total from investment operations . . . . .	0.08	(0.77)	(0.01)	0.05	0.70	0.31
Less distributions from:						
Net investment income . . . . .	(0.14)	(0.24)	(0.23)	(0.27)	(0.33)	(0.36)
Net asset value, end of period . . . . .	\$8.59	\$8.65	\$9.66	\$9.90	\$10.12	\$9.75
Total return <sup>d</sup> . . . . .	0.88%	(7.99)%	(0.21)%	0.57%	7.28%	3.27%
<b>Ratios to average net assets<sup>e</sup></b>						
Expenses <sup>f</sup> . . . . .	0.58%	0.57%	0.56%	0.56%	0.57%	0.58%
Net investment income . . . . .	3.15%	2.71%	2.26%	2.85%	3.23%	3.65%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$71,138	\$71,451	\$106,979	\$105,603	\$98,190	\$81,595
Portfolio turnover rate . . . . .	4.44%	30.73%	36.04%	28.44%	13.61%	6.40%

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

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

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

<sup>d</sup>Total return is not annualized for periods less than one year.

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

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

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

## Franklin Pennsylvania Tax-Free Income Fund

	Principal Amount	Value
<b>Corporate Bonds 0.3%</b>		
<b>Software 0.3%</b>		
<sup>a</sup> Haven at Elgin LLC, 5.25%, 12/31/53 .....	\$2,000,000	\$1,949,191
<b>Total Corporate Bonds (Cost \$2,000,000) .....</b>		<b>1,949,191</b>
<b>Municipal Bonds 98.2%</b>		
<b>Florida 0.7%</b>		
Capital Trust Agency, Inc.,		
Kingdom Development West Palm Beach Portfolio Obligated Group, Revenue, 2021		
A-1, 3.75%, 12/01/36 .....	5,688,000	4,657,118
<sup>b</sup> SHI - Lake Osborne LLC, Revenue, 144A, 2021 A-1, 3.68%, 1/01/57 .....	1,000,000	654,732
		5,311,850
<b>Illinois 0.8%</b>		
Metropolitan Pier & Exposition Authority,		
Revenue, 2022 A, Refunding, 4%, 12/15/42 .....	2,750,000	2,527,225
Revenue, 2022 A, Refunding, 4%, 6/15/52 .....	2,000,000	1,705,230
State of Illinois, GO, 2017 C, 5%, 11/01/29 .....	1,500,000	1,576,514
		5,808,969
<b>New Jersey 0.3%</b>		
New Jersey Economic Development Authority, Revenue, 2021 QQQ, 4%, 6/15/46 . . .	1,000,000	952,264
New Jersey Transportation Trust Fund Authority, Revenue, 2020 AA, 4%, 6/15/37 . . .	1,000,000	1,000,987
		1,953,251
<b>New York 1.6%</b>		
Metropolitan Transportation Authority,		
Revenue, 2021 A-1, 4%, 11/15/44 .....	6,700,000	6,172,767
Revenue, 2021 A-1, 4%, 11/15/46 .....	6,050,000	5,505,675
		11,678,442
<b>Pennsylvania 90.8%</b>		
Allegheny County Airport Authority,		
Revenue, 2021 A, 5%, 1/01/32 .....	4,345,000	4,672,757
Revenue, 2021 A, 5%, 1/01/35 .....	5,755,000	6,165,558
Revenue, 2021 A, 5%, 1/01/51 .....	3,500,000	3,547,837
Revenue, 2021 B, 5%, 1/01/36 .....	2,735,000	2,989,786
Allegheny County Higher Education Building Authority,		
Chatham University, Revenue, 2022, Refunding, 5.25%, 9/01/33 .....	700,000	707,327
Chatham University, Revenue, 2022, Refunding, 5.25%, 9/01/34 .....	1,090,000	1,097,529
Duquesne University of the Holy Spirit, Revenue, 2021 A, Refunding, 4%, 3/01/40 .	2,115,000	1,969,827
Duquesne University of the Holy Spirit, Revenue, 2021 A, Refunding, 4%, 3/01/41 .	3,000,000	2,765,796
Robert Morris University, Revenue, 2017, 5%, 10/15/37 .....	1,000,000	972,666
Robert Morris University, Revenue, 2017, 5%, 10/15/47 .....	1,300,000	1,178,733
Allegheny County Sanitary Authority, Revenue, 2018, 5%, 6/01/43 .....	5,000,000	5,216,532
Allentown Neighborhood Improvement Zone Development Authority,		
Revenue, 2022, Refunding, 5%, 5/01/32 .....	1,560,000	1,639,830
Revenue, 2022, Refunding, 5%, 5/01/33 .....	1,800,000	1,890,645
Revenue, 2022, Refunding, 5%, 5/01/34 .....	1,550,000	1,624,407
Revenue, 2022, Refunding, 5%, 5/01/35 .....	1,400,000	1,454,887
Revenue, 2022, Refunding, 5%, 5/01/42 .....	8,875,000	8,757,977
Berks County Industrial Development Authority,		
Highlands at Wyomissing Obligated Group, Revenue, 2017 A, Refunding, 5%,		
5/15/42 .....	1,000,000	922,216
Highlands at Wyomissing Obligated Group, Revenue, 2017 A, Refunding, 5%,		
5/15/47 .....	600,000	535,711
Highlands at Wyomissing Obligated Group, Revenue, 2017 C, 5%, 5/15/37 .....	1,245,000	1,204,152

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

	Principal Amount	Value
<b>Municipal Bonds</b> (continued)		
<b>Pennsylvania</b> (continued)		
Berks County Industrial Development Authority, (continued)		
Highlands at Wyomissing Obligated Group, Revenue, 2018, Pre-Refunded, 5%, 5/15/38 . . . . .	\$1,030,000	\$1,076,091
Highlands at Wyomissing Obligated Group, Revenue, 2018, Pre-Refunded, 5%, 5/15/48 . . . . .	1,000,000	1,044,749
Blue Mountain School District, GO, 2021 B, AGMC Insured, 4%, 8/01/32 . . . . .	1,000,000	1,034,077
GO, 2021 B, AGMC Insured, 4%, 8/01/35 . . . . .	1,000,000	1,025,231
Bristol Township School District, GO, 2021 C, BAM Insured, 3%, 6/01/37 . . . . .	1,250,000	1,071,770
Bucks County Industrial Development Authority, Delaware Valley University, Revenue, 2022 B, Refunding, 5%, 11/01/37 . . . . .	1,000,000	970,328
Delaware Valley University, Revenue, 2022 B, Refunding, 5%, 11/01/42 . . . . .	1,080,000	1,017,696
Delaware Valley University, Revenue, 2022 B, Refunding, 5%, 11/01/52 . . . . .	2,500,000	2,256,498
St. Luke's Hospital Obligated Group, Revenue, 2019, 4%, 8/15/44 . . . . .	1,500,000	1,351,488
St. Luke's Hospital Obligated Group, Revenue, 2021, 3%, 8/15/53 . . . . .	12,000,000	7,541,559
Butler County Hospital Authority, Butler Health System Obligated Group, Revenue, 2015 A, Refunding, 5%, 7/01/35 . . . . .	1,885,000	1,784,537
Canon Mcmillan School District, GO, 2019, Refunding, BAM Insured, 4%, 6/01/44 . . .	4,075,000	3,900,812
Central Bradford Progress Authority, Guthrie Clinic (The), Revenue, 2021 B, 4%, 12/01/51 . . . . .	5,000,000	4,478,206
Centre County Hospital Authority, Mount Nittany Medical Center Obligated Group, Revenue, 2018 A, Refunding, 5%, 11/15/42 . . . . .	1,215,000	1,224,723
Mount Nittany Medical Center Obligated Group, Revenue, 2018 A, Refunding, 4%, 11/15/47 . . . . .	1,840,000	1,676,760
Chester County Industrial Development Authority, University Student Housing LLC, Revenue, 2013 A, 5%, 8/01/35 . . . . .	500,000	487,286
University Student Housing LLC, Revenue, 2013 A, 5%, 8/01/45 . . . . .	1,500,000	1,390,665
City of Erie Higher Education Building Authority, Gannon University, Revenue, 2021 TT-1, 4%, 5/01/36 . . . . .	400,000	359,970
Gannon University, Revenue, 2021 TT-1, 4%, 5/01/41 . . . . .	1,000,000	830,042
Gannon University, Revenue, 2021 TT-1, 5%, 5/01/47 . . . . .	2,430,000	2,228,882
City of Philadelphia, GO, 2019 B, 5%, 2/01/36 . . . . .	3,300,000	3,534,992
GO, 2019 B, 5%, 2/01/38 . . . . .	4,055,000	4,268,552
GO, 2019 B, 5%, 2/01/39 . . . . .	6,050,000	6,356,090
GO, 2021 A, 4%, 5/01/37 . . . . .	9,435,000	9,271,182
Airport, Revenue, 2017 B, Refunding, 5%, 7/01/47 . . . . .	10,000,000	10,076,325
Airport, Revenue, 2020 C, Refunding, 4%, 7/01/45 . . . . .	5,225,000	4,698,806
Airport, Revenue, 2021, Refunding, 5%, 7/01/51 . . . . .	8,100,000	8,216,993
Water & Wastewater, Revenue, 2015 A, Pre-Refunded, 5%, 7/01/40 . . . . .	5,000,000	5,066,260
Water & Wastewater, Revenue, 2015 A, Pre-Refunded, 5%, 7/01/45 . . . . .	5,000,000	5,066,260
Water & Wastewater, Revenue, 2017 A, 5%, 10/01/47 . . . . .	5,000,000	5,127,594
Water & Wastewater, Revenue, 2019 B, 5%, 11/01/49 . . . . .	5,000,000	5,160,140
Water & Wastewater, Revenue, 2020 A, Refunding, 5%, 11/01/45 . . . . .	6,300,000	6,560,847
Water & Wastewater, Revenue, 2022 C, 5.5%, 6/01/47 . . . . .	5,000,000	5,428,638
Colonial School District, GO, 2021 A, 3%, 2/15/40 . . . . .	1,650,000	1,364,130
Commonwealth Financing Authority, Commonwealth of Pennsylvania Department of Community & Economic Development, Revenue, 2015 A, 5%, 6/01/34 . . . . .	10,000,000	10,173,796
Commonwealth of Pennsylvania, GO, 2022, 5%, 10/01/40 . . . . .	5,000,000	5,499,827
GO, First Series, 2018, 5%, 3/01/28 . . . . .	5,000,000	5,421,968
Conestoga Valley School District, GO, 2021 A, 4%, 2/01/36 . . . . .	1,100,000	1,127,676
Revenue, 2021 B, 4%, 2/01/36 . . . . .	1,020,000	1,029,387



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

	Principal Amount	Value
<b>Municipal Bonds</b> (continued)		
<b>Pennsylvania</b> (continued)		
County of Beaver, GO, 2017, BAM Insured, 4%, 4/15/29 . . . . .	\$1,660,000	\$1,704,443
County of Jefferson,		
GO, 2021, Refunding, AGMC Insured, 3%, 12/15/35 . . . . .	650,000	580,891
GO, 2021, Refunding, AGMC Insured, 3%, 12/15/37 . . . . .	770,000	654,097
GO, 2021, Refunding, AGMC Insured, 3%, 12/15/39 . . . . .	520,000	425,650
Dallas Area Municipal Authority, Misericordia University, Revenue, 2014, Refunding, 5%, 5/01/37 . . . . .	2,500,000	2,448,766
Delaware County Authority,		
Elwyn Obligated Group, Revenue, 2017, Refunding, 5%, 6/01/27 . . . . .	2,030,000	2,004,018
Elwyn Obligated Group, Revenue, 2017, Refunding, 5%, 6/01/32 . . . . .	1,620,000	1,555,570
Villanova University, Revenue, 2015, 4%, 8/01/45 . . . . .	2,120,000	2,014,734
Delaware County Regional Water Quality Control Authority, Revenue, 2016, 4%, 11/01/36 . . . . .	2,005,000	2,012,488
Delaware County Vocational & Technical School Authority, Delaware County Intermediate Unit, Revenue, 2013, Pre-Refunded, BAM Insured, 5%, 11/01/38 . . . .	1,250,000	1,253,167
DuBois Hospital Authority,		
Penn Highlands Healthcare Obligated Group, Revenue, 2018, Refunding, 5%, 7/15/43 . . . . .	3,410,000	3,445,401
Penn Highlands Healthcare Obligated Group, Revenue, 2020, 4%, 7/15/50 . . . . .	3,500,000	2,981,120
Penn Highlands Healthcare Obligated Group, Revenue, 2021, Refunding, 4%, 7/15/41 . . . . .	1,000,000	932,822
Penn Highlands Healthcare Obligated Group, Revenue, 2021, Refunding, 4%, 7/15/51 . . . . .	4,000,000	3,525,622
East Hempfield Township Industrial Development Authority, Student Services, Inc., Revenue, 2015, Pre-Refunded, 5%, 7/01/47 . . . . .	3,750,000	3,858,239
Easton Area School District, GO, 2021, 4%, 4/01/32 . . . . .	1,450,000	1,505,777
Erie City Water Authority, Revenue, 2016, Pre-Refunded, 5%, 12/01/43 . . . . .	6,000,000	6,353,168
Fairview School District,		
GO, 2021, BAM Insured, 3%, 9/15/37 . . . . .	1,195,000	1,015,705
GO, 2021, BAM Insured, 3%, 9/15/38 . . . . .	1,000,000	827,325
GO, 2021, BAM Insured, 3%, 9/15/39 . . . . .	1,000,000	819,194
Geisinger Authority,		
Geisinger Health System Obligated Group, Revenue, 2017 A-1, Refunding, 5%, 2/15/45 . . . . .	5,555,000	5,607,622
Geisinger Health System Obligated Group, Revenue, 2017 A-2, Refunding, 5%, 2/15/39 . . . . .	13,155,000	13,414,845
General Authority of Southcentral Pennsylvania, WellSpan Health Obligated Group, Revenue, 2014 A, Pre-Refunded, 5%, 6/01/44 . . . . .	11,955,000	12,092,909
Governor Mifflin School District,		
GO, 2021, 3%, 4/01/35 . . . . .	810,000	739,811
GO, 2021, 3%, 4/01/36 . . . . .	625,000	558,004
GO, 2021, 3%, 4/01/37 . . . . .	1,000,000	863,116
GO, 2021, 3%, 4/01/38 . . . . .	1,000,000	844,937
GO, 2021, 3%, 4/01/39 . . . . .	1,015,000	846,430
Huntingdon County General Authority, Juniata College, Revenue, 2021 TT-3, Refunding, 5%, 10/01/51 . . . . .	2,520,000	2,318,675
Lancaster County Hospital Authority, University of Pennsylvania Health System Obligated Group (The), Revenue, 2016 B, Refunding, 5%, 8/15/46 . . . . .	4,165,000	4,205,495
Lancaster Higher Education Authority,		
Elizabethtown College, Revenue, 2022 A, Refunding, 5%, 10/01/46 . . . . .	5,000,000	4,679,588
Elizabethtown College, Revenue, 2022 A, Refunding, 5%, 10/01/51 . . . . .	5,000,000	4,587,294
Lancaster Industrial Development Authority,		
Landis Homes Obligated Group, Revenue, 2021, Refunding, 4%, 7/01/51 . . . . .	2,780,000	2,026,103
Landis Homes Obligated Group, Revenue, 2021, Refunding, 4%, 7/01/56 . . . . .	520,000	367,545
Willow Valley Communities Obligated Group, Revenue, 2019, 5%, 12/01/44 . . . . .	1,850,000	1,858,928
Willow Valley Communities Obligated Group, Revenue, 2019, 5%, 12/01/49 . . . . .	2,300,000	2,294,220

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

	Principal Amount	Value
<b>Municipal Bonds</b> (continued)		
<b>Pennsylvania</b> (continued)		
Lancaster School District,		
GO, 2020, AGMC Insured, 4%, 6/01/34 .....	\$1,000,000	\$1,025,289
GO, 2020, AGMC Insured, 4%, 6/01/35 .....	1,850,000	1,893,363
Latrobe Industrial Development Authority,		
Seton Hill University, Revenue, 2021, Refunding, 4%, 3/01/46 .....	750,000	578,994
Seton Hill University, Revenue, 2021, Refunding, 4%, 3/01/51 .....	800,000	592,247
Lehigh County Authority,		
City Division Fund, Revenue, 2013 A, 5%, 12/01/43 .....	2,435,000	2,439,085
City Division Fund, Revenue, 2013 A, Pre-Refunded, 5%, 12/01/43 .....	2,805,000	2,816,318
Lehigh County General Purpose Authority,		
Good Shepherd Obligated Group (The), Revenue, 2021 A, Refunding, 4%, 11/01/41 .....	4,345,000	3,810,400
Lehigh Valley Academy Regional Charter School, Revenue, 2022, 4%, 6/01/42 .....	14,390,000	12,291,144
Lehigh Valley Academy Regional Charter School, Revenue, 2022, 4%, 6/01/57 .....	5,000,000	3,835,664
Lycoming County Authority,		
Lycoming College, Revenue, 2013 MM-1, 5.25%, 11/01/38 .....	1,400,000	1,403,950
Lycoming College, Revenue, 2013 MM-1, 5.25%, 11/01/43 .....	1,495,000	1,499,336
Montgomery County Higher Education and Health Authority,		
Gwynedd Mercy University, Revenue, 2022 UU-2, Refunding, 5.25%, 5/01/37 .....	2,665,000	2,661,999
Gwynedd Mercy University, Revenue, 2022 UU-2, Refunding, 5%, 5/01/42 .....	3,700,000	3,424,636
Thomas Jefferson University Obligated Group, Revenue, 2018 A, Refunding, 5%, 9/01/48 .....	8,250,000	8,300,623
Thomas Jefferson University Obligated Group, Revenue, 2019, Refunding, 4%, 9/01/44 .....	10,000,000	9,206,756
Thomas Jefferson University Obligated Group, Revenue, 2022 B, Refunding, 4%, 5/01/52 .....	4,000,000	3,485,499
Thomas Jefferson University Obligated Group, Revenue, 2022 B, Refunding, 5%, 5/01/52 .....	5,000,000	5,057,967
Montgomery County Industrial Development Authority,		
ACTS Retirement-Life Communities, Inc. Obligated Group, Revenue, 2020 C, 4%, 11/15/43 .....	600,000	490,394
ACTS Retirement-Life Communities, Inc. Obligated Group, Revenue, 2020 C, 5%, 11/15/45 .....	1,985,000	1,865,771
Meadowood Corp. Obligated Group (The), Revenue, 2018 A, Refunding, 5%, 12/01/38 .....	2,500,000	2,429,687
Public School of Germantown (The), Revenue, 2021 A, Refunding, 4%, 10/01/51 ..	2,450,000	1,857,357
Waverly Heights Ltd. Obligated Group, Revenue, 2019, Refunding, 5%, 12/01/49 ..	2,000,000	1,992,081
New Kensington Municipal Sanitary Authority, Revenue, 2021 A, AGMC Insured, 3%, 12/01/38 .....	500,000	417,864
Northampton County General Purpose Authority,		
St. Luke's Hospital Obligated Group, Revenue, 2016 A, Refunding, 5%, 8/15/46 ..	7,500,000	7,501,424
St. Luke's Hospital Obligated Group, Revenue, 2018 A, Refunding, 5%, 8/15/48 ..	2,500,000	2,517,450
Northeastern Pennsylvania Hospital and Education Authority, King's College, Revenue, 2019, 5%, 5/01/44 .....	1,000,000	918,673
Northeastern School District,		
GO, 2021 A, BAM Insured, 3%, 3/01/38 .....	850,000	710,494
GO, 2021 A, BAM Insured, 3%, 3/01/41 .....	775,000	619,036
Northern Lebanon School District, GO, 2021, BAM Insured, 3%, 9/01/36 .....	1,895,000	1,665,303
Pennsylvania Economic Development Financing Authority,		
Commonwealth of Pennsylvania Department of Transportation, Revenue, 2022, 5.25%, 6/30/53 .....	8,500,000	8,641,032
Philadelphia Water Department, Revenue, 2020, Refunding, 4%, 1/01/29 .....	500,000	491,307
Philadelphia Water Department, Revenue, 2020, Refunding, 4%, 1/01/32 .....	1,300,000	1,261,474
Presbyterian Homes Obligated Group, Revenue, 2023 B-2, Refunding, 5%, 7/01/42 ..	2,365,000	2,325,194
UPMC Obligated Group, Revenue, 2014 A, 5%, 2/01/45 .....	5,000,000	5,015,276
UPMC Obligated Group, Revenue, 2017 A, Refunding, 4%, 11/15/42 .....	5,000,000	4,653,044
UPMC Obligated Group, Revenue, 2020 A, 4%, 4/15/45 .....	8,835,000	8,121,072
UPMC Obligated Group, Revenue, 2021 A, Refunding, 4%, 10/15/39 .....	1,325,000	1,255,705

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

	Principal Amount	Value
<b>Municipal Bonds</b> (continued)		
<b>Pennsylvania</b> (continued)		
Pennsylvania Economic Development Financing Authority, (continued)		
UPMC Obligated Group, Revenue, 2021 A, Refunding, 4%, 10/15/40 . . . . .	\$1,200,000	\$1,128,509
UPMC Obligated Group, Revenue, 2021 A, Refunding, 4%, 10/15/41 . . . . .	1,300,000	1,216,226
Pennsylvania Higher Educational Facilities Authority,		
Bryn Mawr College, Revenue, 2014, Refunding, 5%, 12/01/44 . . . . .	6,365,000	6,414,515
St. Joseph's University, Revenue, 2012, 5%, 11/01/42 . . . . .	5,000,000	4,711,558
Thomas Jefferson University Obligated Group, Revenue, 2015 A, Refunding, 5.25%, 9/01/50 . . . . .	7,465,000	7,476,402
Trustees of the University of Pennsylvania (The), Revenue, 2017 A, 5%, 8/15/36 . .	2,750,000	2,895,290
Trustees of the University of Pennsylvania (The), Revenue, 2017 A, 5%, 8/15/46 . .	14,000,000	14,472,451
Trustees of the University of Pennsylvania (The), Revenue, 2018 A, 5%, 2/15/48 . .	5,000,000	5,200,048
University of Pennsylvania Health System Obligated Group (The), Revenue, 2015, Refunding, 5%, 8/15/40 . . . . .	6,475,000	6,571,160
University of Pennsylvania Health System Obligated Group (The), Revenue, 2017 A, 5%, 8/15/42 . . . . .	9,000,000	9,197,342
Widener University, Revenue, 2021 A, Refunding, 4%, 7/15/51 . . . . .	11,030,000	8,743,526
Pennsylvania Housing Finance Agency,		
Revenue, 2019-129, 3.4%, 10/01/49 . . . . .	6,000,000	4,647,536
Revenue, 2020-132 A, 2.55%, 10/01/41 . . . . .	11,280,000	8,215,676
Pennsylvania State University (The),		
Revenue, 2015 A, Refunding, 5%, 9/01/40 . . . . .	10,490,000	10,668,652
Revenue, 2016 A, Refunding, 5%, 9/01/41 . . . . .	10,000,000	10,312,458
Revenue, 2018, 5%, 9/01/48 . . . . .	5,955,000	6,189,158
Revenue, 2023, 5.25%, 9/01/53 . . . . .	3,000,000	3,270,062
Pennsylvania Turnpike Commission,		
Revenue, 2013 C, 5%, 12/01/43 . . . . .	2,405,000	2,410,247
Revenue, 2013 C, Pre-Refunded, 5%, 12/01/43 . . . . .	7,595,000	7,621,985
Revenue, 2021 B, 4%, 12/01/37 . . . . .	1,500,000	1,486,434
Revenue, 2021 B, 4%, 12/01/46 . . . . .	10,950,000	10,190,755
Philadelphia Authority for Industrial Development,		
Beech International LLC, Revenue, 2010 A, 5.625%, 6/15/42 . . . . .	4,000,000	3,667,672
Children's Hospital of Philadelphia Obligated Group, Revenue, 2014 A, Pre- Refunded, 5%, 7/01/42 . . . . .	5,000,000	5,060,158
MaST Community Charter School II, Revenue, 2020 A, 5%, 8/01/30 . . . . .	200,000	203,707
MaST Community Charter School II, Revenue, 2020 A, 5%, 8/01/40 . . . . .	300,000	292,054
MaST Community Charter School II, Revenue, 2020 A, 5%, 8/01/50 . . . . .	2,515,000	2,338,814
St. Joseph's University, Revenue, 2022, 5.5%, 11/01/60 . . . . .	8,410,000	8,841,208
Temple University-of The Commonwealth System of Higher Education, Revenue, First Series, 2015, Refunding, 5%, 4/01/40 . . . . .	5,000,000	5,058,389
Thomas Jefferson University Obligated Group, Revenue, 2017 A, Refunding, 5%, 9/01/42 . . . . .	3,500,000	3,532,287
Thomas Jefferson University Obligated Group, Revenue, 2017 A, Refunding, 5%, 9/01/47 . . . . .	2,400,000	2,410,094
Philadelphia Gas Works Co.,		
Revenue, 14th, Refunding, 5%, 10/01/32 . . . . .	1,000,000	1,032,210
Revenue, 15th, Refunding, 5%, 8/01/47 . . . . .	11,000,000	11,153,126
Pittsburgh Water & Sewer Authority,		
Revenue, First Lien, 2022 A, 5.25%, 9/01/39 . . . . .	1,490,000	1,641,271
Revenue, First Lien, 2022 A, 5.25%, 9/01/40 . . . . .	1,365,000	1,491,929
Revenue, First Lien, 2022 A, 5.25%, 9/01/41 . . . . .	1,650,000	1,808,559
Revenue, First Lien, 2022 A, 5.25%, 9/01/42 . . . . .	1,685,000	1,837,401
Revenue, First Lien, 2022 A, 5%, 9/01/52 . . . . .	2,640,000	2,753,033

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

	Principal Amount	Value
<b>Municipal Bonds</b> (continued)		
<b>Pennsylvania</b> (continued)		
Pocono Mountains Industrial Park Authority, St. Luke's Hospital Obligated Group, Revenue, 2015 A, 5%, 8/15/40 . . . . .	\$5,000,000	\$5,000,144
Radnor Township School District, GO, 2021, 3%, 8/15/35 . . . . .	1,400,000	1,297,024
School District of Philadelphia (The), GO, 2021 A, 4%, 9/01/36 . . . . .	3,845,000	3,769,087
Scranton School District, GO, 2020, 4%, 12/01/40 . . . . .	1,535,000	1,438,168
GO, 2020, 4%, 12/01/42 . . . . .	2,835,000	2,627,465
GO, 2020, 4%, 12/01/45 . . . . .	3,670,000	3,361,478
Scranton-Lackawanna Health and Welfare Authority, University of Scranton, Revenue, 2016, Refunding, 5%, 11/01/37 . . . . .	4,000,000	4,078,400
Southeastern Pennsylvania Transportation Authority, Revenue, 2022, 5.25%, 6/01/52	5,000,000	5,409,043
State College Area School District, GO, 2015, 5%, 3/15/40 . . . . .	16,400,000	16,625,036
GO, 2018, 5%, 5/15/37 . . . . .	1,075,000	1,142,927
GO, 2018, 5%, 5/15/44 . . . . .	3,500,000	3,654,046
State Public School Building Authority, School District of Philadelphia (The), Revenue, 2016 A, Refunding, AGMC Insured, 5%, 6/01/32 . . . . .	7,095,000	7,378,582
School District of Philadelphia (The), Revenue, 2016 A, Refunding, AGMC Insured, 5%, 6/01/33 . . . . .	3,000,000	3,115,260
Swarthmore Borough Authority, Swarthmore College, Revenue, 2013, Refunding, 5%, 9/15/43 . . . . .	1,000,000	1,000,434
Township of Northampton, GO, 2021, 4%, 5/15/39 . . . . .	1,495,000	1,479,982
Upper Merion Area School District, GO, 2021 A, 3%, 1/15/39 . . . . .	1,000,000	857,080
GO, 2021 A, 3%, 1/15/40 . . . . .	1,500,000	1,268,375
GO, 2021 A, 3%, 1/15/41 . . . . .	1,275,000	1,062,386
Westmoreland County Industrial Development Authority, Excelsa Health Obligated Group, Revenue, 2020 A, Refunding, 5%, 7/01/29 . . . . .	725,000	751,437
Excelsa Health Obligated Group, Revenue, 2020 A, Refunding, 5%, 7/01/30 . . . . .	1,270,000	1,316,649
Excelsa Health Obligated Group, Revenue, 2020 A, Refunding, 4%, 7/01/37 . . . . .	2,400,000	2,139,405
Wilkes-Barre Finance Authority, Wilkes University, Revenue, 2021, Refunding, 4%, 3/01/42 . . . . .	2,500,000	2,037,997
		<u>662,783,940</u>
<b>South Carolina 0.5%</b>		
South Carolina Jobs-Economic Development Authority, <sup>b</sup> Revenue, 144A, 2021 A-1, 3.65%, 12/01/36 . . . . .	2,000,000	1,576,228
AHPC Vista Towers 2021 LLC, Revenue, 2021 A-1, 3.65%, 12/01/36 . . . . .	2,000,000	1,571,547
<sup>b</sup> South Carolina State Housing Finance & Development Authority, Garden Oaks LP, Revenue, 144A, 2021 A, 4.2%, 12/01/39 . . . . .	1,000,000	749,870
		<u>3,897,645</u>
<b>Texas 0.6%</b>		
<sup>b</sup> EP Cimarron Ventanas PFC, Revenue, Senior Lien, 144A, 2021 A, 4%, 12/01/51 . . . . .	2,600,000	1,836,392
<sup>b</sup> Pecan Public Facility Corp., Revenue, 144A, 2022 A-2, 5%, 12/01/52 . . . . .	3,300,000	2,437,732
		<u>4,274,124</u>
<b>Washington 0.2%</b>		
<sup>b</sup> Washington State Housing Finance Commission, Madison at Rivers Edge Apartments LLC, Revenue, 144A, 2021 A, 3.65%, 1/01/37 . . . . .	2,000,000	1,576,054
<b>Wisconsin 0.9%</b>		
<sup>b</sup> Public Finance Authority, Revenue, 144A, 2022, B-1, 4%, 12/28/44 . . . . .	1,900,000	1,470,603

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

	Principal Amount	Value
<b>Municipal Bonds (continued)</b>		
<b>Wisconsin (continued)</b>		
<sup>b</sup> Public Finance Authority, (continued)		
Gulf Coast Portfolio Obligated Group, Revenue, 144A, 2021, 5.25%, 12/01/23 . . . .	\$5,100,000	\$5,102,601
		6,573,204
<b>U.S. Territories 1.8%</b>		
<b>Puerto Rico 1.8%</b>		
HTA TRRB Custodial Trust,		
Revenue, 2005 L, 5.25%, 7/01/41 . . . . .	1,290,000	1,286,060
Revenue, 2007 N, 5.25%, 7/01/36 . . . . .	950,000	957,398
Puerto Rico Electric Power Authority,		
<sup>a,c</sup> Revenue, 6%, 7/01/41 . . . . .	581,479	581,479
<sup>a,c</sup> Revenue, 7.125%, 7/01/59 . . . . .	2,823,988	2,823,988
Revenue, VV, Refunding, NATL Insured, 5.25%, 7/01/32 . . . . .	1,100,000	1,081,342
Revenue, VV, Refunding, NATL Insured, 5.25%, 7/01/34 . . . . .	1,000,000	981,968
<sup>d</sup> Revenue, XX, 5.25%, 7/01/40 . . . . .	5,175,000	1,423,125
Puerto Rico Sales Tax Financing Corp., Sales Tax, Revenue, A-1, 5%, 7/01/58 . . . . .	4,000,000	3,881,622
		13,016,982
<b>Total U.S. Territories . . . . .</b>		<b>13,016,982</b>
<b>Total Municipal Bonds (Cost \$781,619,421) . . . . .</b>		<b>716,874,461</b>
	<b>Shares</b>	
<b>Escrows and Litigation Trusts 0.0%<sup>†</sup></b>		
<sup>a,e</sup> Puerto Rico Electric Power Authority . . . . .	262,891	210,312
<b>Total Escrows and Litigation Trusts (Cost \$—) . . . . .</b>		<b>210,312</b>
<b>Total Long Term Investments (Cost \$783,619,421) . . . . .</b>		<b>719,033,964</b>
<b>Short Term Investments 0.5%</b>		
	<b>Principal Amount</b>	
<b>Municipal Bonds 0.5%</b>		
<b>Pennsylvania 0.5%</b>		
<sup>f</sup> Allegheny County Higher Education Building Authority, Carnegie Mellon University, Revenue, 2008 A, Refunding, SPA Bank of New York Mellon (The), Daily VRDN and Put, 4%, 12/01/37 . . . . .	1,000,000	1,000,000
<sup>f</sup> Delaware County Industrial Development Authority, United Parcel Service, Inc., Revenue, 2015, Refunding, Daily VRDN and Put, 4.1%, 9/01/45 . . . . .	2,900,000	2,900,000
		3,900,000
<b>Total Municipal Bonds (Cost \$3,900,000) . . . . .</b>		<b>3,900,000</b>
<b>Total Short Term Investments (Cost \$3,900,000) . . . . .</b>		<b>3,900,000</b>
<b>Total Investments (Cost \$787,519,421) 99.0% . . . . .</b>		<b>\$722,933,964</b>
<b>Other Assets, less Liabilities 1.0% . . . . .</b>		<b>7,142,693</b>
<b>Net Assets 100.0% . . . . .</b>		<b>\$730,076,657</b>

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

See Abbreviations on page 151.

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

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

<sup>b</sup>Security was purchased pursuant to Rule 144A or Regulation S under the Securities Act of 1933. 144A securities may be sold in transactions exempt from registration only to qualified institutional buyers or in a public offering registered under the Securities Act of 1933. Regulation S securities cannot be sold in the United States without either an effective registration statement filed pursuant to the Securities Act of 1933, or pursuant to an exemption from registration. At August 31, 2023, the aggregate value of these securities was \$15,404,212, representing 2.1% of net assets.

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

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

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

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

## Statements of Assets and Liabilities

August 31, 2023 (unaudited)

	Franklin Arizona Tax- Free Income Fund	Franklin Colorado Tax- Free Income Fund	Franklin Connecticut Tax-Free Income Fund	Franklin Michigan Tax- Free Income Fund
<b>Assets:</b>				
Investments in securities:				
Cost - Unaffiliated issuers . . . . .	\$774,635,638	\$540,419,117	\$150,939,260	\$748,817,341
Value - Unaffiliated issuers . . . . .	\$730,638,397	\$503,015,872	\$137,437,065	\$700,500,505
Cash . . . . .	4,088,145	4,693,606	1,525,655	227,657
Receivables:				
Capital shares sold . . . . .	828,884	835,635	12,005	135,640
Interest . . . . .	6,855,916	6,828,546	1,341,446	9,734,924
Total assets . . . . .	742,411,342	515,373,659	140,316,171	710,598,726
<b>Liabilities:</b>				
Payables:				
Investment securities purchased . . . . .	—	—	—	4,241,680
Capital shares redeemed . . . . .	2,428,794	1,486,594	279,008	1,222,433
Management fees . . . . .	300,354	215,193	20,575	286,817
Distribution fees . . . . .	91,875	57,996	15,803	80,094
Transfer agent fees . . . . .	92,811	74,953	23,429	96,774
Professional fees . . . . .	23,856	23,385	22,402	23,725
Trustees' fees and expenses . . . . .	1,305	1,451	1,414	1,423
Distributions to shareholders . . . . .	224,277	64,856	65,226	200,580
Accrued expenses and other liabilities . . . . .	31,596	17,142	17,097	25,869
Total liabilities . . . . .	3,194,868	1,941,570	444,954	6,179,395
Net assets, at value . . . . .	\$739,216,474	\$513,432,089	\$139,871,217	\$704,419,331
<b>Net assets consist of:</b>				
Paid-in capital . . . . .	\$864,596,607	\$608,371,043	\$190,732,561	\$830,965,313
Total distributable earnings (losses) . . . . .	(125,380,133)	(94,938,954)	(50,861,344)	(126,545,982)
Net assets, at value . . . . .	\$739,216,474	\$513,432,089	\$139,871,217	\$704,419,331

## Statements of Assets and Liabilities (continued)

August 31, 2023 (unaudited)

	Franklin Arizona Tax- Free Income Fund	Franklin Colorado Tax- Free Income Fund	Franklin Connecticut Tax-Free Income Fund	Franklin Michigan Tax- Free Income Fund
<b>Class A:</b>				
Net assets, at value	\$209,935,327	\$114,164,107	\$26,203,126	\$121,053,139
Shares outstanding	22,011,909	11,184,218	2,979,454	11,818,057
Net asset value per share <sup>a</sup>	\$9.54	\$10.21	\$8.79	\$10.24
Maximum offering price per share (net asset value per share ÷ 96.25%)	\$9.91	\$10.61	\$9.13	\$10.64
<b>Class A1:</b>				
Net assets, at value	\$370,289,877	\$265,376,969	\$89,681,908	\$473,223,654
Shares outstanding	38,894,076	26,011,588	10,208,822	46,258,665
Net asset value per share <sup>a</sup>	\$9.52	\$10.20	\$8.78	\$10.23
Maximum offering price per share (net asset value per share ÷ 96.25%)	\$9.89	\$10.60	\$9.12	\$10.63
<b>Class C:</b>				
Net assets, at value	\$27,857,785	\$19,204,040	\$4,488,095	\$24,758,921
Shares outstanding	2,875,881	1,859,098	506,742	2,380,892
Net asset value and maximum offering price per share <sup>a</sup>	\$9.69	\$10.33	\$8.86	\$10.40
<b>Class R6:</b>				
Net assets, at value	\$23,290,372	\$16,487,564	\$3,472,059	\$13,841,166
Shares outstanding	2,438,486	1,614,933	395,172	1,347,562
Net asset value and maximum offering price per share	\$9.55	\$10.21	\$8.79	\$10.27
<b>Advisor Class:</b>				
Net assets, at value	\$107,843,113	\$98,199,409	\$16,026,029	\$71,542,451
Shares outstanding	11,293,658	9,625,039	1,825,385	6,970,447
Net asset value and maximum offering price per share	\$9.55	\$10.20	\$8.78	\$10.26

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



## Statements of Assets and Liabilities (continued)

August 31, 2023 (unaudited)

	Franklin Minnesota Tax- Free Income Fund	Franklin Ohio Tax-Free Income Fund	Franklin Oregon Tax- Free Income Fund	Franklin Pennsylvania Tax-Free Income Fund
<b>Assets:</b>				
Investments in securities:				
Cost - Unaffiliated issuers . . . . .	\$813,502,785	\$1,162,916,699	\$965,206,987	\$787,519,421
Value - Unaffiliated issuers . . . . .	\$757,640,858	\$1,108,242,658	\$917,272,700	\$722,933,964
Cash . . . . .	1,083,545	12,874,580	4,804,805	3,002,221
Receivables:				
Capital shares sold . . . . .	299,278	378,278	157,856	143,080
Interest . . . . .	6,218,132	11,717,570	10,489,918	8,981,267
Total assets . . . . .	765,241,813	1,133,213,086	932,725,279	735,060,532
<b>Liabilities:</b>				
Payables:				
Investment securities purchased . . . . .	1,911,160	—	4,443,887	3,266,635
Capital shares redeemed . . . . .	1,004,964	1,961,572	1,965,608	947,851
Management fees . . . . .	310,197	447,539	370,721	297,330
Distribution fees . . . . .	91,123	142,355	107,931	91,069
Transfer agent fees . . . . .	133,353	176,633	97,166	98,915
Trustees' fees and expenses . . . . .	1,439	1,562	1,776	1,737
Distributions to shareholders . . . . .	83,181	205,255	141,455	211,913
Accrued expenses and other liabilities . . . . .	63,496	81,671	65,625	68,425
Total liabilities . . . . .	3,598,913	3,016,587	7,194,169	4,983,875
Net assets, at value . . . . .	\$761,642,900	\$1,130,196,499	\$925,531,110	\$730,076,657
<b>Net assets consist of:</b>				
Paid-in capital . . . . .	\$856,867,360	\$1,284,952,759	\$1,086,302,386	\$908,417,728
Total distributable earnings (losses) . . . . .	(95,224,460)	(154,756,260)	(160,771,276)	(178,341,071)
Net assets, at value . . . . .	\$761,642,900	\$1,130,196,499	\$925,531,110	\$730,076,657

## Statements of Assets and Liabilities (continued)

August 31, 2023 (unaudited)

	Franklin Minnesota Tax- Free Income Fund	Franklin Ohio Tax-Free Income Fund	Franklin Oregon Tax- Free Income Fund	Franklin Pennsylvania Tax-Free Income Fund
<b>Class A:</b>				
Net assets, at value	\$172,252,569	\$261,373,063	\$200,787,304	\$149,457,465
Shares outstanding	15,812,228	23,405,011	19,608,984	17,427,780
Net asset value per share <sup>a</sup>	\$10.89	\$11.17	\$10.24	\$8.58
Maximum offering price per share (net asset value per share ÷ 96.25%)	\$11.31	\$11.61	\$10.64	\$8.91
<b>Class A1:</b>				
Net assets, at value	\$350,899,736	\$586,596,373	\$533,521,121	\$465,260,128
Shares outstanding	32,216,981	52,560,216	52,150,079	54,270,812
Net asset value per share <sup>a</sup>	\$10.89	\$11.16	\$10.23	\$8.57
Maximum offering price per share (net asset value per share ÷ 96.25%)	\$11.31	\$11.59	\$10.63	\$8.90
<b>Class C:</b>				
Net assets, at value	\$43,613,887	\$66,107,893	\$34,621,178	\$34,688,439
Shares outstanding	3,958,620	5,841,705	3,330,508	3,992,935
Net asset value and maximum offering price per share <sup>a</sup>	\$11.02	\$11.32	\$10.40	\$8.69
<b>Class R6:</b>				
Net assets, at value	\$17,336,146	\$20,237,851	\$23,412,156	\$9,532,793
Shares outstanding	1,589,001	1,811,013	2,286,656	1,110,540
Net asset value and maximum offering price per share	\$10.91	\$11.17	\$10.24	\$8.58
<b>Advisor Class:</b>				
Net assets, at value	\$177,540,562	\$195,881,319	\$133,189,351	\$71,137,832
Shares outstanding	16,281,148	17,531,395	13,000,100	8,286,180
Net asset value and maximum offering price per share	\$10.90	\$11.17	\$10.25	\$8.59

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

## Statements of Operations

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

	Franklin 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 . . . . .	\$15,085,435	\$9,896,467	\$2,614,121	\$14,056,351
Expenses:				
Management fees (Note 3a) . . . . .	1,842,822	1,324,617	421,756	1,756,050
Distribution fees: (Note 3c)				
Class A . . . . .	269,780	149,300	34,660	154,320
Class A1 . . . . .	195,372	141,306	46,966	247,175
Class C . . . . .	99,232	71,284	15,706	90,920
Transfer agent fees: (Note 3e)				
Class A . . . . .	62,978	42,193	9,670	42,718
Class A1 . . . . .	114,137	99,834	32,749	170,989
Class C . . . . .	8,930	7,748	1,685	9,669
Class R6 . . . . .	3,590	2,737	484	1,902
Advisor Class . . . . .	32,505	34,889	5,441	26,350
Custodian fees (Note 4) . . . . .	2,320	1,671	435	2,233
Reports to shareholders fees . . . . .	16,428	11,224	6,401	15,249
Registration and filing fees . . . . .	36,999	18,421	10,886	40,351
Professional fees . . . . .	28,851	28,388	27,389	28,759
Trustees' fees and expenses . . . . .	4,272	2,743	467	3,898
Other . . . . .	31,733	30,589	22,234	36,968
Total expenses . . . . .	2,749,949	1,966,944	636,929	2,627,551
Expense reductions (Note 4) . . . . .	(2,319)	(1,661)	(433)	(2,179)
Expenses waived/paid by affiliates (Note 3e and 3f) . . . . .	(27)	(165)	(67,317)	(85)
Net expenses . . . . .	2,747,603	1,965,118	569,179	2,625,287
Net investment income . . . . .	12,337,832	7,931,349	2,044,942	11,431,064
Realized and unrealized gains (losses):				
Net realized gain (loss) from:				
Investments:				
Unaffiliated issuers . . . . .	(3,313,540)	(1,292,767)	(1,031,815)	(3,939,056)
Net change in unrealized appreciation (depreciation) on:				
Investments:				
Unaffiliated issuers . . . . .	(1,843,618)	(1,279,634)	3,874	(61,949)
Net realized and unrealized gain (loss) . . . . .	(5,157,158)	(2,572,401)	(1,027,941)	(4,001,005)
Net increase (decrease) in net assets resulting from operations. . . . .	\$7,180,674	\$5,358,948	\$1,017,001	\$7,430,059

## Statements of Operations (continued)

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

	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 . . . . .	\$14,435,329	\$21,977,359	\$18,461,969	\$14,246,825
Expenses:				
Management fees (Note 3a) . . . . .	1,910,819	2,754,936	2,270,376	1,824,462
Distribution fees: (Note 3c)				
Class A . . . . .	220,585	334,341	261,638	191,882
Class A1 . . . . .	185,055	309,833	279,094	245,483
Class C . . . . .	159,473	238,969	128,473	125,747
Transfer agent fees: (Note 3e)				
Class A . . . . .	72,442	94,885	61,770	51,961
Class A1 . . . . .	151,970	219,823	164,731	166,171
Class C . . . . .	20,156	26,083	11,682	13,092
Class R6 . . . . .	2,711	3,591	3,370	1,495
Advisor Class . . . . .	78,840	73,196	39,886	24,470
Custodian fees (Note 4) . . . . .	2,484	3,778	2,977	2,355
Reports to shareholders fees . . . . .	21,530	26,714	23,233	25,189
Registration and filing fees . . . . .	39,842	41,896	13,278	19,892
Professional fees . . . . .	28,908	30,032	51,320	43,422
Trustees' fees and expenses . . . . .	4,282	6,595	5,408	4,233
Other . . . . .	40,971	43,939	38,669	35,834
Total expenses . . . . .	2,940,068	4,208,611	3,355,905	2,775,688
Expense reductions (Note 4) . . . . .	(2,471)	(3,778)	(2,935)	(2,355)
Expenses waived/paid by affiliates (Note 3e and 3f) . . . . .	(175)	(1,017)	—	(96)
Net expenses . . . . .	2,937,422	4,203,816	3,352,970	2,773,237
Net investment income . . . . .	11,497,907	17,773,543	15,108,999	11,473,588
Realized and unrealized gains (losses):				
Net realized gain (loss) from:				
Investments:				
Unaffiliated issuers . . . . .	(4,336,329)	(16,254,284)	(1,666,087)	(4,828,170)
Net change in unrealized appreciation (depreciation) on:				
Investments:				
Unaffiliated issuers . . . . .	(4,791,013)	4,251,589	(8,489,352)	(865,932)
Net realized and unrealized gain (loss) . . . . .	(9,127,342)	(12,002,695)	(10,155,439)	(5,694,102)
Net increase (decrease) in net assets resulting from operations . . . . .	\$2,370,565	\$5,770,848	\$4,953,560	\$5,779,486

# Statements of Changes in Net Assets

	Franklin Arizona Tax-Free Income Fund		Franklin Colorado Tax-Free Income Fund	
	Six Months Ended August 31, 2023 (unaudited)	Year Ended February 28, 2023	Six Months Ended August 31, 2023 (unaudited)	Year Ended February 28, 2023
Increase (decrease) in net assets:				
Operations:				
Net investment income . . . . .	\$12,337,832	\$24,118,044	\$7,931,349	\$16,362,248
Net realized gain (loss) . . . . .	(3,313,540)	(14,773,739)	(1,292,767)	(6,656,220)
Net change in unrealized appreciation (depreciation) . . . . .	(1,843,618)	(78,645,105)	(1,279,634)	(63,477,659)
Net increase (decrease) in net assets resulting from operations.	7,180,674	(69,300,800)	5,358,948	(53,771,631)
Distributions to shareholders:				
Class A. . . . .	(3,299,905)	(5,477,572)	(1,680,263)	(3,151,192)
Class A1 . . . . .	(6,277,150)	(12,795,799)	(4,189,066)	(8,775,734)
Class C. . . . .	(397,357)	(891,517)	(260,178)	(598,454)
Class R6. . . . .	(395,892)	(646,146)	(266,834)	(523,311)
Advisor Class . . . . .	(1,840,166)	(4,004,463)	(1,514,565)	(3,027,642)
Total distributions to shareholders . . . . .	(12,210,470)	(23,815,497)	(7,910,906)	(16,076,333)
Capital share transactions: (Note 2)				
Class A. . . . .	(1,238,493)	22,738,565	(2,751,025)	(11,380,098)
Class A1 . . . . .	(24,241,520)	(79,938,374)	(20,385,747)	(62,616,015)
Class C. . . . .	(4,443,286)	(11,887,394)	(4,071,884)	(9,344,142)
Class R6. . . . .	3,559,201	(5,537,191)	1,443,295	(6,193,718)
Advisor Class . . . . .	(5,716,195)	(47,630,839)	1,009,250	(27,249,327)
Total capital share transactions . . . . .	(32,080,293)	(122,255,233)	(24,756,111)	(116,783,300)
Net increase (decrease) in net assets . . . . .	(37,110,089)	(215,371,530)	(27,308,069)	(186,631,264)
Net assets:				
Beginning of period . . . . .	776,326,563	991,698,093	540,740,158	727,371,422
End of period . . . . .	\$739,216,474	\$776,326,563	\$513,432,089	\$540,740,158

## Statements of Changes in Net Assets (continued)

	Franklin Connecticut Tax-Free Income Fund		Franklin Michigan Tax-Free Income Fund	
	Six Months Ended August 31, 2023 (unaudited)	Year Ended February 28, 2023	Six Months Ended August 31, 2023 (unaudited)	Year Ended February 28, 2023
Increase (decrease) in net assets:				
Operations:				
Net investment income . . . . .	\$2,044,942	\$3,989,597	\$11,431,064	\$22,389,940
Net realized gain (loss) . . . . .	(1,031,815)	(1,876,056)	(3,939,056)	(13,370,909)
Net change in unrealized appreciation (depreciation) . . . . .	3,874	(16,224,151)	(61,949)	(76,114,659)
Net increase (decrease) in net assets resulting from operations.	1,017,001	(14,110,610)	7,430,059	(67,095,628)
Distributions to shareholders:				
Class A . . . . .	(369,591)	(725,655)	(1,812,931)	(3,242,606)
Class A1 . . . . .	(1,324,760)	(2,628,233)	(7,635,546)	(15,321,103)
Class C . . . . .	(54,221)	(114,944)	(346,812)	(793,077)
Class R6 . . . . .	(47,950)	(55,038)	(195,336)	(295,506)
Advisor Class . . . . .	(228,726)	(415,945)	(1,210,422)	(2,523,867)
Total distributions to shareholders . . . . .	(2,025,248)	(3,939,815)	(11,201,047)	(22,176,159)
Capital share transactions: (Note 2)				
Class A . . . . .	(1,312,632)	(2,990,614)	1,387,784	(761,378)
Class A1 . . . . .	(3,336,497)	(14,118,596)	(21,897,894)	(70,249,858)
Class C . . . . .	(307,011)	(1,756,700)	(5,884,598)	(8,286,111)
Class R6 . . . . .	554,702	1,346,972	4,261,846	(458,498)
Advisor Class . . . . .	1,672,804	(3,979,347)	(8,192,936)	(17,642,348)
Total capital share transactions . . . . .	(2,728,634)	(21,498,285)	(30,325,798)	(97,398,193)
Net increase (decrease) in net assets . . . . .	(3,736,881)	(39,548,710)	(34,096,786)	(186,669,980)
Net assets:				
Beginning of period . . . . .	143,608,098	183,156,808	738,516,117	925,186,097
End of period . . . . .	\$139,871,217	\$143,608,098	\$704,419,331	\$738,516,117

## Statements of Changes in Net Assets (continued)

	Franklin Minnesota Tax-Free Income Fund		Franklin Ohio Tax-Free Income Fund	
	Six Months Ended August 31, 2023 (unaudited)	Year Ended February 28, 2023	Six Months Ended August 31, 2023 (unaudited)	Year Ended February 28, 2023
Increase (decrease) in net assets:				
Operations:				
Net investment income . . . . .	\$11,497,907	\$22,834,440	\$17,773,543	\$36,725,602
Net realized gain (loss) . . . . .	(4,336,329)	(23,294,235)	(16,254,284)	(47,400,274)
Net change in unrealized appreciation (depreciation) . . . . .	(4,791,013)	(77,108,577)	4,251,589	(109,653,839)
Net increase (decrease) in net assets resulting from operations.	2,370,565	(77,568,372)	5,770,848	(120,328,511)
Distributions to shareholders:				
Class A . . . . .	(2,404,120)	(4,194,889)	(3,878,631)	(7,114,808)
Class A1 . . . . .	(5,317,068)	(10,944,425)	(9,453,076)	(19,593,108)
Class C . . . . .	(560,495)	(1,266,484)	(902,297)	(2,089,195)
Class R6 . . . . .	(256,037)	(366,207)	(276,859)	(474,379)
Advisor Class . . . . .	(2,849,091)	(5,666,332)	(3,246,778)	(6,877,427)
Total distributions to shareholders . . . . .	(11,386,811)	(22,438,337)	(17,757,641)	(36,148,917)
Capital share transactions: (Note 2)				
Class A . . . . .	1,368,077	(1,591,623)	(5,307,663)	(15,102,253)
Class A1 . . . . .	(21,707,887)	(82,148,635)	(35,885,164)	(139,269,124)
Class C . . . . .	(8,542,799)	(21,017,857)	(11,713,961)	(35,092,654)
Class R6 . . . . .	5,641,090	(2,992,124)	5,741,434	(4,714,873)
Advisor Class . . . . .	(17,380,406)	(44,467,536)	(11,470,021)	(60,887,439)
Total capital share transactions . . . . .	(40,621,925)	(152,217,775)	(58,635,375)	(255,066,343)
Net increase (decrease) in net assets . . . . .	(49,638,171)	(252,224,484)	(70,622,168)	(411,543,771)
Net assets:				
Beginning of period . . . . .	811,281,071	1,063,505,555	1,200,818,667	1,612,362,438
End of period . . . . .	\$761,642,900	\$811,281,071	\$1,130,196,499	\$1,200,818,667

## Statements of Changes in Net Assets (continued)

	Franklin Oregon Tax-Free Income Fund		Franklin Pennsylvania Tax-Free Income Fund	
	Six Months Ended August 31, 2023 (unaudited)	Year Ended February 28, 2023	Six Months Ended August 31, 2023 (unaudited)	Year Ended February 28, 2023
Increase (decrease) in net assets:				
Operations:				
Net investment income . . . . .	\$15,108,999	\$28,350,311	\$11,473,588	\$21,765,107
Net realized gain (loss) . . . . .	(1,666,087)	(32,286,476)	(4,828,170)	(24,814,596)
Net change in unrealized appreciation (depreciation) . . . . .	(8,489,352)	(86,888,363)	(865,932)	(76,057,153)
Net increase (decrease) in net assets resulting from operations.	4,953,560	(90,824,528)	5,779,486	(79,106,642)
Distributions to shareholders:				
Class A . . . . .	(3,030,987)	(5,411,247)	(2,219,477)	(3,883,253)
Class A1 . . . . .	(8,507,452)	(16,785,975)	(7,466,339)	(14,157,572)
Class C . . . . .	(482,626)	(1,116,100)	(473,136)	(1,002,470)
Class R6 . . . . .	(362,682)	(624,514)	(148,228)	(170,041)
Advisor Class . . . . .	(2,126,070)	(4,085,135)	(1,134,644)	(2,284,606)
Total distributions to shareholders . . . . .	(14,509,817)	(28,022,971)	(11,441,824)	(21,497,942)
Capital share transactions: (Note 2)				
Class A . . . . .	(5,551,454)	(18,665,930)	317,339	(7,348,797)
Class A1 . . . . .	(23,639,566)	(100,347,561)	(25,349,531)	(85,237,509)
Class C . . . . .	(8,109,102)	(22,723,065)	(6,853,489)	(15,405,013)
Class R6 . . . . .	2,336,426	(2,431,842)	1,065,242	3,197,395
Advisor Class . . . . .	376,212	(29,716,365)	255,854	(24,709,921)
Total capital share transactions . . . . .	(34,587,484)	(173,884,763)	(30,564,585)	(129,503,845)
Net increase (decrease) in net assets . . . . .	(44,143,741)	(292,732,262)	(36,226,923)	(230,108,429)
Net assets:				
Beginning of period . . . . .	969,674,851	1,262,407,113	766,303,580	996,412,009
End of period . . . . .	\$925,531,110	\$969,674,851	\$730,076,657	\$766,303,580



# Notes to Financial Statements (unaudited)

## 1. Organization and Significant Accounting Policies

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

The following summarizes the Funds' significant accounting policies.

### a. Financial Instrument Valuation

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

Debt securities generally trade in the over-the-counter (OTC) market rather than on a securities exchange. The Funds' pricing services use multiple valuation techniques to determine fair value. In instances where sufficient

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

The Funds have procedures to determine the fair value of financial instruments for which market prices are not reliable or readily available. Under these procedures, the Funds primarily employ a market-based approach which may use related or comparable assets or liabilities, recent transactions, market multiples, and other relevant information for the investment to determine the fair value of the investment. An income-based valuation approach may also be used in which the anticipated future cash flows of the investment are discounted to calculate fair value. Discounts may also be applied due to the nature or duration of any restrictions on the disposition of the investments. Due to the inherent uncertainty of valuations of such investments, the fair values may differ significantly from the values that would have been used had an active market existed.

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

Certain or all Funds purchase securities on a when-issued basis, with payment and delivery scheduled for a future date. These transactions are subject to market fluctuations and are subject to the risk that the value at delivery may be more or less than the trade date purchase price. Although the Funds will generally purchase these securities with the intention of holding the securities, they may sell the securities before the settlement date.

### c. Income Taxes

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

## 1. Organization and Significant Accounting Policies

(continued)

### c. Income Taxes (continued)

Each Fund may recognize an income tax liability related to its uncertain tax positions under U.S. GAAP when the uncertain tax position has a less than 50% probability that it will be sustained upon examination by the tax authorities based on its technical merits. As of August 31, 2023, each Fund has determined that no tax liability is required in its financial statements related to uncertain tax positions for any open tax years (or expected to be taken in future tax years). Open tax years are those that remain subject to examination and are based on the statute of limitations in each jurisdiction in which the Fund invests.

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

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

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

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

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

### e. Insurance

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

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

### f. Accounting Estimates

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

### g. Guarantees and Indemnifications

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

## 2. Shares of Beneficial Interest

At August 31, 2023, there were an unlimited number of shares authorized (without par value). Transactions in the Funds' shares were as follows:

	Franklin Arizona Tax-Free Income Fund		Franklin Colorado Tax-Free Income Fund	
	Shares	Amount	Shares	Amount
<b>Class A Shares:</b>				
Six Months ended August 31, 2023				
Shares sold <sup>a</sup> . . . . .	2,196,938	\$21,259,882	1,256,673	\$13,022,948
Shares issued in reinvestment of distributions . . . . .	307,276	2,972,280	157,609	1,632,631
Shares redeemed . . . . .	(2,634,143)	(25,470,655)	(1,680,080)	(17,406,604)
Net increase (decrease) . . . . .	(129,929)	\$(1,238,493)	(265,798)	\$(2,751,025)
Year ended February 28, 2023				
Shares sold <sup>a</sup> . . . . .	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)
<b>Class A1 Shares:</b>				
Six Months ended August 31, 2023				
Shares sold . . . . .	244,787	\$2,361,954	288,988	\$3,005,642
Shares issued in reinvestment of distributions . . . . .	562,970	5,434,882	376,585	3,899,241
Shares redeemed . . . . .	(3,314,140)	(32,038,356)	(2,634,185)	(27,290,630)
Net increase (decrease) . . . . .	(2,506,383)	\$(24,241,520)	(1,968,612)	\$(20,385,747)
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)
<b>Class C Shares:</b>				
Six Months ended August 31, 2023				
Shares sold . . . . .	91,230	\$891,273	50,244	\$527,109
Shares issued in reinvestment of distributions . . . . .	39,241	385,546	24,142	253,201
Shares redeemed <sup>a</sup> . . . . .	(582,731)	(5,720,105)	(463,136)	(4,852,194)
Net increase (decrease) . . . . .	(452,260)	\$(4,443,286)	(388,750)	\$(4,071,884)
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 <sup>a</sup> . . . . .	(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)

## 2. Shares of Beneficial Interest (continued)

	Franklin Arizona Tax-Free Income Fund		Franklin Colorado Tax-Free Income Fund	
	Shares	Amount	Shares	Amount
<b>Class R6 Shares:</b>				
Six Months ended August 31, 2023				
Shares sold . . . . .	714,536	\$6,931,224	487,801	\$5,060,757
Shares issued in reinvestment of distributions . . . . .	40,600	393,179	25,600	265,228
Shares redeemed . . . . .	(390,401)	(3,765,202)	(373,982)	(3,882,690)
Net increase (decrease) . . . . .	364,735	\$3,559,201	139,419	\$1,443,295
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)
<b>Advisor Class Shares:</b>				
Six Months ended August 31, 2023				
Shares sold . . . . .	1,201,392	\$11,641,618	1,519,160	\$15,728,580
Shares issued in reinvestment of distributions . . . . .	170,276	1,648,801	141,578	1,465,933
Shares redeemed . . . . .	(1,966,432)	(19,006,614)	(1,562,171)	(16,185,263)
Net increase (decrease) . . . . .	(594,764)	\$(5,716,195)	98,567	\$1,009,250
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)
	Franklin Connecticut Tax-Free Income Fund		Franklin Michigan Tax-Free Income Fund	
	Shares	Amount	Shares	Amount
<b>Class A Shares:</b>				
Six Months ended August 31, 2023				
Shares sold <sup>a</sup> . . . . .	134,821	\$1,212,147	923,675	\$9,612,050
Shares issued in reinvestment of distributions . . . . .	37,528	335,687	160,012	1,662,459
Shares redeemed . . . . .	(319,288)	(2,860,466)	(951,568)	(9,886,725)
Net increase (decrease) . . . . .	(146,939)	\$(1,312,632)	132,119	\$1,387,784
Year ended February 28, 2023				
Shares sold <sup>a</sup> . . . . .	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)

## 2. Shares of Beneficial Interest (continued)

	Franklin Connecticut Tax-Free Income Fund		Franklin Michigan Tax-Free Income Fund	
	Shares	Amount	Shares	Amount
<b>Class A1 Shares:</b>				
Six Months ended August 31, 2023				
Shares sold . . . . .	211,467	\$1,888,585	362,773	\$3,761,163
Shares issued in reinvestment of distributions . . . . .	121,818	1,088,434	647,925	6,721,538
Shares redeemed . . . . .	(707,558)	(6,313,516)	(3,121,212)	(32,380,595)
Net increase (decrease) . . . . .	(374,273)	\$(3,336,497)	(2,110,514)	\$(21,897,894)
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)
<b>Class C Shares:</b>				
Six Months ended August 31, 2023				
Shares sold . . . . .	18,753	\$171,306	46,474	\$490,235
Shares issued in reinvestment of distributions . . . . .	5,547	49,980	31,560	332,909
Shares redeemed <sup>a</sup> . . . . .	(58,716)	(528,297)	(635,487)	(6,707,742)
Net increase (decrease) . . . . .	(34,416)	\$(307,011)	(557,453)	\$(5,884,598)
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 <sup>a</sup> . . . . .	(254,210)	(2,308,573)	(1,098,342)	(11,714,112)
Net increase (decrease) . . . . .	(192,795)	\$(1,756,700)	(779,676)	\$(8,286,111)
<b>Class R6 Shares:</b>				
Six Months ended August 31, 2023				
Shares sold . . . . .	102,650	\$919,525	466,681	\$4,859,786
Shares issued in reinvestment of distributions . . . . .	1,731	15,467	17,606	183,289
Shares redeemed . . . . .	(42,676)	(380,290)	(74,769)	(781,229)
Net increase (decrease) . . . . .	61,705	\$554,702	409,518	\$4,261,846
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)

## 2. Shares of Beneficial Interest (continued)

	Franklin Connecticut Tax-Free Income Fund		Franklin Michigan Tax-Free Income Fund	
	Shares	Amount	Shares	Amount
<b>Advisor Class Shares:</b>				
Six Months ended August 31, 2023				
Shares sold . . . . .	336,690	\$3,001,539	608,308	\$6,345,365
Shares issued in reinvestment of distributions . . . . .	20,337	181,552	108,983	1,134,702
Shares redeemed . . . . .	(168,611)	(1,510,287)	(1,503,593)	(15,673,003)
Net increase (decrease) . . . . .	188,416	\$1,672,804	(786,302)	\$(8,192,936)
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)
	Franklin Minnesota Tax-Free Income Fund		Franklin Ohio Tax-Free Income Fund	
	Shares	Amount	Shares	Amount
<b>Class A Shares:</b>				
Six Months ended August 31, 2023				
Shares sold <sup>a</sup> . . . . .	1,927,854	\$21,460,622	2,214,888	\$25,093,525
Shares issued in reinvestment of distributions . . . . .	208,890	2,317,527	321,297	3,650,782
Shares redeemed . . . . .	(2,016,792)	(22,410,072)	(2,988,183)	(34,051,970)
Net increase (decrease) . . . . .	119,952	\$1,368,077	(451,998)	\$(5,307,663)
Year ended February 28, 2023				
Shares sold <sup>a</sup> . . . . .	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)
<b>Class A1 Shares:</b>				
Six Months ended August 31, 2023				
Shares sold . . . . .	439,210	\$4,878,361	427,462	\$4,865,760
Shares issued in reinvestment of distributions . . . . .	447,021	4,958,868	761,766	8,651,080
Shares redeemed . . . . .	(2,838,720)	(31,545,116)	(4,351,288)	(49,402,004)
Net increase (decrease) . . . . .	(1,952,489)	\$(21,707,887)	(3,162,060)	\$(35,885,164)
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)

## 2. Shares of Beneficial Interest (continued)

	Franklin Minnesota Tax-Free Income Fund		Franklin Ohio Tax-Free Income Fund	
	Shares	Amount	Shares	Amount
<b>Class C Shares:</b>				
Six Months ended August 31, 2023				
Shares sold . . . . .	153,643	\$1,731,381	119,686	\$1,382,281
Shares issued in reinvestment of distributions . . . . .	49,312	553,518	75,795	872,802
Shares redeemed <sup>a</sup> . . . . .	(962,774)	(10,827,698)	(1,213,614)	(13,969,044)
Net increase (decrease) . . . . .	(759,819)	\$(8,542,799)	(1,018,133)	\$(11,713,961)
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 <sup>a</sup> . . . . .	(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)
<b>Class R6 Shares:</b>				
Six Months ended August 31, 2023				
Shares sold . . . . .	723,793	\$8,071,868	673,884	\$7,645,481
Shares issued in reinvestment of distributions . . . . .	21,737	241,387	23,785	270,206
Shares redeemed . . . . .	(240,859)	(2,672,165)	(190,689)	(2,174,253)
Net increase (decrease) . . . . .	504,671	\$5,641,090	506,980	\$5,741,434
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)
<b>Advisor Class Shares:</b>				
Six Months ended August 31, 2023				
Shares sold . . . . .	1,780,202	\$19,796,423	2,002,577	\$22,769,549
Shares issued in reinvestment of distributions . . . . .	252,817	2,807,973	271,220	3,082,809
Shares redeemed . . . . .	(3,604,732)	(39,984,802)	(3,286,768)	(37,322,379)
Net increase (decrease) . . . . .	(1,571,713)	\$(17,380,406)	(1,012,971)	\$(11,470,021)
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)

## 2. Shares of Beneficial Interest (continued)

	Franklin Oregon Tax-Free Income Fund		Franklin Pennsylvania Tax-Free Income Fund	
	Shares	Amount	Shares	Amount
<b>Class A Shares:</b>				
Six Months ended August 31, 2023				
Shares sold <sup>a</sup> . . . . .	1,681,351	\$17,541,526	1,173,959	\$10,279,626
Shares issued in reinvestment of distributions . . . . .	277,801	2,889,420	234,378	2,045,048
Shares redeemed . . . . .	(2,498,378)	(25,982,400)	(1,375,911)	(12,007,335)
Net increase (decrease) . . . . .	(539,226)	\$(5,551,454)	32,426	\$317,339
Year ended February 28, 2023				
Shares sold <sup>a</sup> . . . . .	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)
<b>Class A1 Shares:</b>				
Six Months ended August 31, 2023				
Shares sold . . . . .	631,109	\$6,576,644	556,133	\$4,874,298
Shares issued in reinvestment of distributions . . . . .	760,211	7,903,235	745,584	6,503,983
Shares redeemed . . . . .	(3,668,197)	(38,119,445)	(4,213,861)	(36,727,812)
Net increase (decrease) . . . . .	(2,276,877)	\$(23,639,566)	(2,912,144)	\$(25,349,531)
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)
<b>Class C Shares:</b>				
Six Months ended August 31, 2023				
Shares sold . . . . .	81,401	\$857,483	82,096	\$729,347
Shares issued in reinvestment of distributions . . . . .	44,715	472,417	51,656	456,855
Shares redeemed <sup>a</sup> . . . . .	(892,279)	(9,439,002)	(906,762)	(8,039,691)
Net increase (decrease) . . . . .	(766,163)	\$(8,109,102)	(773,010)	\$(6,853,489)
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 <sup>a</sup> . . . . .	(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)



## 2. Shares of Beneficial Interest (continued)

	Franklin Oregon Tax-Free Income Fund		Franklin Pennsylvania Tax-Free Income Fund	
	Shares	Amount	Shares	Amount
<b>Class R6 Shares:</b>				
Six Months ended August 31, 2023				
Shares sold . . . . .	560,016	\$5,833,125	211,432	\$1,847,543
Shares issued in reinvestment of distributions . . . . .	34,806	361,852	16,976	148,220
Shares redeemed . . . . .	(371,293)	(3,858,551)	(106,618)	(930,521)
Net increase (decrease) . . . . .	223,529	\$2,336,426	121,790	\$1,065,242
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
<b>Advisor Class Shares:</b>				
Six Months ended August 31, 2023				
Shares sold . . . . .	1,646,392	\$17,160,445	969,869	\$8,469,068
Shares issued in reinvestment of distributions . . . . .	195,084	2,030,507	116,765	1,020,091
Shares redeemed . . . . .	(1,807,062)	(18,814,740)	(1,056,421)	(9,233,305)
Net increase (decrease) . . . . .	34,414	\$376,212	30,213	\$255,854
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)

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

## 3. Transactions with Affiliates

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

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

### 3. Transactions with Affiliates (continued)

#### a. Management Fees

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

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

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

	Franklin Arizona Tax- Free Income Fund	Franklin Colorado Tax- Free Income Fund	Franklin Connecticut Tax-Free Income Fund
Gross effective investment management fee rate. . . . .	0.478%	0.491%	0.581%
	Franklin Michigan Tax- Free Income Fund	Franklin Minnesota Tax- Free Income Fund	Franklin Ohio Tax-Free Income Fund
Gross effective investment management fee rate. . . . .	0.479%	0.476%	0.466%
	Franklin Oregon Tax- Free Income Fund	Franklin Pennsylvania Tax-Free Income Fund	
Gross effective investment management fee rate. . . . .	0.471%	0.478%	

#### 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 period:

	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 . . . . .	\$4,273	\$6,236	\$416	\$4,025
CDSC retained . . . . .	\$15,760	\$13,131	\$8	\$6,858
	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 . . . . .	\$3,225	\$6,242	\$4,680	\$3,429
CDSC retained . . . . .	\$5,984	\$104,744	\$20,679	\$3,968

#### e. Transfer Agent Fees

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

For the period ended August 31, 2023, the Funds paid transfer agent fees as noted in the Statements of Operations of which the following amounts were retained by Investor Services:

### 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 . . . . .	\$85,222	\$66,637	\$21,789	\$106,003
	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 . . . . .	\$104,545	\$144,939	\$107,372	\$110,317

#### f. Waiver and Expense Reimbursements

Advisers has contractually agreed in advance to waive or limit its fees and to assume as its own expense certain expenses otherwise payable by the Funds so that the operating expenses (excluding distribution fees, acquired fund fees and expenses and certain non-routine expenses or costs, including those relating to litigation, indemnification, reorganizations, and liquidations) for each class of the Funds do not exceed 0.65%, based on the average net assets of each class until June 30, 2024. Total expenses waived or paid are not subject to recapture subsequent to the Funds' fiscal year end.

Investor Services has contractually agreed in advance to waive or limit its fees so that the Class R6 transfer agent fees do not exceed 0.03% based on the average net assets of the class until June 30, 2024.

#### g. Interfund Transactions

Certain or all Funds engaged in purchases and sales of investments with funds or other accounts that have common investment managers (or affiliated investment managers), directors, trustees or officers. These purchases, sales and the related net realized gains (losses), if any, for the period ended August 31, 2023, were as follows:

	Franklin Arizona Tax- Free Income Fund	Franklin Colorado Tax- Free Income Fund	Franklin Connecticut Tax-Free Income Fund	Franklin Michigan Tax- Free Income Fund
Purchases . . . . .	\$10,400,000	\$8,500,000	\$600,000	\$7,500,000
Sales . . . . .	\$13,200,000	\$10,825,000	\$2,600,000	\$8,700,000
Net Realized Gains (Losses) . . . . .	—	—	—	—
	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 . . . . .	\$21,050,000	\$17,300,000	\$12,300,000	\$4,200,000
Sales . . . . .	\$45,050,000	\$33,000,000	\$15,850,000	\$10,900,001
Net Realized Gains (Losses) . . . . .	\$1,701,357	—	—	\$1

#### 4. Expense Offset Arrangement

The Funds have entered into an arrangement with their custodian whereby credits realized as a result of uninvested cash balances are used to reduce a portion of the Funds' custodian expenses. During the period ended August 31, 2023, the custodian fees were reduced as noted in the Statements of Operations.

#### 5. Income Taxes

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

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

	Franklin 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

At August 31, 2023, the cost of investments and net unrealized appreciation (depreciation) 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 . . . . .	\$774,785,212	\$540,340,805	\$150,912,821	\$749,289,134
Unrealized appreciation. . . . .	\$4,170,721	\$3,110,750	\$595,975	\$3,050,836
Unrealized depreciation. . . . .	(48,317,536)	(40,435,683)	(14,071,731)	(51,839,465)
Net unrealized appreciation (depreciation). . . . .	\$(44,146,815)	\$(37,324,933)	\$(13,475,756)	\$(48,788,629)

## 5. Income Taxes (continued)

	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 . . . . .	\$812,496,888	\$1,162,583,281	\$965,018,834	\$787,553,517
Unrealized appreciation. . . . .	\$2,149,242	\$7,448,571	\$6,326,259	\$3,004,374
Unrealized depreciation. . . . .	(57,005,272)	(61,789,194)	(54,072,393)	(67,623,927)
Net unrealized appreciation (depreciation). . . . .	\$(54,856,030)	\$(54,340,623)	\$(47,746,134)	\$(64,619,553)

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

## 6. Investment Transactions

Purchases and sales of investments (excluding short term securities) for the period ended August 31, 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 . . . . .	\$20,652,113	\$12,681,318	\$12,186,467	\$25,721,001
Sales . . . . .	\$56,614,248	\$35,319,877	\$16,109,894	\$47,995,063

  

	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 . . . . .	\$85,811,260	\$36,944,018	\$37,234,833	\$33,053,350
Sales . . . . .	\$79,624,826	\$82,413,707	\$66,377,626	\$54,499,457

## 7. Defaulted Securities

Certain or all Funds held defaulted securities and/or other securities for which the income has been deemed uncollectible. The Funds discontinue accruing income on securities for which income has been deemed uncollectible and provide an estimate for losses on interest receivable. The securities have been identified in the accompanying Schedules of Investments.

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

	Value	Percentage of Net Assets
Franklin Oregon Tax-Free Income Fund. . . . .	\$1,936,000	0.2%
Franklin Pennsylvania Tax-Free Income Fund . . . . .	1,423,125	0.2%

## 8. Concentration of Risk

Certain or all Funds invest a large percentage of their total assets in obligations of issuers within their respective state 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. Credit Facility

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

Under the terms of the Global Credit Facility, the Funds shall, in addition to interest charged on any borrowings made by the Funds and other costs incurred by the Funds, pay their share of fees and expenses incurred in connection with the implementation and maintenance of the Global Credit Facility, based upon their relative share of the aggregate net assets of all of the Borrowers, including an annual commitment fee of 0.15% based upon the unused portion of the Global Credit Facility. These fees are reflected in other expenses in the Statements of Operations. During the period ended August 31, 2023, the Funds did not use the Global Credit Facility.

## 10. Fair Value Measurements

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

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

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

A summary of inputs used as of August 31, 2023, in valuing the Funds' assets carried at fair value, is as follows:

	Level 1	Level 2	Level 3	Total
<b>Franklin Arizona Tax-Free Income Fund</b>				
<b>Assets:</b>				
Investments in Securities:				
Municipal Bonds . . . . .	\$—	\$725,223,397	\$—	\$725,223,397
Short Term Investments . . . . .	—	5,415,000	—	5,415,000
Total Investments in Securities . . . . .	\$—	\$730,638,397	\$—	\$730,638,397

## 10. Fair Value Measurements (continued)

	Level 1	Level 2	Level 3	Total
<b>Franklin Colorado Tax-Free Income Fund</b>				
<b>Assets:</b>				
Investments in Securities:				
Corporate Bonds . . . . .	\$—	\$—	\$1,364,433	\$1,364,433
Municipal Bonds . . . . .	—	500,591,439	—	500,591,439
Short Term Investments . . . . .	—	1,060,000	—	1,060,000
Total Investments in Securities . . . . .	\$—	\$501,651,439	\$1,364,433	\$503,015,872
<b>Franklin Connecticut Tax-Free Income Fund</b>				
<b>Assets:</b>				
Investments in Securities:				
Municipal Bonds . . . . .	—	136,037,065	—	136,037,065
Short Term Investments . . . . .	—	1,400,000	—	1,400,000
Total Investments in Securities . . . . .	\$—	\$137,437,065	\$—	\$137,437,065
<b>Franklin Michigan Tax-Free Income Fund</b>				
<b>Assets:</b>				
Investments in Securities:				
Corporate Bonds . . . . .	—	—	1,754,272	1,754,272
Municipal Bonds . . . . .	—	698,746,233	—	698,746,233
Total Investments in Securities . . . . .	\$—	\$698,746,233	\$1,754,272	\$700,500,505
<b>Franklin Minnesota Tax-Free Income Fund</b>				
<b>Assets:</b>				
Investments in Securities:				
Municipal Bonds . . . . .	—	757,640,858	—	757,640,858
Total Investments in Securities . . . . .	\$—	\$757,640,858	\$—	\$757,640,858
<b>Franklin Ohio Tax-Free Income Fund</b>				
<b>Assets:</b>				
Investments in Securities:				
Corporate Bonds . . . . .	—	—	3,118,705	3,118,705
Municipal Bonds . . . . .	—	1,090,148,953	—	1,090,148,953
Short Term Investments . . . . .	—	14,975,000	—	14,975,000
Total Investments in Securities . . . . .	\$—	\$1,105,123,953	\$3,118,705	\$1,108,242,658
<b>Franklin Oregon Tax-Free Income Fund</b>				
<b>Assets:</b>				
Investments in Securities:				
Corporate Bonds . . . . .	—	—	2,436,488	2,436,488
Municipal Bonds:	—			
California . . . . .	—	2,863,257	—	2,863,257
Florida . . . . .	—	5,581,097	—	5,581,097
Illinois . . . . .	—	4,594,955	—	4,594,955
Kentucky . . . . .	—	5,409,470	—	5,409,470
New Jersey . . . . .	—	8,081,994	—	8,081,994
New York . . . . .	—	4,975,775	—	4,975,775
Oregon . . . . .	—	816,469,323	—	816,469,323
South Carolina . . . . .	—	11,226,950	—	11,226,950
Texas . . . . .	—	5,942,433	—	5,942,433
Washington . . . . .	—	1,970,067	—	1,970,067
Wisconsin . . . . .	—	8,160,817	—	8,160,817
U.S. Territories . . . . .				
Puerto Rico . . . . .	—	33,941,215	4,632,753	38,573,968
Escrows and Litigation Trusts . . . . .	—	—	286,106	286,106
Short Term Investments . . . . .	—	700,000	—	700,000
Total Investments in Securities . . . . .	\$—	\$909,917,353	\$7,355,347	\$917,272,700



## 10. Fair Value Measurements (continued)

	Level 1	Level 2	Level 3	Total
<b>Franklin Pennsylvania Tax-Free Income Fund</b>				
<b>Assets:</b>				
Investments in Securities:				
Corporate Bonds	\$—	\$—	\$1,949,191	\$1,949,191
Municipal Bonds:	—			
Florida	—	5,311,850	—	5,311,850
Illinois	—	5,808,969	—	5,808,969
New Jersey	—	1,953,251	—	1,953,251
New York	—	11,678,442	—	11,678,442
Pennsylvania	—	662,783,940	—	662,783,940
South Carolina	—	3,897,645	—	3,897,645
Texas	—	4,274,124	—	4,274,124
Washington	—	1,576,054	—	1,576,054
Wisconsin	—	6,573,204	—	6,573,204
U.S. Territories				
Puerto Rico	—	9,611,515	3,405,467	13,016,982
Escrows and Litigation Trusts	—	—	210,312	210,312
Short Term Investments	—	3,900,000	—	3,900,000
Total Investments in Securities	\$—	\$717,368,994	\$5,564,970	\$722,933,964

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

## 11. Subsequent Events

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

## Abbreviations

### Selected Portfolio

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

## Shareholder Information

### Board Approval of Investment Management Agreements

#### FRANKLIN TAX-FREE TRUST

**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**

(each a Fund)

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

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

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

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

#### Nature, Extent and Quality of Services

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

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

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

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

### **Fund Performance**

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

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

*Franklin Colorado Tax-Free Income Fund, Franklin Connecticut Tax-Free Income Fund, Franklin Minnesota Tax-Free Income Fund and Franklin Oregon Tax-Free Income Fund* - The Performance Universe for each of the Franklin Colorado Tax-Free Income Fund, Franklin Connecticut Tax-

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

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

*Franklin Ohio Tax-Free Income Fund* - The Performance Universe for the Fund included the Fund and all retail and institutional Ohio municipal debt funds. The Board noted that the Fund's annualized income return for the one-, three-, five- and 10-year periods was above the median of its Performance Universe. The Board also noted that the Fund's annualized total return for the one -, three- and five- year periods was below the median of its Performance Universe, but for the 10-year period was equal to the median of its Performance Universe. The Board further noted management's view regarding the income-related attributes of the Fund (e.g., a fund's investment objective) as set forth in the Fund's registration statement and that the evaluation

of the Fund's performance relative to its peers on an income return basis was appropriate given these attributes. The Board concluded that the Fund's performance was satisfactory.

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

### **Comparative Fees and Expenses**

The Board reviewed and considered information regarding each Fund's actual total expense ratio and its various components, including, as applicable, management fees; transfer agent expenses; underlying fund expenses; Rule 12b-1 and non-Rule 12b-1 service fees; and other non-management fees. The Board also noted the quarterly and annual reports it receives on all marketing support payments made by FT to financial intermediaries. The Board considered the actual total expense ratio and, separately, the contractual management fee rate, without the effect of fee waivers, if any (Management Rate) of each Fund in comparison to the median expense ratio and median Management Rate, respectively, of other mutual funds deemed comparable to and with a similar expense structure to the Fund selected by Broadridge (Expense Group). Broadridge fee and expense data is based upon information taken from each fund's most recent annual or semi-annual report, which reflects historical asset levels that may be quite different from those currently existing, particularly in a

period of market volatility. While recognizing such inherent limitation and the fact that expense ratios and Management Rates generally increase as assets decline and decrease as assets grow, the Board believed the independent analysis conducted by Broadridge to be an appropriate measure of comparative fees and expenses. The Broadridge Management Rate includes administrative charges, and the actual total expense ratio, for comparative consistency, was shown for Class A1 shares for each Fund and for Class A shares for each other fund in the applicable Expense Group. The Board received a description of the methodology used by Broadridge to select the mutual funds included in an Expense Group.

*Franklin Arizona Tax-Free Income Fund, Franklin Michigan Tax-Free Income Fund and Franklin Oregon Tax-Free Income Fund* - The Expense Group for each Fund, included the respective Fund and 10 other "other states" municipal debt funds. The Board noted that the Management Rates and actual total expense ratios for the Funds were below the medians of their respective Expense Groups. The Board concluded that the Management Rates charged to the Funds are reasonable.

*Franklin Colorado Tax-Free Income Fund, Franklin Connecticut Tax-Free Income Fund and Franklin Ohio Tax-Free Income Fund* - The Expense Group for the Franklin Colorado Tax-Free Income Fund included the Fund and 10 other "other states" municipal debt funds. The Expense Group for the Franklin Connecticut Tax-Free Income Fund included the Fund and nine other "other states" municipal debt funds. The Expense Group for the Franklin Ohio Tax-Free Income Fund included the Fund and six other Ohio municipal debt funds. The Board noted that the Management Rates for the Funds were one basis point or less above the medians of their respective Expense Groups, except for the Franklin Connecticut Tax-Free Income Fund which was approximately three basis points above the median of its Expense Group. The Board further noted that the actual total expense ratios for the Funds were below the medians of their respective Expense Groups. The Board concluded that the Management Rates charged to the Funds are reasonable.

*Franklin Minnesota Tax-Free Income Fund and Franklin Pennsylvania Tax-Free Income Fund* - The Expense Group for the Franklin Minnesota Tax-Free Income Fund included the Fund and seven other Minnesota municipal debt funds. The Expense Group for the Franklin Pennsylvania Tax-Free Income Fund included the Fund and 11 other Pennsylvania municipal debt funds. The Board noted that the Management Rates for the Funds were equal to the medians of their

respective Expense Groups, and the actual total expense ratios for the Funds were below the medians of their respective Expense Groups. The Board concluded that the Management Rates charged to the Funds are reasonable.

### Profitability

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

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

The Board also considered the extent to which the Manager and its affiliates might derive ancillary benefits from fund operations, including revenues generated from transfer agent services, potential benefits resulting from personnel and systems enhancements necessitated by fund growth, as well as increased leverage with service providers and counterparties. Based upon its consideration of all these

factors, the Board concluded that the level of profits realized by the Manager and its affiliates from providing services to each Fund was not excessive in view of the nature, extent and quality of services provided to each Fund.

### Economies of Scale

The Board reviewed and considered the extent to which the Manager may realize economies of scale, if any, as each Fund grows larger and whether each Fund's management fee structure reflects any economies of scale for the benefit of shareholders. With respect to possible economies of scale, the Board noted the existence of management fee breakpoints, which operate generally to share any economies of scale with a Fund's shareholders by reducing the Fund's effective management fees as the Fund grows in size. The Board considered the Manager's view that any analyses of potential economies of scale in managing a particular fund are inherently limited in light of the joint and common costs and investments the Manager incurs across the FT family of funds as a whole. The Board noted the Franklin Connecticut Tax-Free Income Fund does not have an asset size that would likely enable the Fund to achieve economies of scale. The Board further noted that given the decline in assets over the past three calendar years for each of the Franklin Colorado Tax-Free Income Fund, Franklin Michigan Tax-Free Income Fund and Franklin Pennsylvania Tax-Free Income Funds, these Funds are not expected to experience additional economies of scale in the foreseeable future. The Board concluded that to the extent economies of scale may be realized by the Manager and its affiliates, each Fund's management fee structure provided a sharing of benefits with the Fund and its shareholders as the Fund grows.

### Conclusion

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

## Liquidity Risk Management Program

Each of the Franklin Templeton and Legg Mason Funds has adopted and implemented a written Liquidity Risk Management Program (the "LRMP") as required by Rule 22e-4 under the Investment Company Act of 1940 (the "Liquidity Rule"). The LRMP is designed to assess and manage each Fund's liquidity risk, which is defined as the risk that the Fund could not meet requests to redeem shares issued by the Fund without significant dilution of remaining investors' interests in the Fund. In accordance with the Liquidity Rule, the LRMP includes policies and procedures

that provide for: (1) assessment, management, and review (no less frequently than annually) of each Fund's liquidity risk; (2) classification of each Fund's portfolio holdings into one of four liquidity categories (Highly Liquid, Moderately Liquid, Less Liquid, and Illiquid); (3) for Funds that do not primarily hold assets that are Highly Liquid, establishing and maintaining a minimum percentage of the Fund's net assets in Highly Liquid investments (called a "Highly Liquid Investment Minimum" or "HLIM"); and (4) prohibiting the Fund's acquisition of Illiquid investments that would result in the Fund holding more than 15% of its net assets in Illiquid assets. The LRMP also requires reporting to the Securities and Exchange Commission ("SEC") (on a non-public basis) and to the Board if the Fund's holdings of Illiquid assets exceed 15% of the Fund's net assets. Funds with HLIMs must have procedures for addressing HLIM shortfalls, including reporting to the Board and, with respect to HLIM shortfalls lasting more than seven consecutive calendar days, reporting to the SEC (on a non-public basis).

The Director of Liquidity Risk within the Investment Risk Management Group (the "IRMG") is the appointed Administrator of the LRMP. The IRMG maintains the Investment Liquidity Committee (the "ILC") to provide oversight and administration of policies and procedures governing liquidity risk management for Franklin Templeton and Legg Mason products and portfolios. The ILC includes representatives from Franklin Templeton's Risk, Trading, Global Compliance, Legal, Investment Compliance, Investment Operations, Valuation Committee, Product Management and Global Product Strategy.

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

Each Fund primarily holds liquid assets that are defined under the Liquidity Rule as "Highly Liquid Investments," and therefore is not required to establish an HLIM. Highly Liquid Investments are defined as cash and any investment

reasonably expected to be convertible to cash in current market conditions in three business days or less without the conversion to cash significantly changing the market value of the investment.

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

## Proxy Voting Policies and Procedures

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

## Householding of Reports and Prospectuses

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

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.



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