

FRANKLIN TAX-FREE TRUST

February 29, 2024



FRANKLIN
TEMPLETON

Franklin Alabama Tax-Free Income Fund

Franklin Georgia Tax-Free Income Fund

Franklin Louisiana Tax-Free Income Fund

Franklin Maryland Tax-Free Income Fund

Franklin Missouri Tax-Free Income Fund

Franklin North Carolina Tax-Free Income Fund

Franklin Virginia Tax-Free Income Fund

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

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

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

You may access franklintempleton.com by scanning the code below.



SHAREHOLDER LETTER

Dear Shareholder,

We are pleased to provide the annual report of Franklin Tax-Free Trust 2 for the 12-month reporting period ended February 29, 2024. Please read on for a detailed look at prevailing economic and market conditions during the Funds' reporting period and to learn how those conditions have affected Fund performance.

As always, we remain committed to providing you with excellent service and a full spectrum of investment choices. We also remain committed to supplementing the support you receive from your financial advisor. One way we accomplish this is through our website, www.franklintempleton.com. Here you can gain immediate access to market and investment information, including:

- Fund prices and performance;
- Market insights and commentaries from our portfolio Managers; and
- A host of educational resources.

We look forward to helping you meet your financial goals.

Sincerely,



Gregory E. Johnson
Chairman
Franklin Tax-Free Trust



Ben Barber
Senior Vice President
Director of Municipal Bonds

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

Funds' Overview

Q. What are the investment strategies of the Funds'?

A. Each of the Franklin Alabama Tax-Free Income Fund, Franklin Georgia Tax-Free Income Fund, Franklin Louisiana Tax-Free Income Fund, Franklin Maryland Tax-Free Income Fund, Franklin Missouri Tax-Free Income Fund, Franklin North Carolina Tax-Free Income Fund and Franklin Virginia Tax-Free Income Fund seeks to provide investors with as high a level of income exempt from federal income taxes and exempt from personal income tax for resident shareholders of each state 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 federal income taxes, including the federal alternative minimum tax.¹ In addition, each Fund normally invests at least 80% of its total assets in securities that pay interest free from the personal income taxes of that Fund's state. We select securities that we believe will provide the best balance between risk and return within each Fund's range of allowable investments and typically invests with a long-term time horizon. This means we generally hold securities in each Fund's portfolio for income purposes, although we may sell a security at any time if we believe it could help a Fund meet its goal. Each Fund buys municipal securities rated in one of the top four ratings categories by one or more U.S. nationally recognized rating services (or unrated or short-term rated securities of comparable credit quality). None of the Funds have restrictions on the maturity of the securities they may buy.

Q. What were the overall market conditions during the Funds' reporting period?

A. The 12 months ending February 29, 2024, saw the U.S. Federal Reserve (Fed) turn more cautious in its monetary policy tightening campaign, in an effort to get inflation under control without tipping the economy into recession. The Fed delivered three 25-basis point hikes during the period, the last of which occurred in July 2023 and took the fed funds target rate to a range of 5.25%–5.50%, a more than 20-year high. Since then, policymakers have maintained a restrictive stance, as the annual headline Consumer Price Index (CPI) declined from 6.0% for February 2023 to 3.1% in January 2024. At its most recent meeting (in January), the Fed still left the policy rate unchanged, while Fed Chair Jerome Powell pushed back against investor hopes for a March rate cut, saying that the Federal Open Market Committee was waiting to see further confirmation of the disinflationary trend. Meanwhile, the U.S. economy remained robust, with real gross domestic product increasing at an annualized rate of 3.3% in the fourth quarter of 2023, underpinned by strong consumer and government spending.

The municipal (muni) bond market recorded positive total returns over the period under review, helped by a late-year rally in 2023 which was fueled by increased investor optimism that monetary policy tightening had come to an end. Nevertheless, for most of the last 12 months, high levels of uncertainty kept fund flows into muni bond retail vehicles negative. Anecdotal feedback suggested that many asset allocators were retaining large cash and cash-equivalent balances, waiting on the sidelines for volatility to decline. Towards the end of the period, elevated muni bond yields helped draw investor interest, with fund flows into the asset class turning positive in January 2024.

Q. How did we respond to these changing market conditions?

A. The past 12 months witnessed high levels of uncertainty. However, market volatility was largely interest-rate driven. Credit fundamentals have remained stable, with robust balance sheets that were supported by significant "rainy-day" funds which, in turn, were bolstered by federal COVID-19 aid, increased during the post-pandemic recovery, and maintained with conservative budgeting and fiscal discipline. Considering our view of the fundamental strength in the muni market, the Funds were consequently tilted towards lower-rated issuers and bonds with no external credit rating. Over the period, we looked for opportunities that had the potential to improve the overall yield of the portfolio and used our rigorous bottom-up research process to help us identify credits that represented good relative value, in our view.

Q. What were the leading contributors to performance?

A. The Funds outperformed their benchmark over the 12 months under review, supported primarily by an overweight to bonds with no external credit rating, as well as a tilt towards lower-rated investment-grade issuers. Additionally, selection in AA and A rated securities benefited results.

Q. What were the leading detractors from performance?

A. Negative performance over the period came from the Funds' yield curve positioning, driven by an overweight to muni bonds with ten or more years to maturity. In addition, while overall credit quality positioning helped relative returns, an overweight to issuers rated below investment-grade was a drag on returns.

Q. Were there any significant changes to the Funds during the reporting period?

A. There were no significant changes to the Funds' overall strategy. However, as we gained more clarity around the Fed's policy path and became more comfortable that muni

1. Distributions for each Fund are primarily exempt from regular federal income tax and state income tax for individual residents of that Fund's state. For investors subject to alternative minimum tax, a 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.

fundamentals were generally robust in the face of tighter financing conditions and slowing economic activity, the Funds increased their exposure to lower-rated investment-grade issuers, as well as to bonds with no external credit rating. The Franklin Templeton Fixed Income research team conducts an in-depth analysis of potential investment opportunities and is therefore able to find what they deem to be attractively priced securities from muni issuers with solid underlying credit fundamentals that could weather a period of below-trend growth.

The foregoing information reflects our analysis, opinions and portfolio holdings as of February 29, 2024, the end of the reporting period. The way we implement our main investment strategies and the resulting portfolio holdings may change depending on factors such as market and economic conditions. These opinions may not be relied upon as investment advice or an offer for a particular security. The information is not a complete analysis of every aspect of any market, state, industry, security or the Fund. Statements of fact are from sources considered reliable, but the investment manager makes no representation or warranty as to their completeness or accuracy. Although historical performance is no guarantee of future results, these insights may help you understand our investment management philosophy.

Franklin Alabama Tax-Free Income Fund

Fund Overview

Performance Overview

The Fund's Class A share price, as measured by net asset value, increased from \$9.92 on February 28, 2023, to \$10.20 on February 29, 2024. The Fund's Class A shares paid dividends totaling 24.9368 cents per share for the same period.¹ The Performance Summary beginning on page 6 shows that at the end of this reporting period the Fund's Class A shares' distribution rate was 2.39%, based on an annualization of February's 2.1141 cents per share monthly dividend and the maximum offering price of \$10.60 on February 29, 2024. An investor in the 2024 maximum combined effective federal and Alabama personal income tax bracket of 45.80% (including 3.80% Medicare tax) would need to earn a distribution rate of 4.41% from a taxable investment to match the Fund's Class A tax-free distribution rate. For other performance data, please see the Performance Summary.

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

Portfolio Composition

2/29/24

	% of Total Investments*
Education	26.53%
Health Care	19.16%
Utilities	18.31%
Industrial Dev. Revenue and Pollution Control	8.84%
Local	8.55%
Refunded	6.69%
Housing	4.98%
Transportation	3.83%
Lease	1.80%
Special Tax	1.31%

*Does not include cash and cash equivalents.

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

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

Important data provider notices and terms available at www.franklintempletondatasources.com.

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 45.

Performance Summary as of February 29, 2024

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

Performance as of 2/29/24¹

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

Share Class	Cumulative Total Return ²	Average Annual Total Return ³
A^{4,5}		
1-Year	+5.43%	+1.47%
5-Year	+6.01%	+0.40%
10-Year	+22.13%	+1.63%
Advisor⁶		
1-Year	+5.70%	+5.70%
5-Year	+7.34%	+1.43%
10-Year	+23.96%	+2.17%

Share Class	Distribution Rate ⁷	Taxable Equivalent Distribution Rate ⁸	30-Day Standardized Yield ⁹		Taxable Equivalent 30-Day Standardized Yield ⁸	
			(with fee waiver)	(without fee waiver)	(with fee waiver)	(without fee waiver)
A	2.39%	4.41%	2.99%	2.95%	5.52%	5.44%
Advisor	2.73%	5.04%	3.37%	3.32%	6.22%	6.13%

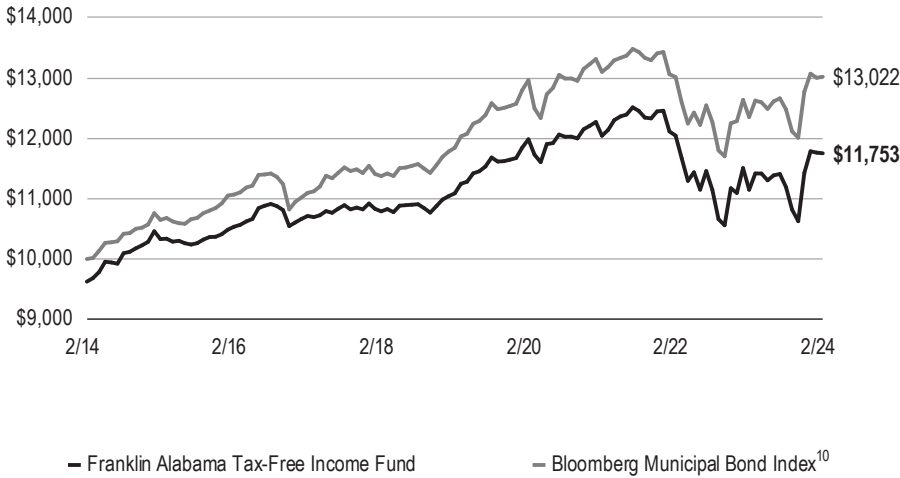
Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. For most recent month-end performance, go to franklintempleton.com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

See page 8 for Performance Summary footnotes.

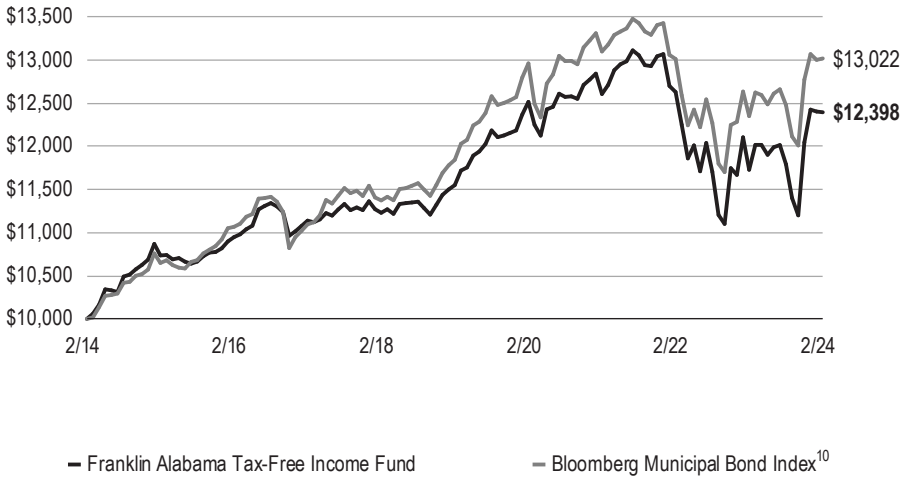
Total Return Index Comparison for a Hypothetical \$10,000 Investment¹

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

Class A (2/28/14–2/29/24)



Advisor Class (2/28/14–2/29/24)



See page 8 for Performance Summary footnotes.

Distributions (3/1/23–2/29/24)

Share Class	Net Investment Income
A	\$0.249368
A1	\$0.264347
C	\$0.208577
R6	\$0.277172
Advisor	\$0.274301

Total Annual Operating Expenses¹¹

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

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

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

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

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

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

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

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

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

6. Effective 9/15/16, the Fund began offering Advisor Class shares, which do not have sales charges or a Rule 12b-1 plan. Performance quotations for this class reflect the following methods of calculation: (a) For periods prior to 9/15/16, a restated figure is used based upon the Fund's Class A performance, excluding the effect of Class A's maximum initial sales charge, but reflecting the effect of the Class A Rule 12b-1 fees; and (b) for periods after 9/15/16, actual Advisor Class performance is used reflecting all charges and fees applicable to that class.

7. Distribution rate is based on an annualization of the respective class's February dividend and the maximum offering price (NAV for Advisor Class) per share on 2/29/24.

8. Taxable equivalent distribution rate and yield assume the published rates as of 12/20/23 for the maximum combined effective federal and Alabama personal income tax rate of 45.80%, based on the federal income tax rate of 37.00% plus 3.80% Medicare tax.

9. The Fund's 30-day standardized yield is calculated over a trailing 30-day period using the yield to maturity on bonds and/or the dividends accrued on stocks. It may not equal the Fund's actual income distribution rate, which reflects the Fund's past dividends paid to shareholders.

10. Source: FactSet. The Bloomberg Municipal Bond Index is a market value-weighted index of tax-exempt, investment-grade municipal bonds with maturities of one year or more.

11. Figures are as stated in the Fund's current prospectus and may differ from the expense ratios disclosed in the Your Fund's Expenses and Financial Highlights sections in this report. In periods of market volatility, assets may decline significantly, causing total annual Fund operating expenses to become higher than the figures shown.

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Your Fund's Expenses

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

Actual Fund Expenses

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

Hypothetical Example for Comparison with Other Funds

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

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

Share Class	Beginning Account Value 9/1/23	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio ²
		Ending Account Value 2/29/24	Expenses Paid During Period 9/1/23–2/29/24 ^{1,2}	Ending Account Value 2/29/24	Expenses Paid During Period 9/1/23–2/29/24 ^{1,2}	
A	\$1,000	\$1,049.90	\$4.57	\$1,020.41	\$4.50	0.90%
A1	\$1,000	\$1,050.70	\$3.82	\$1,021.14	\$3.76	0.75%
C	\$1,000	\$1,047.20	\$6.58	\$1,018.44	\$6.49	1.29%
R6	\$1,000	\$1,051.40	\$3.19	\$1,021.76	\$3.14	0.62%
Advisor	\$1,000	\$1,051.20	\$3.30	\$1,021.64	\$3.26	0.65%

1. Expenses are equal to the annualized expense ratio for the six-month period as indicated above—in the far right column—multiplied by the simple average account value over the period indicated, and then multiplied by 182/366 to reflect the one-half year period.

2. Reflects expenses after fee waivers and expense reimbursements.

Franklin Georgia Tax-Free Income Fund

Fund Overview

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

Performance Overview

The Fund's Class A share price, as measured by net asset value, increased from \$10.40 on February 28, 2023, to \$10.68 on February 29, 2024. The Fund's Class A shares paid dividends totaling 28.6620 cents per share for the same period.¹ 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 2.42%, based on an annualization of February's 2.2349 cents per share monthly dividend and the maximum offering price of \$11.10 on February 29, 2024. An investor in the 2024 maximum combined effective federal and Georgia personal income tax bracket of 46.55% (including 3.80% Medicare tax) would need to earn a distribution rate of 4.53% from a taxable investment to match the Fund's Class A tax-free distribution rate. For other performance data, please see the Performance Summary.

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

Portfolio Composition

2/29/24

	% of Total Investments*
Health Care	21.96%
Housing	15.64%
Utilities	14.79%
Education	9.86%
Industrial Dev. Revenue and Pollution Control	9.81%
Local	8.00%
Transportation	7.13%
Special Tax	5.52%
Refunded	4.22%
Lease	1.65%
State General Obligation	1.03%
Other Revenue Bonds	0.39%

*Does not include cash and cash equivalents.

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

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

The SOI begins on page 54.

Performance Summary as of February 29, 2024

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

Performance as of 2/29/24¹

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

Share Class	Cumulative Total Return ²	Average Annual Total Return ³
A^{4,5}		
1-Year	+5.55%	+1.59%
5-Year	+4.88%	+0.19%
10-Year	+20.23%	+1.47%

Advisor⁶		
1-Year	+5.91%	+5.91%
5-Year	+6.30%	+1.23%
10-Year	+22.25%	+2.03%

Share Class	Distribution Rate ⁷	Taxable Equivalent Distribution Rate ⁸	30-Day Standardized Yield ⁹	Taxable Equivalent 30-Day Standardized Yield ⁸
A	2.42%	4.53%	3.01%	5.63%
Advisor	2.75%	5.12%	3.37%	6.28%

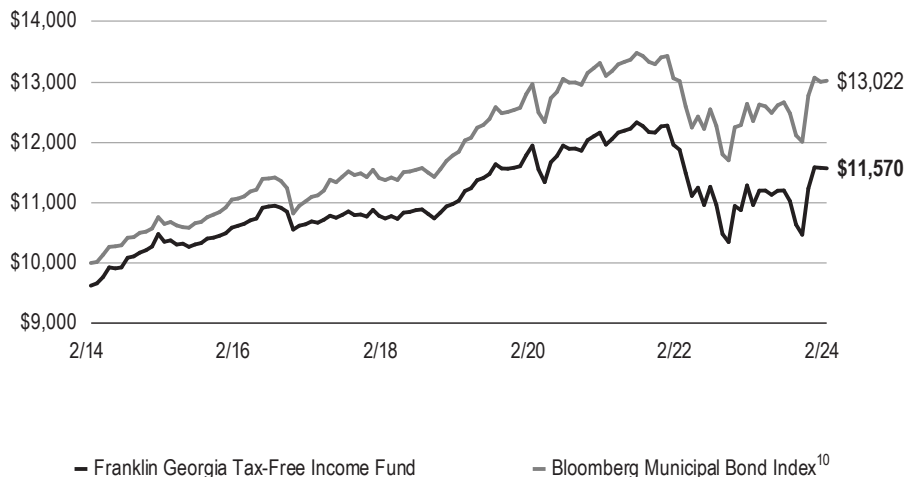
Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. For most recent month-end performance, go to franklintempleton.com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

See page 13 for Performance Summary footnotes.

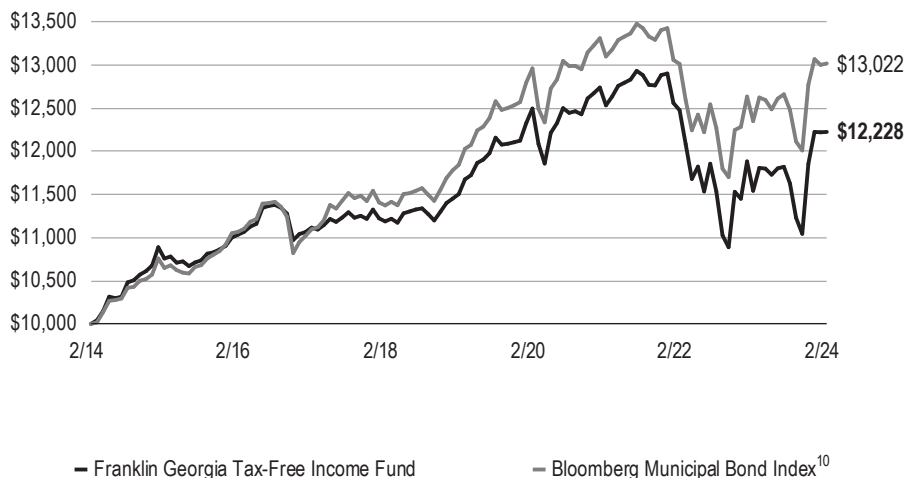
Total Return Index Comparison for a Hypothetical \$10,000 Investment¹

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

Class A (2/28/14–2/29/24)



Advisor Class (2/28/14–2/29/24)



See page 13 for Performance Summary footnotes.

Distributions (3/1/23–2/29/24)

Share Class	Net Investment Income
A	\$0.286620
A1	\$0.302268
C	\$0.243708
R6	\$0.316608
Advisor	\$0.312700

Total Annual Operating Expenses¹¹

Share Class	
A	0.86%
Advisor	0.61%

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

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

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

- 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.
- Cumulative total return represents the change in value of an investment over the periods indicated.
- 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.
- 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.
- 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%.
- Effective 9/15/16, the Fund began offering Advisor Class shares, which do not have sales charges or a Rule 12b-1 plan. Performance quotations for this class reflect the following methods of calculation: (a) For periods prior to 9/15/16, a restated figure is used based upon the Fund's Class A performance, excluding the effect of Class A's maximum initial sales charge, but reflecting the effect of the Class A Rule 12b-1 fees; and (b) for periods after 9/15/16, actual Advisor Class performance is used reflecting all charges and fees applicable to that class.
- Distribution rate is based on an annualization of the respective class's February dividend and the maximum offering price (NAV for Advisor Class) per share on 2/29/24.
- Taxable equivalent distribution rate and yield assume the published rates as of 12/20/23 for the maximum combined effective federal and Georgia personal income tax rate of 46.55%, based on the federal income tax rate of 37.00% plus 3.80% Medicare tax.
- 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.
- Source: FactSet. The Bloomberg Municipal Bond Index is a market value-weighted index of tax-exempt, investment-grade municipal bonds with maturities of one year or more.
- 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. Important data provider notices and terms available at www.franklintempletondatasources.com.

Your Fund's Expenses

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

Actual Fund Expenses

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

Hypothetical Example for Comparison with Other Funds

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

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

Share Class	Beginning Account Value 9/1/23	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Annualized Expense Ratio
		Ending Account Value 2/29/24	Expenses Paid During Period 9/1/23–2/29/24 ¹	Ending Account Value 2/29/24	Expenses Paid During Period 9/1/23–2/29/24 ¹	
A	\$1,000	\$1,049.20	\$4.63	\$1,020.35	\$4.56	0.91%
A1	\$1,000	\$1,050.00	\$3.86	\$1,021.10	\$3.81	0.76%
C	\$1,000	\$1,047.30	\$6.61	\$1,018.41	\$6.51	1.30%
R6	\$1,000	\$1,051.70	\$3.19	\$1,021.76	\$3.14	0.62%
Advisor	\$1,000	\$1,051.50	\$3.35	\$1,021.60	\$3.30	0.66%

1. Expenses are equal to the annualized expense ratio for the six-month period as indicated above—in the far right column—multiplied by the simple average account value over the period indicated, and then multiplied by 182/366 to reflect the one-half year period.

Franklin Louisiana Tax-Free Income Fund

Fund Overview

Performance Overview

The Fund's Class A share price, as measured by net asset value, increased from \$9.96 on February 28, 2023, to \$10.21 on February 29, 2024. The Fund's Class A shares paid dividends totaling 27.2017 cents per share for the same period.¹ The Performance Summary beginning on page 16 shows that at the end of this reporting period the Fund's Class A shares' distribution rate was 2.62%, based on an annualization of February's 2.3152 cents per share monthly dividend and the maximum offering price of \$10.61 on February 29, 2024. An investor in the 2024 maximum combined effective federal and Louisiana personal income tax bracket of 45.05% (including 3.80% Medicare tax) would need to earn a distribution rate of 4.77% from a taxable investment to match the Fund's Class A tax-free distribution rate. For other performance data, please see the Performance Summary.

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

Portfolio Composition

2/29/24

	% of Total Investments*
Health Care	20.18%
Transportation	14.17%
Housing	11.75%
Utilities	10.38%
Special Tax	10.30%
Education	10.14%
Local	9.52%
Refunded	5.44%
Lease	3.92%
State General Obligation	2.30%
Other Revenue Bonds	1.32%
Industrial Dev. Revenue and Pollution Control	0.58%

*Does not include cash and cash equivalents.

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

The dollar value, number of shares or principal amount, and names of all portfolio holdings are listed in the Fund's Schedule of Investments (SOI). The SOI begins on page 64.

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

Performance Summary as of February 29, 2024

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

Performance as of 2/29/24¹

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

Share Class	Cumulative Total Return ²	Average Annual Total Return ³
A^{4,5}		
1-Year	+5.34%	+1.39%
5-Year	+5.83%	+0.37%
10-Year	+22.59%	+1.67%
Advisor⁶		
1-Year	+5.60%	+5.60%
5-Year	+7.16%	+1.39%
10-Year	+24.53%	+2.22%

Share Class	Distribution Rate ⁷	Taxable Equivalent Distribution Rate ⁸	30-Day Standardized Yield ⁹		Taxable Equivalent 30-Day Standardized Yield ⁸	
			(with fee waiver)	(without fee waiver)	(with fee waiver)	(without fee waiver)
A	2.62%	4.77%	3.17%	3.13%	5.77%	5.70%
Advisor	2.95%	5.37%	3.54%	3.51%	6.44%	6.39%

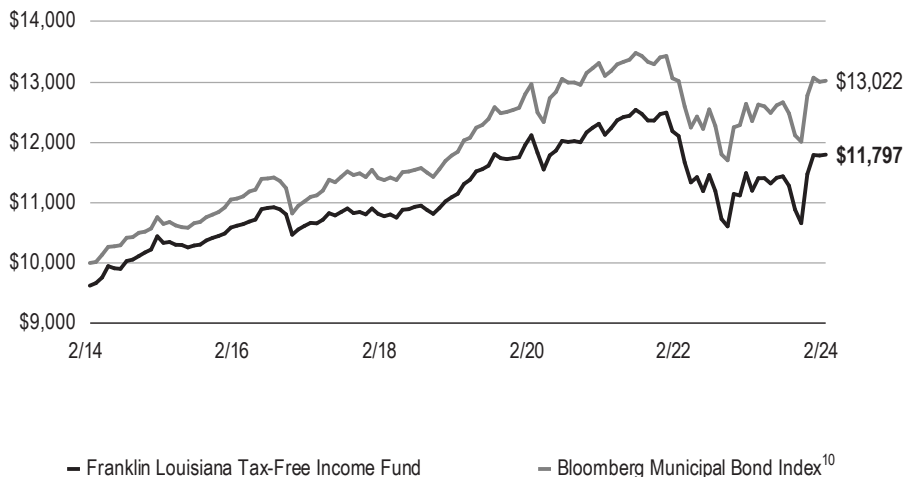
Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. For most recent month-end performance, go to franklintempleton.com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

See page 18 for Performance Summary footnotes.

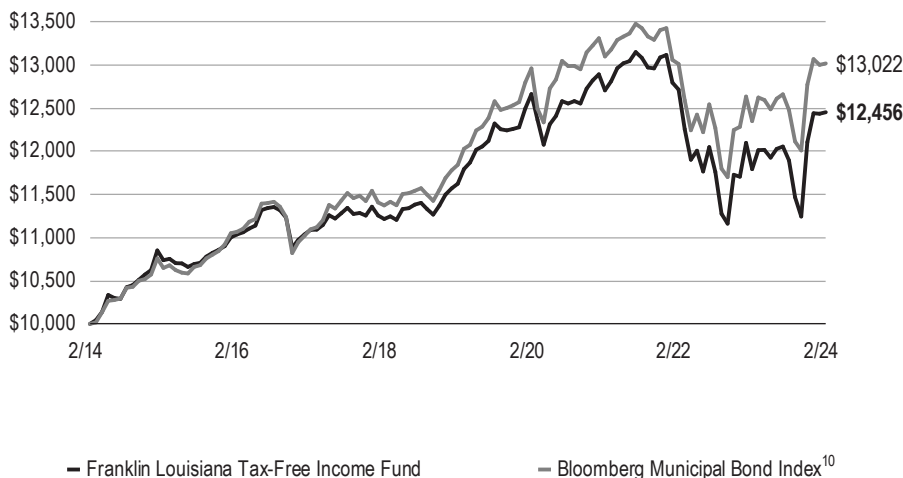
Total Return Index Comparison for a Hypothetical \$10,000 Investment¹

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

Class A (2/28/14–2/29/24)



Advisor Class (2/28/14–2/29/24)



See page 18 for Performance Summary footnotes.

Distributions (3/1/23–2/29/24)

Share Class	Net Investment Income
A	\$0.272017
A1	\$0.286980
C	\$0.230837
R6	\$0.300753
Advisor	\$0.296937

Total Annual Operating Expenses¹¹

Share Class	
A	0.88%
Advisor	0.64%

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

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

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

- 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.
- Cumulative total return represents the change in value of an investment over the periods indicated.
- 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.
- 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.
- 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%.
- Effective 9/15/16, the Fund began offering Advisor Class shares, which do not have sales charges or a Rule 12b-1 plan. Performance quotations for this class reflect the following methods of calculation: (a) For periods prior to 9/15/16, a restated figure is used based upon the Fund's Class A performance, excluding the effect of Class A's maximum initial sales charge, but reflecting the effect of the Class A Rule 12b-1 fees; and (b) for periods after 9/15/16, actual Advisor Class performance is used reflecting all charges and fees applicable to that class.
- Distribution rate is based on an annualization of the respective class's February dividend and the maximum offering price (NAV for Advisor Class) per share on 2/29/24.
- Taxable equivalent distribution rate and yield assume the published rates as of 12/20/23 for the maximum combined effective federal and Louisiana personal income tax rate of 45.05%, based on the federal income tax rate of 37.00% plus 3.80% Medicare tax.
- 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.
- Source: FactSet. The Bloomberg Municipal Bond Index is a market value-weighted index of tax-exempt, investment-grade municipal bonds with maturities of one year or more.
- 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. Important data provider notices and terms available at www.franklintempletondatasources.com.

Your Fund's Expenses

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

Actual Fund Expenses

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

Hypothetical Example for Comparison with Other Funds

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

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

Share Class	Beginning Account Value 9/1/23	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio ²
		Ending Account Value 2/29/24	Expenses Paid During Period 9/1/23–2/29/24 ^{1,2}	Ending Account Value 2/29/24	Expenses Paid During Period 9/1/23–2/29/24 ^{1,2}	
A	\$1,000	\$1,045.70	\$4.59	\$1,020.37	\$4.54	0.90%
A1	\$1,000	\$1,046.50	\$3.84	\$1,021.11	\$3.79	0.75%
C	\$1,000	\$1,042.90	\$6.60	\$1,018.40	\$6.52	1.30%
R6	\$1,000	\$1,047.30	\$3.16	\$1,021.78	\$3.12	0.62%
Advisor	\$1,000	\$1,047.00	\$3.34	\$1,021.60	\$3.30	0.66%

1. Expenses are equal to the annualized expense ratio for the six-month period as indicated above—in the far right column—multiplied by the simple average account value over the period indicated, and then multiplied by 182/366 to reflect the one-half year period.

2. Reflects expenses after fee waivers and expense reimbursements.

Franklin Maryland Tax-Free Income Fund

Fund Overview

Performance Overview

The Fund's Class A share price, as measured by net asset value, increased from \$9.75 on February 28, 2023, to \$9.91 on February 29, 2024. The Fund's Class A shares paid dividends totaling 30.7582 cents per share for the same period.¹ The Performance Summary beginning on page 21 shows that at the end of this reporting period the Fund's Class A shares' distribution rate was 2.92%, based on an annualization of February's 2.5039 cents per share monthly dividend and the maximum offering price of \$10.30 on February 29, 2024. An investor in the 2024 maximum combined effective federal and Maryland personal income tax bracket of 49.75% (including 3.80% Medicare tax) would need to earn a distribution rate of 5.81% from a taxable investment to match the Fund's Class A tax-free distribution rate. For other performance data, please see the Performance Summary.

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

Portfolio Composition

2/29/24

	% of Total Investments*
Health Care	20.24%
Housing	19.38%
Education	14.20%
Lease	12.02%
Transportation	11.93%
Local	10.21%
Special Tax	3.54%
Refunded	3.45%
State General Obligation	3.08%
Utilities	1.60%
Other Revenue Bonds	0.35%

*Does not include cash and cash equivalents.

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

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

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 74.

Performance Summary as of February 29, 2024

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

Performance as of 2/29/24¹

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

Share Class	Cumulative Total Return ²	Average Annual Total Return ³
A^{4,5}		
1-Year	+4.89%	+0.96%
5-Year	+4.76%	+0.17%
10-Year	+19.81%	+1.44%
Advisor		
1-Year	+5.14%	+5.14%
5-Year	+6.07%	+1.19%
10-Year	+22.10%	+2.02%

Share Class	Distribution Rate ⁶	Taxable Equivalent Distribution Rate ⁷	30-Day Standardized Yield ⁸		Taxable Equivalent 30-Day Standardized Yield ⁷	
			(with fee waiver)	(without fee waiver)	(with fee waiver)	(without fee waiver)
A	2.92%	5.81%	3.07%	3.03%	6.11%	6.03%
Advisor	3.27%	6.51%	3.44%	3.39%	6.85%	6.75%

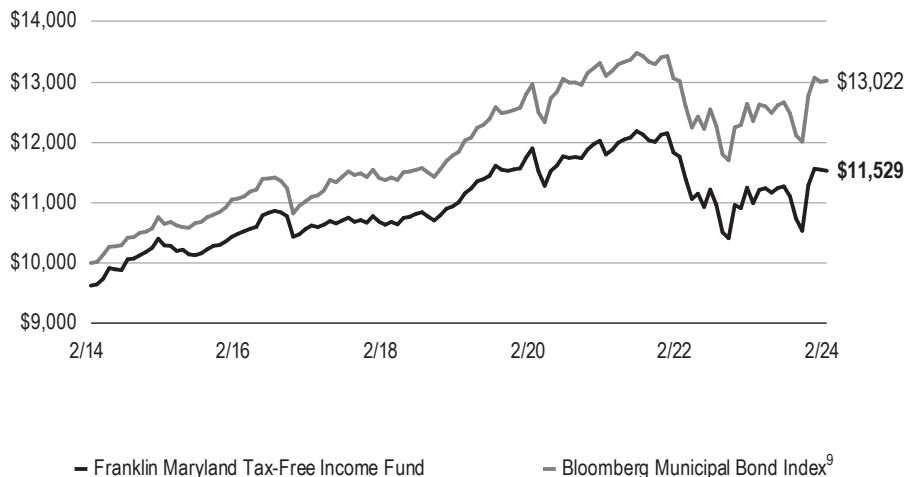
Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. For most recent month-end performance, go to franklintempleton.com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

See page 23 for Performance Summary footnotes.

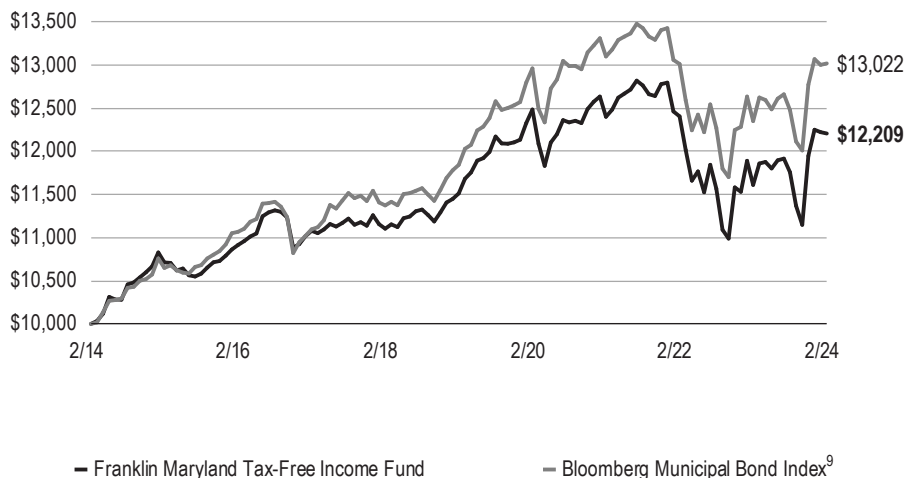
Total Return Index Comparison for a Hypothetical \$10,000 Investment¹

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

Class A (2/28/14–2/29/24)



Advisor Class (2/28/14–2/29/24)



See page 23 for Performance Summary footnotes.

Distributions (3/1/23–2/29/24)

Share Class	Net Investment Income
A	\$0.307582
A1	\$0.322235
C	\$0.266991
R6	\$0.336362
Advisor	\$0.331992

Total Annual Operating Expenses¹⁰

Share Class	
A	0.88%
Advisor	0.63%

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

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

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

- 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.
- Cumulative total return represents the change in value of an investment over the periods indicated.
- 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.
- 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.
- 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%.
- Distribution rate is based on an annualization of the respective class's February dividend and the maximum offering price (NAV for Advisor Class) per share on 2/29/24.
- Taxable equivalent distribution rate and yield assume the published rates as of 12/20/23 for the maximum combined effective federal and Maryland state and local personal income tax rate of 49.75%, based on the federal income tax rate of 37.00% plus 3.80% Medicare tax.
- 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.
- Source: FactSet. The Bloomberg Municipal Bond Index is a market value-weighted index of tax-exempt, investment-grade municipal bonds with maturities of one year or more.
- 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. Important data provider notices and terms available at www.franklintempletondatasources.com.

Your Fund's Expenses

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

Actual Fund Expenses

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

Hypothetical Example for Comparison with Other Funds

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

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

Share Class	Beginning Account Value 9/1/23	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Annualized Expense Ratio
		Ending Account Value 2/29/24	Expenses Paid During Period 9/1/23–2/29/24 ¹	Ending Account Value 2/29/24	Expenses Paid During Period 9/1/23–2/29/24 ¹	
A	\$1,000	\$1,038.10	\$4.55	\$1,020.40	\$4.51	0.90%
A1	\$1,000	\$1,038.90	\$3.80	\$1,021.14	\$3.76	0.75%
C	\$1,000	\$1,035.20	\$6.51	\$1,018.46	\$6.46	1.29%
R6	\$1,000	\$1,039.50	\$3.07	\$1,021.85	\$3.04	0.61%
Advisor	\$1,000	\$1,038.30	\$3.28	\$1,021.64	\$3.26	0.65%

1. Expenses are equal to the annualized expense ratio for the six-month period as indicated above—in the far right column—multiplied by the simple average account value over the period indicated, and then multiplied by 182/366 to reflect the one-half year period.

Franklin Missouri Tax-Free Income Fund

Fund Overview

Performance Overview

The Fund's Class A share price, as measured by net asset value, increased from \$10.27 on February 28, 2023, to \$10.47 on February 29, 2024. The Fund's Class A shares paid dividends totaling 33.6787 cents per share for the same period.¹ The Performance Summary beginning on page 26 shows that at the end of this reporting period the Fund's Class A shares' distribution rate was 3.05%, based on an annualization of February's 2.7660 cents per share monthly dividend and the maximum offering price of \$10.88 on February 29, 2024. An investor in the 2024 maximum combined effective federal and Missouri personal income tax bracket of 45.75% (including 3.80% Medicare tax) would need to earn a distribution rate of 5.62% from a taxable investment to match the Fund's Class A tax-free distribution rate. For other performance data, please see the Performance Summary.

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

Portfolio Composition

2/29/24

	% of Total Investments*
Health Care	26.68%
Lease	21.44%
Utilities	16.59%
Local	8.38%
Education	8.22%
Housing	8.00%
Transportation	4.53%
Special Tax	3.29%
Industrial Dev. Revenue and Pollution Control	2.25%
Other Revenue Bonds	0.37%
Refunded	0.25%

*Does not include cash and cash equivalents.

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

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

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 83.

Performance Summary as of February 29, 2024

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

Performance as of 2/29/24¹

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

Share Class	Cumulative Total Return ²	Average Annual Total Return ³
A^{4,5}		
1-Year	+5.34%	+1.39%
5-Year	+4.64%	+0.14%
10-Year	+19.98%	+1.45%
Advisor		
1-Year	+5.61%	+5.61%
5-Year	+5.95%	+1.16%
10-Year	+22.17%	+2.02%

Share Class	Distribution Rate ⁶	Taxable Equivalent Distribution Rate ⁷	30-Day Standardized Yield ⁸	Taxable Equivalent 30-Day Standardized Yield ⁷
A	3.05%	5.62%	3.03%	5.59%
Advisor	3.41%	6.29%	3.39%	6.25%

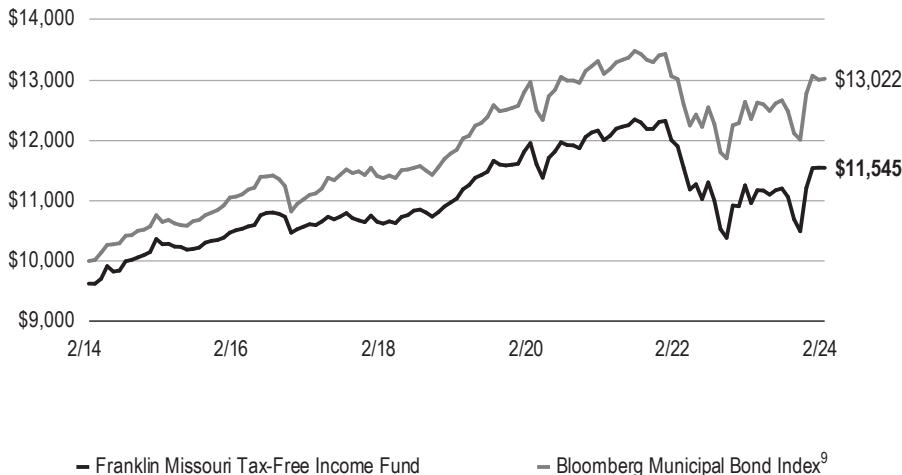
Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. For most recent month-end performance, go to franklintempleton.com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

See page 28 for Performance Summary footnotes.

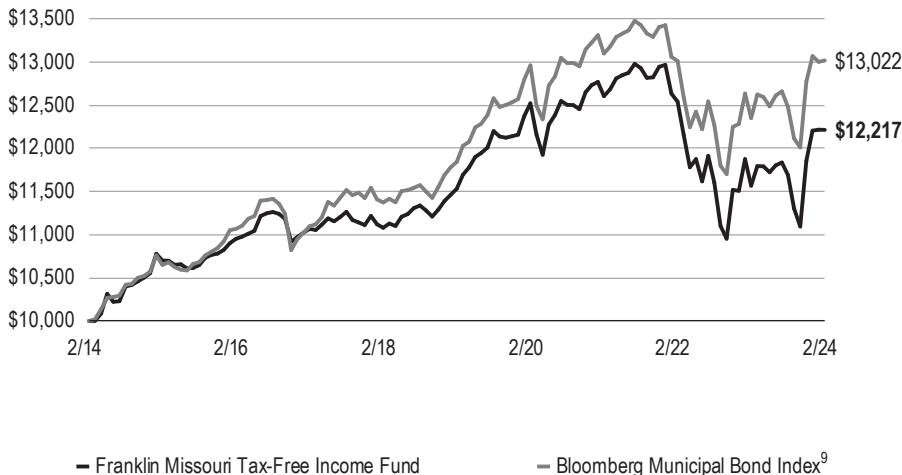
Total Return Index Comparison for a Hypothetical \$10,000 Investment¹

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

Class A (2/28/14–2/29/24)



Advisor Class (2/28/14–2/29/24)



See page 28 for Performance Summary footnotes.

Distributions (3/1/23–2/29/24)

Share Class	Net Investment Income
A	\$0.336787
A1	\$0.352198
C	\$0.294933
R6	\$0.365554
Advisor	\$0.362462

Total Annual Operating Expenses¹⁰

Share Class	
A	0.81%
Advisor	0.56%

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

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.

- 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.
- Cumulative total return represents the change in value of an investment over the periods indicated.
- 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.
- 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.
- 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%.
- Distribution rate is based on an annualization of the respective class's February dividend and the maximum offering price (NAV for Advisor Class) per share on 2/29/24.
- Taxable equivalent distribution rate and yield assume the published rates as of 12/20/23 for the maximum combined effective federal and Missouri personal income tax rate of 45.75%, based on the federal income tax rate of 37.00% plus 3.80% Medicare tax.
- 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.
- Source: FactSet. The Bloomberg Municipal Bond Index is a market value-weighted index of tax-exempt, investment-grade municipal bonds with maturities of one year or more.
- 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. Important data provider notices and terms available at www.franklintempletondatasources.com.

Your Fund's Expenses

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

Actual Fund Expenses

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

Hypothetical Example for Comparison with Other Funds

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

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

Share Class	Beginning Account Value 9/1/23	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Annualized Expense Ratio
		Ending Account Value 2/29/24	Expenses Paid During Period 9/1/23–2/29/24 ¹	Ending Account Value 2/29/24	Expenses Paid During Period 9/1/23–2/29/24 ¹	
A	\$1,000	\$1,043.70	\$4.27	\$1,020.68	\$4.23	0.84%
A1	\$1,000	\$1,044.50	\$3.52	\$1,021.42	\$3.48	0.69%
C	\$1,000	\$1,041.20	\$6.28	\$1,018.71	\$6.21	1.24%
R6	\$1,000	\$1,045.20	\$2.86	\$1,022.07	\$2.83	0.56%
Advisor	\$1,000	\$1,045.00	\$3.01	\$1,021.92	\$2.97	0.59%

1. Expenses are equal to the annualized expense ratio for the six-month period as indicated above—in the far right column—multiplied by the simple average account value over the period indicated, and then multiplied by 182/366 to reflect the one-half year period.

Franklin North Carolina Tax-Free Income Fund

Fund Overview

Performance Overview

The Fund's Class A share price, as measured by net asset value, increased from \$10.25 on February 28, 2023, to \$10.51 on February 29, 2024. The Fund's Class A shares paid dividends totaling 26.4894 cents per share for the same period.¹ 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 2.33%, based on an annualization of February's 2.1241 cents per share monthly dividend and the maximum offering price of \$10.92 on February 29, 2024. An investor in the 2024 maximum combined effective federal and North Carolina personal income tax bracket of 45.30% (including 3.80% Medicare tax) would need to earn a distribution rate of 4.26% from a taxable investment to match the Fund's Class A tax-free distribution rate. For other performance data, please see the Performance Summary.

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

Portfolio Composition

2/29/24

	% of Total Investments*
Health Care	19.38%
Education	19.01%
Utilities	11.67%
Transportation	11.66%
Housing	11.56%
Lease	8.96%
Refunded	6.78%
Local	6.34%
Special Tax	2.65%
State General Obligation	1.61%
Other Revenue Bonds	0.38%

*Does not include cash and cash equivalents.

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

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

Important data provider notices and terms available at www.franklintempletondatasources.com.

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 94.

Performance Summary as of February 29, 2024

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

Performance as of 2/29/24¹

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

Share Class	Cumulative Total Return ²	Average Annual Total Return ³
A^{4,5}		
1-Year	+5.21%	+1.26%
5-Year	+4.31%	+0.08%
10-Year	+16.93%	+1.19%

Advisor		
1-Year	+5.37%	+5.37%
5-Year	+5.52%	+1.08%
10-Year	+18.97%	+1.75%

Share Class	Distribution Rate ⁶	Taxable Equivalent Distribution Rate ⁷	30-Day Standardized Yield ⁸	Taxable Equivalent 30-Day Standardized Yield ⁷
A	2.33%	4.26%	2.95%	5.39%
Advisor	2.67%	4.88%	3.32%	6.07%

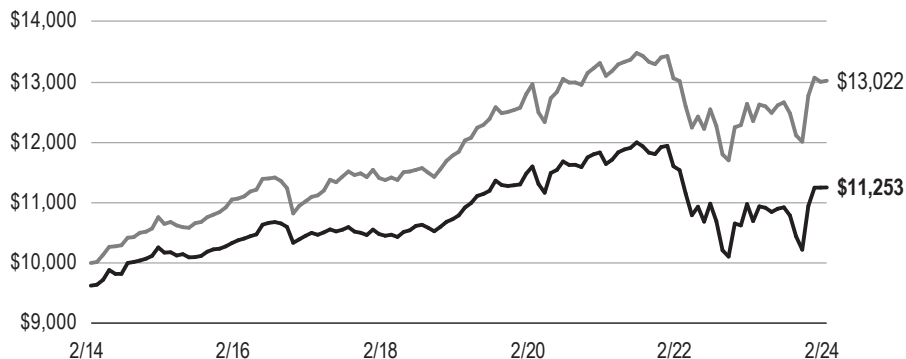
Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. For most recent month-end performance, go to franklintempleton.com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

See page 33 for Performance Summary footnotes.

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

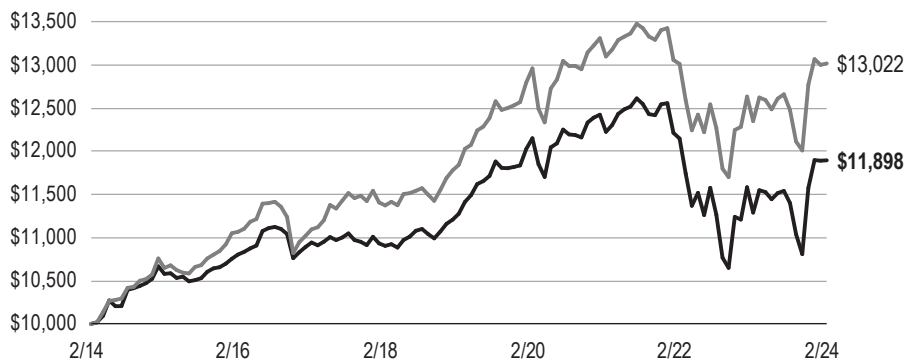
Total return represents the change in value of an investment over the periods shown. It includes any applicable maximum sales charge, Fund expenses, account fees and reinvested distributions. The unmanaged index includes reinvestment of any income or distributions. It differs from the Fund in composition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

Class A (2/28/14–2/29/24)



— Franklin North Carolina Tax-Free Income Fund — Bloomberg Municipal Bond Index⁹

Advisor Class (2/28/14–2/29/24)



— Franklin North Carolina Tax-Free Income Fund — Bloomberg Municipal Bond Index⁹

See page 33 for Performance Summary footnotes.

Distributions (3/1/23–2/29/24)

Share Class	Net Investment Income
A	\$0.264894
A1	\$0.280318
C	\$0.222490
R6	\$0.294466
Advisor	\$0.290609

Total Annual Operating Expenses¹⁰

Share Class	
A	0.83%
Advisor	0.58%

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

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.

- 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.
- Cumulative total return represents the change in value of an investment over the periods indicated.
- 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.
- 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.
- 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%.
- Distribution rate is based on an annualization of the respective class's February dividend and the maximum offering price (NAV for Advisor Class) per share on 2/29/24.
- Taxable equivalent distribution rate and yield assume the published rates as of 12/20/23 for the maximum combined effective federal and North Carolina personal income tax rate of 45.30%, based on the federal income tax rate of 37.00% plus 3.80% Medicare tax.
- 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.
- Source: FactSet. The Bloomberg Municipal Bond Index is a market value-weighted index of tax-exempt, investment-grade municipal bonds with maturities of one year or more.
- 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. Important data provider notices and terms available at www.franklintempletondatasources.com.

Your Fund's Expenses

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

Actual Fund Expenses

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

Hypothetical Example for Comparison with Other Funds

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

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

Share Class	Beginning Account Value 9/1/23	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio ²
		Ending Account Value 2/29/24	Expenses Paid During Period 9/1/23–2/29/24 ^{1,2}	Ending Account Value 2/29/24	Expenses Paid During Period 9/1/23–2/29/24 ^{1,2}	
A	\$1,000	\$1,043.00	\$4.37	\$1,020.59	\$4.32	0.86%
A1	\$1,000	\$1,043.80	\$3.61	\$1,021.34	\$3.57	0.71%
C	\$1,000	\$1,041.20	\$6.35	\$1,018.65	\$6.28	1.25%
R6	\$1,000	\$1,044.60	\$2.95	\$1,021.98	\$2.91	0.58%
Advisor	\$1,000	\$1,043.30	\$3.10	\$1,021.83	\$3.07	0.61%

1. Expenses are equal to the annualized expense ratio for the six-month period as indicated above—in the far right column—multiplied by the simple average account value over the period indicated, and then multiplied by 182/366 to reflect the one-half year period.

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

Franklin Virginia Tax-Free Income Fund

Fund Overview

Performance Overview

The Fund's Class A share price, as measured by net asset value, increased from \$9.72 on February 28, 2023, to \$9.99 on February 29, 2024. The Fund's Class A shares paid dividends totaling 26.0210 cents per share for the same period.¹ The Performance Summary beginning on page 36 shows that at the end of this reporting period the Fund's Class A shares' distribution rate was 2.62%, based on an annualization of February's 2.2717 cents per share monthly dividend and the maximum offering price of \$10.38 on February 29, 2024. An investor in the 2024 maximum combined effective federal and Virginia personal income tax bracket of 46.55% (including 3.80% Medicare tax) would need to earn a distribution rate of 4.90% from a taxable investment to match the Fund's Class A tax-free distribution rate. For other performance data, please see the Performance Summary.

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

Portfolio Composition

2/29/24

	% of Total Investments*
Health Care	24.06%
Transportation	16.59%
Lease	13.45%
Refunded	10.55%
Education	8.65%
Utilities	7.61%
Housing	7.10%
Special Tax	4.58%
State General Obligation	2.41%
Other Revenue Bonds	2.36%
Local	1.36%
Industrial Dev. Revenue and Pollution Control	1.28%

*Does not include cash and cash equivalents.

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

Important data provider notices and terms available at www.franklintempletondatasources.com.

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 106.

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

Performance Summary as of February 29, 2024

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

Performance as of 2/29/24¹

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

Share Class	Cumulative Total Return ²	Average Annual Total Return ³
A^{4,5}		
1-Year	+5.66%	+1.69%
5-Year	+2.52%	-0.27%
10-Year	+16.50%	+1.15%
Advisor		
1-Year	+5.81%	+5.81%
5-Year	+3.81%	+0.75%
10-Year	+18.63%	+1.72%

Share Class	Distribution Rate ⁶	Taxable Equivalent Distribution Rate ⁷	30-Day Standardized Yield ⁸	Taxable Equivalent 30-Day Standardized Yield ⁷
A	2.62%	4.90%	3.06%	5.72%
Advisor	2.96%	5.54%	3.43%	6.42%

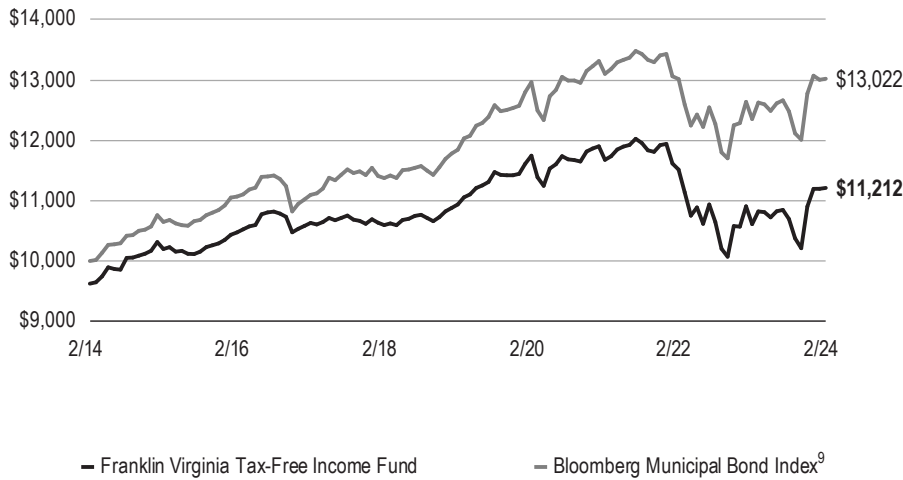
Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. For most recent month-end performance, go to franklintempleton.com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

See page 38 for Performance Summary footnotes.

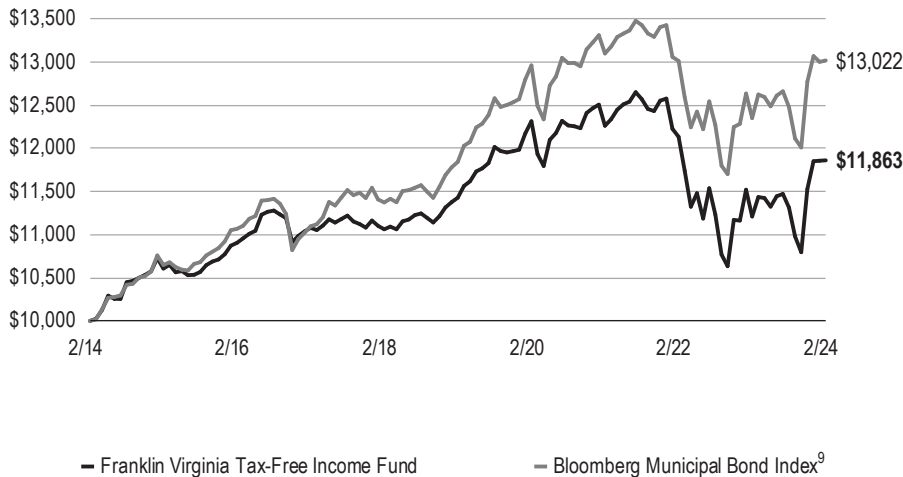
Total Return Index Comparison for a Hypothetical \$10,000 Investment¹

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

Class A (2/28/14–2/29/24)



Advisor Class (2/28/14–2/29/24)



See page 38 for Performance Summary footnotes.

Distributions (3/1/23–2/29/24)

Share Class	Net Investment Income
A	\$0.260210
A1	\$0.274841
C	\$0.219885
R6	\$0.289235
Advisor	\$0.284588

Total Annual Operating Expenses¹⁰

Share Class	
A	0.85%
Advisor	0.60%

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

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

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

- 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.
- Cumulative total return represents the change in value of an investment over the periods indicated.
- 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.
- 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.
- 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%.
- Distribution rate is based on an annualization of the respective class's February dividend and the maximum offering price (NAV for Advisor Class) per share on 2/29/24.
- Taxable equivalent distribution rate and yield assume the published rates as of 12/20/23 for the maximum combined effective federal and Virginia personal income tax rate of 46.55%, based on the federal income tax rate of 37.00% plus 3.80% Medicare tax.
- 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.
- Source: FactSet. The Bloomberg Municipal Bond Index is a market value-weighted index of tax-exempt, investment-grade municipal bonds with maturities of one year or more.
- 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. Important data provider notices and terms available at www.franklintempletondatasources.com.

Your Fund's Expenses

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

Actual Fund Expenses

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

Hypothetical Example for Comparison with Other Funds

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

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

Share Class	Beginning Account Value 9/1/23	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Annualized Expense Ratio
		Ending Account Value 2/29/24	Expenses Paid During Period 9/1/23–2/29/24 ¹	Ending Account Value 2/29/24	Expenses Paid During Period 9/1/23–2/29/24 ¹	
A	\$1,000	\$1,048.30	\$4.53	\$1,020.44	\$4.46	0.89%
A1	\$1,000	\$1,048.00	\$3.77	\$1,021.18	\$3.72	0.74%
C	\$1,000	\$1,045.30	\$6.53	\$1,018.48	\$6.45	1.28%
R6	\$1,000	\$1,049.80	\$3.01	\$1,021.93	\$2.97	0.59%
Advisor	\$1,000	\$1,048.50	\$3.25	\$1,021.69	\$3.21	0.64%

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 182/366 to reflect the one-half year period.

Financial Highlights

Franklin Alabama Tax-Free Income Fund

	Year Ended February 28,				
	2024 ^a	2023	2022	2021	2020 ^a
Class A					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$9.92	\$10.97	\$11.18	\$11.40	\$10.85
Income from investment operations ^b :					
Net investment income ^c	0.25	0.24	0.22	0.28	0.30
Net realized and unrealized gains (losses)	0.28	(1.06)	(0.21)	(0.23)	0.57
Total from investment operations	0.53	(0.82)	0.01	0.05	0.87
Less distributions from:					
Net investment income	(0.25)	(0.23)	(0.22)	(0.27)	(0.32)
Net asset value, end of year	\$10.20	\$9.92	\$10.97	\$11.18	\$11.40
Total return ^d	5.43%	(7.45)%	0.02%	0.49%	8.08%
Ratios to average net assets					
Expenses before waiver and payments by affiliates	0.93%	0.93%	0.91%	0.91%	0.91%
Expenses net of waiver and payments by affiliates ^e	0.90%	0.90%	0.91%	0.91%	0.91%
Net investment income	2.50%	2.34%	1.91%	2.46%	2.70%
Supplemental data					
Net assets, end of year (000's)	\$48,532	\$42,244	\$46,633	\$30,415	\$16,423
Portfolio turnover rate	7.51%	19.06%	20.50%	24.03%	4.87%

^aFor the year ended February 29.

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

^cBased on average daily shares outstanding.

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

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

Franklin Alabama Tax-Free Income Fund (continued)

	Year Ended February 28,				
	2024 ^a	2023	2022	2021	2020 ^a
Class A1					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$9.91	\$10.95	\$11.16	\$11.38	\$10.84
Income from investment operations ^b :					
Net investment income ^c	0.26	0.25	0.23	0.30	0.32
Net realized and unrealized gains (losses)	0.28	(1.04)	(0.20)	(0.23)	0.55
Total from investment operations	0.54	(0.79)	0.03	0.07	0.87
Less distributions from:					
Net investment income	(0.26)	(0.25)	(0.24)	(0.29)	(0.33)
Net asset value, end of year	\$10.19	\$9.91	\$10.95	\$11.16	\$11.38
Total return ^d	5.59%	(7.24)%	0.17%	0.64%	8.16%
Ratios to average net assets					
Expenses before waiver and payments by affiliates	0.78%	0.78%	0.76%	0.77%	0.76%
Expenses net of waiver and payments by affiliates ^e	0.75%	0.75%	0.76%	0.77%	0.76%
Net investment income	2.66%	2.49%	2.07%	2.66%	2.85%
Supplemental data					
Net assets, end of year (000's)	\$118,538	\$125,644	\$163,571	\$174,802	\$186,486
Portfolio turnover rate	7.51%	19.06%	20.50%	24.03%	4.87%

^aFor the year ended February 29.

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

^cBased on average daily shares outstanding.

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

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

Franklin Alabama Tax-Free Income Fund (continued)

	Year Ended February 28,				
	2024 ^a	2023	2022	2021	2020 ^a
Class C					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$10.05	\$11.10	\$11.32	\$11.54	\$10.98
Income from investment operations ^b :					
Net investment income ^c	0.21	0.19	0.17	0.24	0.26
Net realized and unrealized gains (losses)	0.27	(1.05)	(0.22)	(0.23)	0.57
Total from investment operations	0.48	(0.86)	(0.05)	0.01	0.83
Less distributions from:					
Net investment income	(0.21)	(0.19)	(0.17)	(0.23)	(0.27)
Net asset value, end of year	\$10.32	\$10.05	\$11.10	\$11.32	\$11.54
Total return ^d	4.83%	(7.74)%	(0.38)%	(0.01)%	7.68%
Ratios to average net assets					
Expenses before waiver and payments by affiliates	1.32%	1.32%	1.30%	1.31%	1.31%
Expenses net of waiver and payments by affiliates ^e	1.29%	1.29%	1.30%	1.31%	1.31%
Net investment income	2.06%	1.89%	1.51%	2.10%	2.30%
Supplemental data					
Net assets, end of year (000's)	\$6,046	\$8,264	\$13,416	\$23,374	\$31,175
Portfolio turnover rate	7.51%	19.06%	20.50%	24.03%	4.87%

^aFor the year ended February 29.

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

^cBased on average daily shares outstanding.

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

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

Franklin Alabama Tax-Free Income Fund (continued)

	Year Ended February 28,				
	2024 ^a	2023	2022	2021	2020 ^a
Class R6					
Per share operating performance (for a share outstanding throughout the year)					
Net asset value, beginning of year	\$9.91	\$10.95	\$11.17	\$11.39	\$10.84
Income from investment operations ^b :					
Net investment income ^c	0.28	0.26	0.25	0.31	0.33
Net realized and unrealized gains (losses)	0.28	(1.04)	(0.22)	(0.22)	0.57
Total from investment operations	0.56	(0.78)	0.03	0.09	0.90
Less distributions from:					
Net investment income	(0.28)	(0.26)	(0.25)	(0.31)	(0.35)
Net asset value, end of year	\$10.19	\$9.91	\$10.95	\$11.17	\$11.39
Total return	5.73%	(7.11)%	0.22%	0.77%	8.39%
Ratios to average net assets					
Expenses before waiver and payments by affiliates	0.66%	0.66%	0.65%	0.65%	0.65%
Expenses net of waiver and payments by affiliates ^d	0.61%	0.62%	0.63%	0.63%	0.63%
Net investment income	2.78%	2.62%	2.19%	2.78%	2.98%
Supplemental data					
Net assets, end of year (000's)	\$1,279	\$1,786	\$2,308	\$1,756	\$1,664
Portfolio turnover rate	7.51%	19.06%	20.50%	24.03%	4.87%

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

Franklin Alabama Tax-Free Income Fund (continued)

	Year Ended February 28,				
	2024 ^a	2023	2022	2021	2020 ^a
Advisor Class					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$9.91	\$10.95	\$11.17	\$11.39	\$10.84
Income from investment operations ^b :					
Net investment income ^c	0.27	0.26	0.25	0.31	0.33
Net realized and unrealized gains (losses)	0.28	(1.04)	(0.22)	(0.23)	0.56
Total from investment operations	0.55	(0.78)	0.03	0.08	0.89
Less distributions from:					
Net investment income	(0.27)	(0.26)	(0.25)	(0.30)	(0.34)
Net asset value, end of year	\$10.19	\$9.91	\$10.95	\$11.17	\$11.39
Total return	5.70%	(7.14)%	0.18%	0.74%	8.36%
Ratios to average net assets					
Expenses before waiver and payments by affiliates	0.68%	0.68%	0.66%	0.67%	0.66%
Expenses net of waiver and payments by affiliates ^d	0.65%	0.65%	0.66%	0.67%	0.66%
Net investment income	2.76%	2.59%	2.16%	2.74%	2.95%
Supplemental data					
Net assets, end of year (000's)	\$19,911	\$18,309	\$19,796	\$15,036	\$11,709
Portfolio turnover rate	7.51%	19.06%	20.50%	24.03%	4.87%

^aFor the year ended February 29.

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

^cBased on average daily shares outstanding.

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

Schedule of Investments, February 29, 2024

Franklin Alabama Tax-Free Income Fund

	Principal Amount	Value
Corporate Bonds 0.3%		
Software 0.3%		
^a Haven at Elgin LLC, 5.25%, 12/31/53	\$500,000	\$497,437
Total Corporate Bonds (Cost \$500,000)		497,437
Municipal Bonds 97.3%		
Alabama 89.1%		
Alabama Community College System, Bishop State Community College, Revenue, 2019, BAM Insured, 4%, 1/01/49	2,000,000	1,898,753
Alabama Special Care Facilities Financing Authority-Birmingham, Ascension Health Credit Group, Revenue, 2016 B, Refunding, 5%, 11/15/46	3,000,000	3,058,827
Alabama State University, Revenue, 2022, Refunding, BAM Insured, 5%, 9/01/36	1,500,000	1,672,048
Revenue, 2022, Refunding, BAM Insured, 5%, 9/01/40	1,500,000	1,625,448
Alabaster Board of Education, Special Tax, 2022, BAM Insured, 5%, 9/01/47	1,500,000	1,611,574
Special Tax, 2022, BAM Insured, 5%, 9/01/52	1,500,000	1,592,650
Alexander City Board of Education, Special Tax, 2022, BAM Insured, 4%, 2/01/52	3,000,000	2,925,855
Auburn University, Revenue, 2015 A, Refunding, 5%, 6/01/33	2,500,000	2,547,368
Bessemer Governmental Utility Services Corp., Water, Revenue, 2017, Refunding, BAM Insured, 5%, 6/01/39	6,000,000	6,226,773
Birmingham Airport Authority, Revenue, 2020, Refunding, BAM Insured, 4%, 7/01/37	545,000	560,193
Revenue, 2020, Refunding, BAM Insured, 4%, 7/01/38	400,000	409,473
Revenue, 2020, Refunding, BAM Insured, 4%, 7/01/39	2,540,000	2,574,958
Revenue, 2020, Refunding, BAM Insured, 4%, 7/01/40	705,000	713,671
Birmingham-Jefferson Civic Center Authority, Special Tax, 2018 A, 5%, 7/01/33	1,605,000	1,713,500
^b Black Belt Energy Gas District, Revenue, 2022 A, Mandatory Put, 4%, 12/01/29	1,000,000	985,318
Revenue, 2023 B-2, Mandatory Put, 5.25%, 12/01/30	3,000,000	3,253,067
Calhoun County Board of Education, Special Tax, 2016, Pre-Refunded, BAM Insured, 5%, 2/01/46	3,000,000	3,116,688
City of Bessemer, Water, Revenue, 2017, Refunding, AGMC Insured, 5%, 1/01/47	2,590,000	2,633,460
City of Birmingham, GO, 2021 A, 4%, 6/01/50	1,000,000	971,923
City of Boaz, Water & Sewer, Revenue, 2021, AGMC Insured, 4%, 9/01/46	1,000,000	982,542
Water & Sewer, Revenue, 2021, AGMC Insured, 4%, 9/01/50	1,500,000	1,471,892
City of Decatur, Water & Sewer, Revenue, 2021 A, 4%, 8/15/50	2,000,000	1,943,668
City of Huntsville, GO, 2018 B, 5%, 5/01/38	4,775,000	5,058,502
City of Lincoln, GO, 2020, BAM Insured, 4%, 6/01/50	2,500,000	2,516,034
City of Trussville, GO, 2018 A, 4%, 8/01/41	3,000,000	3,008,803
City of Tuscaloosa, GO, 2020 A, 4%, 10/01/50	4,580,000	4,486,667
^b Columbia Industrial Development Board, Alabama Power Co., Revenue, 2014 D, Refunding, Mandatory Put, 3.81%, 6/01/28	2,000,000	2,001,320
County of Jefferson, Sewer, Revenue, 2024, Refunding, 5.25%, 10/01/49	4,500,000	4,843,942
^c County of Mobile, Revenue, 144A, 2020, 4%, 11/01/45	2,300,000	2,082,575
DCH Healthcare Authority, Revenue, 2015, Refunding, 5%, 6/01/36	2,000,000	2,025,202
Revenue, 2021 A, 4%, 6/01/46	2,310,000	2,129,560
East Alabama Health Care Authority (The), Revenue, 2018 A, 4%, 9/01/30	1,000,000	1,010,714
Revenue, 2018 A, 5%, 9/01/41	3,000,000	3,103,641
^b Energy Southeast A Cooperative District, Revenue, 2023 A-1, Mandatory Put, 5.5%, 1/01/31	1,000,000	1,088,014
Florence City Board of Education, Special Tax, 2022, 4%, 3/01/46	3,000,000	2,935,589
Health Care Authority for Baptist Health (The), Revenue, 2023 A, Refunding, 5%, 11/15/36	1,000,000	1,089,761

Franklin Alabama Tax-Free Income Fund (continued)

	Principal Amount	Value
Municipal Bonds (continued)		
Alabama (continued)		
Health Care Authority for Baptist Health (The), (continued)		
Revenue, 2023 A, Refunding, 5%, 11/15/37	\$875,000	\$945,572
Health Care Authority of the City of Huntsville (The), Health Care Authority of City of Huntsville (The) Obligated Group, Revenue, 2020 B, 4%, 6/01/45	8,000,000	7,714,510
Homewood Educational Building Authority,		
Samford University, Revenue, 2019 A, Refunding, 4%, 12/01/49	2,500,000	2,220,783
Samford University, Revenue, 2021 A, 4%, 12/01/51	1,470,000	1,295,502
Infirmiry Health System Special Care Facilities Financing Authority of Mobile,		
Infirmiry Health System Obligated Group, Revenue, 2016 A, 5%, 2/01/41	3,000,000	3,047,235
Infirmiry Health System Obligated Group, Revenue, 2021 A, Refunding, 4%, 2/01/46	3,000,000	2,731,425
Jacksonville State University,		
Revenue, 2017, Refunding, AGMC Insured, 5%, 12/01/36	5,000,000	5,370,641
Revenue, 2020, Refunding, 4%, 12/01/50	5,000,000	4,540,001
Limestone County Water & Sewer Authority, Revenue, 2015 B, Pre-Refunded, BAM Insured, 5%, 12/01/43	5,920,000	5,958,758
^b Lower Alabama Gas District (The), Revenue, 2020, Mandatory Put, 4%, 12/01/25	2,000,000	2,005,018
Madison City Board of Education, Special Tax, 2019, 4%, 2/01/44	3,000,000	2,948,609
Madison Water & Wastewater Board, Revenue, 2017, Refunding, 5%, 12/01/41	4,610,000	4,749,314
Mobile County Board of School Commissioners, Special Tax, 2022 B, BAM Insured, 4.25%, 3/01/52	2,000,000	1,974,128
Opelika Utilities Board, Revenue, 2017, Refunding, 4%, 6/01/41	2,000,000	2,001,943
Oxford City Board of Education, Special Tax, 2020 A, Refunding, 4%, 5/01/50	2,500,000	2,429,947
Prattville Waterworks Board, Revenue, 2023, 5.125%, 8/01/53	1,000,000	1,081,330
^{b,d} Southeast Alabama Gas Supply District (The), Revenue, 2024 B, Refunding, Mandatory Put, 5%, 5/01/32	1,000,000	1,064,284
^b Southeast Energy Authority A Cooperative District,		
Revenue, 2021 A, Mandatory Put, 4%, 10/01/28	5,000,000	4,989,628
Revenue, 2022 A-1, Mandatory Put, 5.5%, 12/01/29	2,000,000	2,141,592
Revenue, 2023 B, Mandatory Put, 5%, 6/01/30	1,000,000	1,062,422
Special Care Facilities Financing Authority of the City of Pell City Alabama, Noland Obligated Group, Revenue, 2021 A, Refunding, 4%, 12/01/39	4,000,000	3,853,455
Talladega County Board of Education, Special Tax, 2017, Refunding, BAM Insured, 5%, 11/01/39	2,000,000	2,074,148
Troy Public Educational Building Authority, Troy City Board of Education, Revenue, 2011, AGMC Insured, 5.25%, 12/01/40	295,000	295,297
Tuscaloosa City Board of Education, Revenue, 2016, Pre-Refunded, 5%, 8/01/41	4,000,000	4,203,966
UAB Medicine Finance Authority, UAB Medicine Obligated Group, Revenue, 2016 B, Refunding, 5%, 9/01/29	5,000,000	5,199,646
University of Alabama (The), Revenue, 2018 B-2, 5%, 9/01/48	5,000,000	5,268,458
University of Montevallo, Revenue, 2017, Refunding, BAM Insured, 5%, 5/01/42	2,500,000	2,632,974
University of South Alabama, Revenue, 2019 A, BAM Insured, 5%, 4/01/49	2,000,000	2,073,131
Water Works Board of the City of Birmingham (The), Revenue, 2016 B, Pre-Refunded, 5%, 1/01/43	5,000,000	5,308,078
		173,051,768
California 0.3%		
California Municipal Finance Authority, Revenue, 2022 A-1, 4.25%, 12/01/37	700,000	629,488
Florida 0.7%		
^c Capital Trust Agency, Inc., SHI - Lake Osborne LLC, Revenue, 144A, 2021 A-1, 3.68%, 1/01/57	500,000	344,637
^e Leon County Housing Finance Authority, Revenue, 144A, 2022 A, Zero Cpn., 5/01/57	1,150,000	1,004,813
		1,349,450
Illinois 0.5%		
Metropolitan Pier & Exposition Authority, Revenue, 2022 A, Refunding, 4%, 12/15/42 .	1,000,000	988,035

Franklin Alabama Tax-Free Income Fund (continued)

	Principal Amount	Value
Municipal Bonds (continued)		
Kentucky 0.6%		
°Louisville/Jefferson County Metropolitan Government, PSG Vesta Derby Oaks LLC, Revenue, 144A, 2022 A, Zero Cpn., 5/01/52	\$1,500,000	\$1,107,668
New York 1.5%		
Metropolitan Transportation Authority, Revenue, 2021 A-1, 4%, 11/15/46	275,000	268,338
Revenue, 2021 A-2, 4%, 11/15/42	2,700,000	2,677,310
		2,945,648
South Carolina 1.3%		
South Carolina Jobs-Economic Development Authority, ° Revenue, 144A, 2021 A-1, 3.65%, 12/01/36	500,000	424,656
AHPC Vista Towers 2021 LLC, Revenue, 2021 A-1, 3.65%, 12/01/36	500,000	424,656
° Columbia Portfolio Obligated Group, Revenue, 144A, 2022 A-1, Zero Cpn., 6/01/37	1,485,000	1,130,105
°South Carolina State Housing Finance & Development Authority, Garden Oaks LP, Revenue, 144A, 2021 A, 4.2%, 12/01/39	750,000	614,328
		2,593,745
Texas 0.6%		
°EP Cimarron Ventanas PFC, Revenue, Senior Lien, 144A, 2021 A, 4%, 12/01/51	600,000	460,018
°Pecan Public Facility Corp., Revenue, 144A, 2022 A-2, 5%, 12/01/52	800,000	624,953
		1,084,971
Washington 0.2%		
°Washington State Housing Finance Commission, Madison at Rivers Edge Apartments LLC, Revenue, 144A, 2021 A, 3.65%, 1/01/37	500,000	424,313
Wisconsin 0.9%		
°Public Finance Authority, Revenue, 144A, 2022, B-1, 4%, 12/28/44	500,000	404,511
Gulf Coast Portfolio Obligated Group, Revenue, 144A, 2021, 5.25%, 6/01/24	1,300,000	1,300,000
		1,704,511
U.S. Territories 1.6%		
Guam 0.5%		
Guam Government Waterworks Authority, Revenue, 2020 A, 5%, 1/01/50	1,000,000	1,031,816
Puerto Rico 1.1%		
Puerto Rico Electric Power Authority, Revenue, VV, Refunding, NATL Insured, 5.25%, 7/01/32	500,000	495,512
Revenue, VV, Refunding, NATL Insured, 5.25%, 7/01/34	1,000,000	993,632
Puerto Rico Sales Tax Financing Corp., Sales Tax, Revenue, A-1, 5%, 7/01/58	750,000	755,623
		2,244,767
Total U.S. Territories		3,276,583
Total Municipal Bonds (Cost \$197,483,333)		189,156,180
Total Long Term Investments (Cost \$197,983,333)		189,653,617
Short Term Investments 1.8%		
Municipal Bonds 1.8%		
New York 1.8%		
°City of New York, GO, 2015 F-6, SPA JPMorgan Chase Bank NA, Daily VRDN and Put, 3.75%, 6/01/44	2,000,000	2,000,000

Franklin Alabama Tax-Free Income Fund (continued)

Short Term Investments (continued)

	Principal Amount	Value
Municipal Bonds (continued)		
New York (continued)		
^e City of New York, (continued)		
GO, 2020 B-3, Daily VRDN and Put, 3.8%, 10/01/46	\$1,500,000	\$1,500,000
		<u>3,500,000</u>
Total Municipal Bonds (Cost \$3,500,000)		3,500,000
Total Short Term Investments (Cost \$3,500,000)		3,500,000
Total Investments (Cost \$201,483,333) 99.4%		\$193,153,617
Other Assets, less Liabilities 0.6%		1,152,730
Net Assets 100.0%		\$194,306,347

See Abbreviations on page 140.

^a Fair valued using significant unobservable inputs. See Note 10 regarding fair value measurements.

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

^c Security was purchased pursuant to Rule 144A or Regulation S under the Securities Act of 1933. 144A securities may be sold in transactions exempt from registration only to qualified institutional buyers or in a public offering registered under the Securities Act of 1933. Regulation S securities cannot be sold in the United States without either an effective registration statement filed pursuant to the Securities Act of 1933, or pursuant to an exemption from registration. At February 29, 2024, the aggregate value of these securities was \$9,922,577, representing 5.1% of net assets.

^d A portion or all of the security purchased on a delayed delivery basis. See Note 1(b).

^e 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 Georgia Tax-Free Income Fund

	Year Ended February 28,				
	2024 ^a	2023	2022	2021	2020 ^a
Class A					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$10.40	\$11.57	\$11.91	\$12.19	\$11.59
Income from investment operations ^b :					
Net investment income ^c	0.29	0.28	0.26	0.30	0.32
Net realized and unrealized gains (losses)	0.28	(1.17)	(0.34)	(0.29)	0.63
Total from investment operations	0.57	(0.89)	(0.08)	0.01	0.95
Less distributions from:					
Net investment income	(0.29)	(0.28)	(0.26)	(0.29)	(0.35)
Net asset value, end of year	\$10.68	\$10.40	\$11.57	\$11.91	\$12.19
Total return ^d	5.55%	(7.71)%	(0.71)%	0.14%	8.27%
Ratios to average net assets					
Expenses ^e	0.89%	0.88%	0.86%	0.85%	0.86%
Net investment income	2.76%	2.65%	2.20%	2.48%	2.76%
Supplemental data					
Net assets, end of year (000's)	\$76,014	\$76,312	\$92,129	\$77,256	\$54,945
Portfolio turnover rate	9.84%	15.85%	22.60%	16.89%	13.23%

^aFor the year ended February 29.

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

^cBased on average daily shares outstanding.

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

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

Franklin Georgia Tax-Free Income Fund (continued)

	Year Ended February 28,				
	2024 ^a	2023	2022	2021	2020 ^a
Class A1					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$10.40	\$11.57	\$11.91	\$12.19	\$11.59
Income from investment operations ^b :					
Net investment income ^c	0.30	0.30	0.28	0.32	0.35
Net realized and unrealized gains (losses)	0.28	(1.18)	(0.34)	(0.29)	0.61
Total from investment operations	0.58	(0.88)	(0.06)	0.03	0.96
Less distributions from:					
Net investment income	(0.30)	(0.29)	(0.28)	(0.31)	(0.36)
Net asset value, end of year	\$10.68	\$10.40	\$11.57	\$11.91	\$12.19
Total return ^d	5.71%	(7.57)%	(0.56)%	0.29%	8.44%
Ratios to average net assets					
Expenses ^e	0.74%	0.73%	0.71%	0.71%	0.71%
Net investment income	2.91%	2.79%	2.36%	2.66%	2.91%
Supplemental data					
Net assets, end of year (000's)	\$172,564	\$189,496	\$249,763	\$274,232	\$309,436
Portfolio turnover rate	9.84%	15.85%	22.60%	16.89%	13.23%

^aFor the year ended February 29.

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

^cBased on average daily shares outstanding.

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

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

Franklin Georgia Tax-Free Income Fund (continued)

	Year Ended February 28,				
	2024 ^a	2023	2022	2021	2020 ^a
Class C					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$10.56	\$11.75	\$12.09	\$12.38	\$11.77
Income from investment operations ^b :					
Net investment income ^c	0.24	0.24	0.22	0.25	0.29
Net realized and unrealized gains (losses)	0.29	(1.20)	(0.35)	(0.29)	0.62
Total from investment operations	0.53	(0.96)	(0.13)	(0.04)	0.91
Less distributions from:					
Net investment income	(0.24)	(0.23)	(0.21)	(0.25)	(0.30)
Net asset value, end of year	\$10.85	\$10.56	\$11.75	\$12.09	\$12.38
Total return ^d	5.14%	(8.14)%	(1.10)%	(0.34)%	7.84%
Ratios to average net assets					
Expenses ^e	1.28%	1.27%	1.25%	1.25%	1.26%
Net investment income	2.30%	2.19%	1.79%	2.08%	2.36%
Supplemental data					
Net assets, end of year (000's)	\$14,486	\$19,610	\$28,904	\$45,512	\$62,426
Portfolio turnover rate	9.84%	15.85%	22.60%	16.89%	13.23%

^aFor the year ended February 29.

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

^cBased on average daily shares outstanding.

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

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

Franklin Georgia Tax-Free Income Fund (continued)

	Year Ended February 28,				
	2024 ^a	2023	2022	2021	2020 ^a
Class R6					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$10.40	\$11.57	\$11.91	\$12.20	\$11.59
Income from investment operations ^b :					
Net investment income ^c	0.32	0.31	0.30	0.33	0.36
Net realized and unrealized gains (losses)	0.29	(1.17)	(0.34)	(0.29)	0.63
Total from investment operations	0.61	(0.86)	(0.04)	0.04	0.99
Less distributions from:					
Net investment income	(0.32)	(0.31)	(0.30)	(0.33)	(0.38)
Net asset value, end of year	\$10.69	\$10.40	\$11.57	\$11.91	\$12.20
Total return	5.95%	(7.44)%	(0.42)%	0.35%	8.67%
Ratios to average net assets					
Expenses before waiver and payments by affiliates	0.61%	0.59%	0.57%	0.58%	0.59%
Expenses net of waiver and payments by affiliates ^d	0.61%	0.59% ^e	0.57% ^e	0.56%	0.57%
Net investment income	3.04%	2.92%	2.49%	2.73%	3.05%
Supplemental data					
Net assets, end of year (000's)	\$11,082	\$10,366	\$17,047	\$13,813	\$4,981
Portfolio turnover rate	9.84%	15.85%	22.60%	16.89%	13.23%

^aFor the year ended February 29.

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

^cBased on average daily shares outstanding.

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

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

Franklin Georgia Tax-Free Income Fund (continued)

	Year Ended February 28,				
	2024 ^a	2023	2022	2021	2020 ^a
Advisor Class					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$10.40	\$11.57	\$11.92	\$12.20	\$11.59
Income from investment operations ^b :					
Net investment income ^c	0.31	0.31	0.29	0.33	0.36
Net realized and unrealized gains (losses)	0.29	(1.18)	(0.35)	(0.29)	0.63
Total from investment operations	0.60	(0.87)	(0.06)	0.04	0.99
Less distributions from:					
Net investment income	(0.31)	(0.30)	(0.29)	(0.32)	(0.38)
Net asset value, end of year	\$10.69	\$10.40	\$11.57	\$11.92	\$12.20
Total return	5.91%	(7.48)%	(0.46)%	0.31%	8.63%
Ratios to average net assets					
Expenses ^d	0.64%	0.63%	0.61%	0.61%	0.61%
Net investment income	3.01%	2.88%	2.46%	2.74%	3.01%
Supplemental data					
Net assets, end of year (000's)	\$46,388	\$48,473	\$72,069	\$68,009	\$53,789
Portfolio turnover rate	9.84%	15.85%	22.60%	16.89%	13.23%

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

Schedule of Investments, February 29, 2024

Franklin Georgia Tax-Free Income Fund

	Principal Amount	Value
Corporate Bonds 0.3%		
Software 0.3%		
^a Haven at Elgin LLC, 5.25%, 12/31/53	\$900,000	\$895,386
Total Corporate Bonds (Cost \$900,000)		895,386
Municipal Bonds 97.9%		
California 0.4%		
California Municipal Finance Authority, Revenue, 2022 A-1, 4.25%, 12/01/37	1,300,000	1,169,049
Florida 1.4%		
Capital Trust Agency, Inc., Kingdom Development West Palm Beach Portfolio Obligated Group, Revenue, 2021 A-1, 3.75%, 12/01/36	2,592,000	2,247,044
^b SHI - Lake Osborne LLC, Revenue, 144A, 2021 A-1, 3.68%, 1/01/57	750,000	516,956
^b Leon County Housing Finance Authority, Revenue, 144A, 2022 A, Zero Cpn., 5/01/57	2,030,000	1,773,712
		4,537,712
Georgia 89.2%		
Athens Housing Authority, UGAREF East Campus Housing Phase II LLC, Revenue, 2017, Refunding, 4%, 6/15/40	5,000,000	5,015,203
Atlanta Development Authority (The), City of Atlanta Hotel Motel Tax, Revenue, 2015 A-1, 5.25%, 7/01/40	7,750,000	7,918,780
City of Atlanta Hotel Motel Tax, Revenue, 2015 A-1, 5.25%, 7/01/44	3,000,000	3,056,432
Tuff Yamacraw LLC, Revenue, 2005 A, Refunding, AMBAC Insured, 5%, 1/01/26	2,555,000	2,609,952
Auburn Urban Redevelopment Agency, City of Auburn, Revenue, 2020, BAM Insured, 4%, 10/01/50	1,000,000	981,206
Bainbridge Public Facilities Authority, County of Decatur, Revenue, 2018, AGMC Insured, 4%, 3/01/43	3,000,000	3,001,515
Bleckley County School District, GO, 2020, 5%, 10/01/42	2,055,000	2,252,095
Brookhaven Development Authority, Children's Healthcare of Atlanta Obligated Group, Revenue, 2019 A, 4%, 7/01/49	3,000,000	2,910,757
Carroll City-County Hospital Authority, Tanner Medical Center Obligated Group, Revenue, 2015, 5%, 7/01/41	2,000,000	2,024,300
Tanner Medical Center Obligated Group, Revenue, 2020, Refunding, 4%, 7/01/50	2,950,000	2,859,013
City of Atlanta, GO, 2022 A-1, 5%, 12/01/38	5,000,000	5,746,269
Airport Passenger Facility Charge, Revenue, 2023 E, 5.25%, 7/01/43	3,000,000	3,305,004
Airport Passenger Facility Charge, Revenue, Sub. Lien, 2019 D, 4%, 7/01/36	4,500,000	4,562,222
BeltLine Tax Allocation District, Tax Allocation, 2016 B, Refunding, 5%, 1/01/31	1,780,000	1,867,997
Department of Aviation, Revenue, 2021 C, Refunding, 5%, 7/01/37	1,500,000	1,634,684
Water & Wastewater, Revenue, 2001 A, AGMC, NATL RE Insured, 5.5%, 11/01/27	4,085,000	4,326,981
Water & Wastewater, Revenue, 2018 B, Refunding, 5%, 11/01/47	5,000,000	5,194,231
City of Baldwin, Water & Sewerage, Revenue, 2021, Refunding, BAM Insured, 3%, 6/01/46	1,835,000	1,464,471
City of Buford, GO, 2017 C, Pre-Refunded, 4%, 1/01/43	5,000,000	5,173,035
City of Cartersville, Water & Sewer, Revenue, 2018, Refunding, 5%, 6/01/48	4,000,000	4,155,240
City of Dalton, GO, 2018, 5%, 2/01/48	3,000,000	3,156,828
City of Monroe, Combined Utility, Revenue, 2020, AGMC Insured, 4%, 12/01/50	1,500,000	1,471,674
Clayton County Development Authority, USG Real Estate Foundation XIII LLC, Revenue, 2022 A, 5%, 6/15/32	1,295,000	1,503,274
USG Real Estate Foundation XIII LLC, Revenue, 2022 A, 5%, 6/15/33	1,210,000	1,422,077
Cobb County Kennestone Hospital Authority, WellStar Health System Obligated Group, Revenue, 2020 B, Refunding, 5%, 4/01/38	375,000	400,099
WellStar Health System Obligated Group, Revenue, 2020 B, Refunding, 4%, 4/01/39	425,000	429,311
WellStar Health System Obligated Group, Revenue, 2020 B, Refunding, 5%, 4/01/40	400,000	423,700
WellStar Health System Obligated Group, Revenue, 2020 B, Refunding, 4%, 4/01/41	375,000	375,761
WellStar Health System Obligated Group, Revenue, 2022 A, 4%, 4/01/52	3,100,000	2,923,890

Franklin Georgia Tax-Free Income Fund (continued)

	Principal Amount	Value
Municipal Bonds (continued)		
Georgia (continued)		
Columbia County Hospital Authority, WellStar Health System Obligated Group, Revenue, 2023 A, 5.125%, 4/01/48	\$3,000,000	\$3,250,467
County of DeKalb, Water & Sewerage, Revenue, 2006 B, Refunding, AGMC Insured, 5%, 10/01/35	4,000,000	4,181,399
County of Fulton, Water & Sewerage, Revenue, 2020 A, 3%, 1/01/45	5,000,000	4,116,339
Coweta County Water & Sewage Authority, Revenue, 2021 B, 3%, 6/01/43	820,000	692,044
Revenue, 2021 B, 3%, 6/01/46	1,000,000	818,450
Dalton Whitfield County Joint Development Authority, Hamilton Health Care System Obligated Group, Revenue, 2017, 4%, 8/15/41	3,000,000	2,993,946
DeKalb County Development Authority, GLOBE Academy, Inc. (The), Revenue, 2024 A, 5%, 6/01/45	350,000	357,484
GLOBE Academy, Inc. (The), Revenue, 2024 A, 5%, 6/01/50	300,000	303,328
DeKalb Newton & Gwinnett Counties Joint Development Authority, GGCF Athletic Fields LLC, Revenue, 2012 A, AGMC Insured, 5%, 7/01/39	2,500,000	2,502,183
Development Authority for Fulton County, Georgia Tech Facilities, Inc., Revenue, 2018, 4%, 3/01/43	2,000,000	1,993,110
Georgia Tech Facilities, Inc., Revenue, 2024, 5%, 6/15/49	1,750,000	1,908,756
Georgia Tech Facilities, Inc., Revenue, 2024, 5%, 6/15/56	2,000,000	2,162,750
Piedmont Healthcare, Inc. Obligated Group, Revenue, 2016 A, Refunding, 5%, 7/01/46	5,840,000	5,939,990
Piedmont Healthcare, Inc. Obligated Group, Revenue, 2019 A, 4%, 7/01/49	5,000,000	4,731,675
Tuff/Atlanta Housing LLC, Revenue, 2022, Refunding, 5%, 9/01/30	1,030,000	1,148,553
Tuff/Atlanta Housing LLC, Revenue, 2022, Refunding, 5%, 9/01/31	1,235,000	1,395,944
Tuff/Atlanta Housing LLC, Revenue, 2022, Refunding, 5%, 9/01/32	1,350,000	1,544,470
WellStar Health System Obligated Group, Revenue, 2020 A, 4%, 4/01/50	3,000,000	2,837,736
Development Authority of Burke County (The), Oglethorpe Power Corp., Revenue, 2017 D, Refunding, 4.125%, 11/01/45	6,000,000	5,630,663
Development Authority of Cobb County (The), Georgia Tech Cobb Research Campus LLC, Revenue, 2017 A, 4%, 6/01/42	1,600,000	1,605,161
Kennesaw State University Real Estate Obligated Group 2015 ABC, Revenue, Senior Lien, 2015 A, Refunding, 5%, 7/15/38	2,000,000	2,039,240
KSU 2020 Housing Real Estate Foundation LLC, Revenue, 2020, 4%, 7/15/52	5,720,000	5,386,283
KSU University II Real Estate Foundation LLC, Revenue, 2021, Refunding, 4%, 7/15/34	1,000,000	1,050,150
University System of Georgia, Revenue, 2020 C, 4%, 7/15/52	2,000,000	1,883,315
^b Development Authority of Rockdale County, AHPC Terraces at Fieldstone LLC, Revenue, 144A, 2021 A-1, 3.5%, 12/01/36	4,825,000	3,956,800
Etowah Water & Sewer Authority, Revenue, 2019, Refunding, BAM Insured, 3%, 3/01/44	1,250,000	1,022,562
Floyd County Hospital Authority, Floyd Obligated Group, Revenue, 2016, Pre- Refunded, 4%, 7/01/43	3,000,000	3,083,115
Fulton County Residential Care Facilities for the Elderly Authority, Lenbrook Square Foundation Obligated Group, Revenue, 2016, Refunding, 5%, 7/01/42	6,000,000	5,709,100
Gainesville & Hall County Hospital Authority, Northeast Georgia Health System Obligated Group, Revenue, 2017 A, Refunding, 5%, 2/15/42	7,000,000	7,181,085
Northeast Georgia Health System Obligated Group, Revenue, 2020 A, Refunding, 4%, 2/15/45	5,000,000	4,879,456
Northeast Georgia Health System Obligated Group, Revenue, 2021 A, 4%, 2/15/51	5,000,000	4,755,335
Georgia Higher Education Facilities Authority, USG Real Estate Foundation III LLC, Revenue, 2020, Refunding, 4%, 6/15/41	2,305,000	2,309,190
Georgia Housing & Finance Authority, Revenue, 2013 A, 3.8%, 12/01/37	1,655,000	1,626,776
Revenue, 2018 A, 3.85%, 12/01/38	1,170,000	1,143,898
Revenue, 2018 A, 3.95%, 12/01/43	1,210,000	1,171,815
Revenue, 2019 A, Refunding, 3.7%, 6/01/49	4,520,000	4,192,138

Franklin Georgia Tax-Free Income Fund (continued)

	Principal Amount	Value
Municipal Bonds (continued)		
Georgia (continued)		
Georgia Ports Authority,		
Revenue, 2021, 4%, 7/01/51	\$3,395,000	\$3,339,623
Revenue, 2022, 5%, 7/01/47	2,500,000	2,744,075
Revenue, 2022, 5.25%, 7/01/52	2,000,000	2,226,306
Glynn-Brunswick Memorial Hospital Authority, Southeast Georgia Health System		
Obligated Group, Revenue, 2017, 5%, 8/01/47	5,000,000	5,016,863
Henry County School District, GO, 2016, Pre-Refunded, 4%, 8/01/33		
	5,000,000	5,139,309
Main Street Natural Gas, Inc.,		
Revenue, 2007 A, 5.5%, 9/15/25	2,500,000	2,543,653
Revenue, 2007 A, 5.5%, 9/15/27	5,000,000	5,247,493
Revenue, 2019 A, 5%, 5/15/37	1,975,000	2,140,044
Revenue, 2019 A, 5%, 5/15/38	1,000,000	1,068,564
^{b,c} Revenue, 144A, 2022 C, Mandatory Put, 4%, 11/01/27	8,000,000	7,748,049
^c Revenue, 2023 A, Mandatory Put, 5%, 6/01/30	5,000,000	5,264,970
^c Revenue, 2023 D, Mandatory Put, 5%, 12/01/30	2,000,000	2,110,257
^c Revenue, 2023 E-1, Mandatory Put, 5%, 6/01/31	2,000,000	2,136,624
Monroe County Public Facilities Authority, County of Monroe, Revenue, 2020, 4%, 6/01/42		
	1,000,000	1,001,511
Moultrie-Colquitt Counties Development Authority, Philadelphia College of Osteopathic Medicine Obligated Group, Revenue, 2018, 5%, 12/01/43		
	4,815,000	5,161,116
Municipal Electric Authority of Georgia,		
Revenue, 2019 A, AGMC Insured, 4%, 1/01/44	5,000,000	4,941,201
Revenue, 2020 A, Refunding, 5%, 1/01/50	3,500,000	3,635,649
Revenue, 2021 A, Refunding, 4%, 1/01/46	330,000	316,520
Revenue, 2021 A, Refunding, 4%, 1/01/51	425,000	392,340
Revenue, 2021 A, Refunding, 5%, 1/01/56	750,000	763,026
Revenue, 2023 A, 5.5%, 7/01/64	2,000,000	2,113,631
Private Colleges & Universities Authority,		
Emory University, Revenue, 2013 A, 5%, 10/01/43	5,000,000	5,000,498
Mercer University, Revenue, 2021, Refunding, 4%, 10/01/50	5,400,000	5,219,515
Mercer University, Revenue, 2022, Refunding, 5.25%, 10/01/51	4,500,000	4,839,971
Richmond County Hospital Authority, Piedmont Healthcare, Inc. Obligated Group, Revenue, 2016, Refunding, 4%, 1/01/35		
	5,000,000	5,035,875
Savannah Hospital Authority, St. Joseph's/Candler Health System Obligated Group, Revenue, 2019 A, Refunding, 4%, 7/01/43		
	10,000,000	9,876,036
Sinclair Water Authority, Revenue, 2019, Refunding, AGMC Insured, 5%, 4/01/48		
	2,000,000	2,100,854
Worth County School District, GO, 2017, 5%, 12/01/42		
	5,000,000	5,219,651
		286,013,931
Illinois 1.0%		
State of Illinois,		
GO, 2021 A, 5%, 3/01/32	250,000	279,366
GO, 2021 B, 4%, 12/01/38	3,000,000	2,977,684
		3,257,050
New Jersey 0.4%		
New Jersey Transportation Trust Fund Authority, Revenue, 2018 A, Refunding, 5%, 12/15/35		
	1,200,000	1,296,523
New York 0.9%		
Metropolitan Transportation Authority,		
Revenue, 2020 A-1, 4%, 11/15/53	100,000	94,436
Revenue, 2020 D, 4%, 11/15/47	600,000	581,192
Revenue, 2021 A-2, 4%, 11/15/42	2,300,000	2,280,672
		2,956,300

Franklin Georgia Tax-Free Income Fund (continued)

	Principal Amount	Value
Municipal Bonds (continued)		
South Carolina 0.6%		
South Carolina Jobs-Economic Development Authority, Revenue, 144A, 2021 A-1, 3.65%, 12/01/36	\$900,000	\$764,382
AHPC Vista Towers 2021 LLC, Revenue, 2021 A-1, 3.65%, 12/01/36	900,000	764,381
^b South Carolina State Housing Finance & Development Authority, Garden Oaks LP, Revenue, 144A, 2021 A, 4.2%, 12/01/39	500,000	409,552
		<u>1,938,315</u>
Texas 0.6%		
^b EP Cimarron Ventanas PFC, Revenue, Senior Lien, 144A, 2021 A, 4%, 12/01/51	1,100,000	843,366
^b Pecan Public Facility Corp., Revenue, 144A, 2022 A-2, 5%, 12/01/52	1,500,000	1,171,787
		<u>2,015,153</u>
Washington 0.3%		
^b Washington State Housing Finance Commission, Madison at Rivers Edge Apartments LLC, Revenue, 144A, 2021 A, 3.65%, 1/01/37	900,000	763,763
Wisconsin 1.4%		
^b Public Finance Authority, Revenue, 144A, 2022, B-1, 4%, 12/28/44	900,000	728,120
AL-FL Portfolio Obligated Group, Revenue, 144A, 2021 A, 3.4%, 12/01/36	1,500,000	1,251,882
Gulf Coast Portfolio Obligated Group, Revenue, 144A, 2021, 5.25%, 6/01/24	2,300,000	2,300,000
		<u>4,280,002</u>
U.S. Territories 1.7%		
Puerto Rico 1.7%		
HTA HRRB Custodial Trust, Revenue, 2007 CC, 5.25%, 7/01/32	923,681	920,360
HTA TRRB Custodial Trust, Revenue, 2005 L, 5.25%, 7/01/41	903,650	887,036
Puerto Rico Electric Power Authority, Revenue, VV, Refunding, NATL Insured, 5.25%, 7/01/32	560,000	554,974
^d Revenue, XX, 5.25%, 7/01/40	2,270,000	601,550
Puerto Rico Sales Tax Financing Corp., Sales Tax, Revenue, A-1, 5%, 7/01/58	2,480,000	2,498,595
		<u>5,462,515</u>
Total U.S. Territories		<u>5,462,515</u>
Total Municipal Bonds (Cost \$329,572,963)		<u>313,690,313</u>
	<u>Shares</u>	
Escrows and Litigation Trusts 0.0%[†]		
^a ^e Puerto Rico Electric Power Authority, Escrow Account	115,316	92,253
Total Escrows and Litigation Trusts (Cost \$—)		<u>92,253</u>
Total Long Term Investments (Cost \$330,472,963)		<u>314,677,952</u>
Total Investments (Cost \$330,472,963) 98.2%		<u>\$314,677,952</u>
Other Assets, less Liabilities 1.8%		<u>5,855,836</u>
Net Assets 100.0%		<u>\$320,533,788</u>

Franklin Georgia Tax-Free Income Fund (continued)

See Abbreviations on page 140.

¹Rounds to less than 0.1% of net assets.

²Fair valued using significant unobservable inputs. See Note 10 regarding fair value measurements.

³Security was purchased pursuant to Rule 144A or Regulation S under the Securities Act of 1933. 144A securities may be sold in transactions exempt from registration only to qualified institutional buyers or in a public offering registered under the Securities Act of 1933. Regulation S securities cannot be sold in the United States without either an effective registration statement filed pursuant to the Securities Act of 1933, or pursuant to an exemption from registration. At February 29, 2024, the aggregate value of these securities was \$22,228,369, representing 6.9% of net assets.

⁴The maturity date shown represents the mandatory put date.

⁵Defaulted security or security for which income has been deemed uncollectible. See Note 7.

⁶Non-income producing.

Financial Highlights

Franklin Louisiana Tax-Free Income Fund

	Year Ended February 28,				
	2024 ^a	2023	2022	2021	2020 ^a
Class A					
Per share operating performance (for a share outstanding throughout the year)					
Net asset value, beginning of year	\$9.96	\$11.03	\$11.28	\$11.55	\$10.93
Income from investment operations ^b :					
Net investment income ^c	0.27	0.25	0.24	0.28	0.30
Net realized and unrealized gains (losses)	0.25	(1.08)	(0.25)	(0.27)	0.64
Total from investment operations	0.52	(0.83)	(0.01)	0.01	0.94
Less distributions from:					
Net investment income	(0.27)	(0.24)	(0.24)	(0.28)	(0.32)
Net asset value, end of year	\$10.21	\$9.96	\$11.03	\$11.28	\$11.55
Total return ^d	5.34%	(7.49)%	(0.17)%	0.09%	8.68%
Ratios to average net assets					
Expenses ^e	0.90% ^f	0.89%	0.87%	0.87%	0.86%
Net investment income	2.75%	2.42%	2.07%	2.49%	2.70%
Supplemental data					
Net assets, end of year (000's)	\$62,108	\$60,153	\$69,773	\$56,810	\$48,032
Portfolio turnover rate	8.52%	11.69%	16.61%	22.66%	4.83%

^aFor the year ended February 29.

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

^cBased on average daily shares outstanding.

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

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

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

Franklin Louisiana Tax-Free Income Fund (continued)

	Year Ended February 28,				
	2024 ^a	2023	2022	2021	2020 ^a
Class A1					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$9.95	\$11.03	\$11.28	\$11.55	\$10.92
Income from investment operations ^b :					
Net investment income ^c	0.29	0.26	0.25	0.30	0.32
Net realized and unrealized gains (losses)	0.25	(1.08)	(0.25)	(0.28)	0.64
Total from investment operations	0.54	(0.82)	—	0.02	0.96
Less distributions from:					
Net investment income	(0.29)	(0.26)	(0.25)	(0.29)	(0.33)
Net asset value, end of year	\$10.20	\$9.95	\$11.03	\$11.28	\$11.55
Total return ^d	5.50%	(7.45)%	(0.02)%	0.24%	8.94%
Ratios to average net assets					
Expenses ^e	0.75% ^f	0.74%	0.72%	0.72%	0.71%
Net investment income	2.90%	2.57%	2.22%	2.66%	2.85%
Supplemental data					
Net assets, end of year (000's)	\$158,862	\$175,906	\$234,499	\$250,576	\$289,744
Portfolio turnover rate	8.52%	11.69%	16.61%	22.66%	4.83%

^aFor the year ended February 29.

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

^cBased on average daily shares outstanding.

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

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

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

Franklin Louisiana Tax-Free Income Fund (continued)

	Year Ended February 28,				
	2024 ^a	2023	2022	2021	2020 ^a
Class C					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$10.12	\$11.21	\$11.46	\$11.74	\$11.10
Income from investment operations ^b :					
Net investment income ^c	0.23	0.20	0.19	0.24	0.26
Net realized and unrealized gains (losses)	0.25	(1.09)	(0.25)	(0.29)	0.65
Total from investment operations	0.48	(0.89)	(0.06)	(0.05)	0.91
Less distributions from:					
Net investment income	(0.23)	(0.20)	(0.19)	(0.23)	(0.27)
Net asset value, end of year	\$10.37	\$10.12	\$11.21	\$11.46	\$11.74
Total return ^d	4.83%	(7.92)%	(0.57)%	(0.39)%	8.34%
Ratios to average net assets					
Expenses ^e	1.29% ^f	1.28%	1.26%	1.26%	1.26%
Net investment income	2.29%	1.97%	1.64%	2.08%	2.30%
Supplemental data					
Net assets, end of year (000's)	\$8,767	\$12,724	\$19,991	\$29,441	\$38,066
Portfolio turnover rate	8.52%	11.69%	16.61%	22.66%	4.83%

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

Franklin Louisiana Tax-Free Income Fund (continued)

	Year Ended February 28,				
	2024 ^a	2023	2022	2021	2020 ^a
Class R6					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$9.96	\$11.03	\$11.28	\$11.55	\$10.93
Income from investment operations ^b :					
Net investment income ^c	0.30	0.28	0.27	0.31	0.33
Net realized and unrealized gains (losses)	0.24	(1.08)	(0.25)	(0.27)	0.64
Total from investment operations	0.54	(0.80)	0.02	0.04	0.97
Less distributions from:					
Net investment income	(0.30)	(0.27)	(0.27)	(0.31)	(0.35)
Net asset value, end of year	\$10.20	\$9.96	\$11.03	\$11.28	\$11.55
Total return	5.54%	(7.22)%	0.12%	0.38%	8.99%
Ratios to average net assets					
Expenses before waiver and payments by affiliates	0.62%	0.61%	0.59%	0.60%	0.60%
Expenses net of waiver and payments by affiliates ^d	0.62% ^e	0.60%	0.58%	0.58%	0.58%
Net investment income	3.04%	2.72%	2.36%	2.78%	2.98%
Supplemental data					
Net assets, end of year (000's)	\$7,967	\$6,306	\$8,031	\$6,076	\$5,383
Portfolio turnover rate	8.52%	11.69%	16.61%	22.66%	4.83%

^aFor the year ended February 29.

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

^cBased on average daily shares outstanding.

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

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

Franklin Louisiana Tax-Free Income Fund (continued)

	Year Ended February 28,				
	2024 ^a	2023	2022	2021	2020 ^a
Advisor Class					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$9.96	\$11.03	\$11.28	\$11.55	\$10.93
Income from investment operations ^b :					
Net investment income ^c	0.30	0.27	0.26	0.31	0.33
Net realized and unrealized gains (losses)	0.25	(1.07)	(0.24)	(0.28)	0.63
Total from investment operations	0.55	(0.80)	0.02	0.03	0.96
Less distributions from:					
Net investment income	(0.30)	(0.27)	(0.27)	(0.30)	(0.34)
Net asset value, end of year	\$10.21	\$9.96	\$11.03	\$11.28	\$11.55
Total return	5.60%	(7.26)%	0.08%	0.34%	8.95%
Ratios to average net assets					
Expenses ^d	0.65% ^e	0.65%	0.62%	0.62%	0.61%
Net investment income	3.00%	2.67%	2.32%	2.73%	2.95%
Supplemental data					
Net assets, end of year (000's)	\$31,551	\$36,351	\$42,264	\$37,329	\$27,945
Portfolio turnover rate	8.52%	11.69%	16.61%	22.66%	4.83%

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

Schedule of Investments, February 29, 2024

Franklin Louisiana Tax-Free Income Fund

	Principal Amount	Value
Municipal Bonds 97.0%		
Florida 0.1%		
^a Capital Trust Agency, Inc., SHI - Lake Osborne LLC, Revenue, 144A, 2021 A-1, 3.68%, 1/01/57	\$500,000	\$344,637
Georgia 0.4%		
^a Development Authority of Rockdale County, AHPC Terraces at Fieldstone LLC, Revenue, 144A, 2021 A-1, 3.5%, 12/01/36	1,225,000	1,004,576
Louisiana 91.6%		
Ascension Parish School Board, GO, 2020, 4%, 3/01/40	1,000,000	1,017,644
Caddo Parish Parishwide School District, GO, 2021, AGMC Insured, 3%, 3/01/36	505,000	476,867
Calcasieu Parish School District No. 23, GO, 2019, BAM Insured, 4%, 9/01/36	670,000	690,249
Calcasieu Parish School District No. 31, GO, 2018, BAM Insured, 5%, 3/01/36	1,000,000	1,086,961
GO, 2018, BAM Insured, 5%, 3/01/38	1,000,000	1,073,539
GO, 2019, BAM Insured, 4%, 3/01/37	1,000,000	1,024,733
Central Community School System, GO, 2020, 4%, 3/01/39	1,125,000	1,142,806
GO, 2020, 4%, 3/01/40	1,190,000	1,202,692
City of Bossier City, Utilities, Revenue, 2014, Pre-Refunded, 5%, 10/01/37	1,280,000	1,293,117
City of Lafayette, Sales & Use Tax, Revenue, 2019 A, 5%, 5/01/44	4,350,000	4,683,645
Sales & Use Tax, Revenue, 2020 B, 4%, 3/01/45	5,000,000	4,975,080
City of Natchitoches, Utilities, Revenue, 2023, AGMC Insured, 5.5%, 6/01/53	750,000	842,622
City of New Orleans, GO, 2021 A, 5%, 12/01/39	6,000,000	6,534,039
Sewerage Service, Revenue, 2020 B, 5%, 6/01/45	1,700,000	1,793,311
Sewerage Service, Revenue, 2020 B, 4%, 6/01/50	1,300,000	1,202,433
City of Ruston, Sales Tax, Revenue, 2016, AGMC Insured, 5%, 6/01/35	1,085,000	1,122,733
City of Shreveport, Water & Sewer, Revenue, 2016 B, 5%, 12/01/41	4,000,000	4,087,532
Water & Sewer, Revenue, 2020 B, Refunding, 3%, 12/01/50	5,070,000	3,649,271
East Baton Rouge Sewerage Commission, Revenue, 2014 B, Pre-Refunded, 5%, 2/01/39	5,000,000	5,088,235
Revenue, 2019 A, Refunding, 4%, 2/01/45	5,000,000	4,978,282
Greater New Orleans Expressway Commission, Revenue, 2017, AGMC Insured, 5%, 11/01/47	4,000,000	4,044,455
Jefferson Parish Consolidated Sewerage District No. 1, Revenue, 2022, BAM Insured, 4%, 2/01/38	1,000,000	1,027,340
Jefferson Parish Consolidated Waterworks District No. 2, Revenue, 2022, Refunding, BAM Insured, 4%, 2/01/40	5,000,000	5,074,535
Jefferson Sales Tax District, Revenue, 2017 B, AGMC Insured, 5%, 12/01/42	2,250,000	2,339,421
Lafayette Consolidated Government, GO, 2020, Refunding, 3%, 3/01/34	250,000	241,624
GO, 2020, Refunding, 3%, 3/01/35	200,000	190,821
Lafayette Parish School Board, Sales Tax, Revenue, 2023, 4%, 4/01/53	2,500,000	2,413,700
Louisiana Correctional Facilities Corp., State of Louisiana Office of Juvenile Justice, Revenue, 2021, 4%, 10/01/37	875,000	886,881
State of Louisiana Office of Juvenile Justice, Revenue, 2021, 4%, 10/01/40	1,305,000	1,300,534
Louisiana Housing Corp., Revenue, 2021 B, GNMA Insured, 2.05%, 6/01/36	615,000	502,711
Revenue, 2021 B, GNMA Insured, 2.2%, 6/01/41	1,965,000	1,434,323
Louisiana Local Government Environmental Facilities & Community Development Authority, ^a City of New Orleans, Revenue, 144A, 2021, 4%, 11/01/46	1,900,000	1,696,173
East Ascension Parish Gravity Drainage District No. 1, Revenue, 2015, Refunding, BAM Insured, 5%, 12/01/40	2,925,000	2,995,410
Entergy Louisiana LLC, Revenue, 2021 A, Refunding, 2%, 6/01/30	1,500,000	1,321,053

Franklin Louisiana Tax-Free Income Fund (continued)

	Principal Amount	Value
Municipal Bonds (continued)		
Louisiana (continued)		
Louisiana Local Government Environmental Facilities & Community Development Authority, (continued)		
Entergy Louisiana LLC, Revenue, 2021 B, Refunding, 2.5%, 4/01/36	\$3,000,000	\$2,483,268
Innovative Student Facilities, Inc., Revenue, 2016 A, AGMC Insured, 4%, 10/01/33	800,000	813,479
Innovative Student Facilities, Inc., Revenue, 2016 A, AGMC Insured, 4%, 10/01/34	620,000	630,062
^a Invest in Americas Veterans Foundation Louisiana, Inc., Revenue, 144A, 2020 A, Refunding, 4.25%, 12/01/50	8,000,000	6,485,232
^a Parish of Assumption, Revenue, 144A, 2021, 3.875%, 11/01/45	1,000,000	878,681
^a Parish of St. Bernard, Revenue, 144A, 2021, 4%, 11/01/45	1,225,000	1,096,901
^a Parish of St. Charles, Revenue, 144A, 2022, 4.5%, 11/01/47	2,000,000	1,948,712
^a Parish of St. Tammany LA GOMESA, Revenue, 144A, 2020, 3.875%, 11/01/45	2,775,000	2,438,339
^a Patriot Services Group Obligated Group, Revenue, 144A, 2021 A, 4%, 10/01/43	250,000	193,461
^a Patriot Services Group Obligated Group, Revenue, 144A, 2021 A, 4.25%, 10/01/48	221,200	166,621
^a Patriot Services Group Obligated Group, Revenue, 144A, 2021 A, 4.5%, 10/01/53	309,471	233,497
^a Patriot Services Group Obligated Group, Revenue, 144A, 2021 A, 5%, 10/01/61	249,529	198,728
Ragin Cajun Facilities, Inc., Revenue, 2017, Refunding, AGMC Insured, 5%, 10/01/39	1,000,000	1,035,024
University of Louisiana at Lafayette, Revenue, 2018, AGMC Insured, 5%, 10/01/48	3,500,000	3,572,754
University of Louisiana System, Revenue, 2019, Refunding, AGMC Insured, 4%, 8/01/34	1,000,000	1,030,068
University of Louisiana System Board of Supervisors, Revenue, 2021, Refunding, AGMC Insured, 4%, 10/01/39	1,060,000	1,062,349
University of Louisiana System Board of Supervisors, Revenue, 2021, Refunding, AGMC Insured, 4%, 10/01/41	500,000	499,348
University of Louisiana System Board of Supervisors, Revenue, 2021, Refunding, AGMC Insured, 4%, 10/01/43	500,000	487,388
University of Louisiana System Board of Supervisors, Revenue, 2022, Refunding, 4%, 5/01/30	1,020,000	1,060,555
University of Louisiana System Board of Supervisors, Revenue, 2022, Refunding, 4%, 5/01/31	1,065,000	1,109,507
University of Louisiana System Board of Supervisors, Revenue, 2022, Refunding, 4%, 5/01/32	1,100,000	1,131,151
University of Louisiana System Board of Supervisors, Revenue, 2022, Refunding, 4%, 5/01/33	1,155,000	1,187,067
University of Louisiana System Board of Supervisors, Revenue, 2023 A, AGMC Insured, 5%, 10/01/43	600,000	642,582
Woman's Hospital Foundation, Revenue, 2017 A, Refunding, 5%, 10/01/41	5,230,000	5,393,944
Louisiana Offshore Terminal Authority, Loop LLC, Revenue, 2007 A, Refunding, 4.15%, 9/01/27	1,500,000	1,522,101
Louisiana Public Facilities Authority,		
CHRISTUS Health Obligated Group, Revenue, 2018 E, 5%, 7/01/48	5,000,000	5,160,410
Franciscan Missionaries of Our Lady Health System Obligated Group, Revenue, 2015 A, 5%, 7/01/35	4,965,000	5,031,590
Franciscan Missionaries of Our Lady Health System Obligated Group, Revenue, 2015 A, Pre-Refunded, 5%, 7/01/35	35,000	35,896
Louisiana Children's Medical Center Obligated Group, Revenue, 2015 A-1, 5%, 6/01/45	10,000,000	10,359,706
Louisiana Children's Medical Center Obligated Group, Revenue, 2020 A, 4%, 6/01/50	5,000,000	4,681,053
Louisiana State University & Agricultural & Mechanical College Auxiliary, Revenue, 2016 A, 5%, 7/01/46	6,500,000	6,600,734
Louisiana State University & Agricultural & Mechanical College Auxiliary, Revenue, 2017, 5%, 7/01/52	2,310,000	2,343,007
Loyola University New Orleans, Revenue, 2021, Refunding, 4%, 10/01/37	2,020,000	2,051,300
Loyola University New Orleans, Revenue, 2021, Refunding, 4%, 10/01/39	3,460,000	3,486,314
Loyola University New Orleans, Revenue, 2021, Refunding, 4%, 10/01/41	2,850,000	2,833,502
Ochsner Clinic Foundation Obligated Group, Revenue, 2016, Pre-Refunded, 5%, 5/15/34	30,000	31,239

Franklin Louisiana Tax-Free Income Fund (continued)

	Principal Amount	Value
Municipal Bonds (continued)		
Louisiana (continued)		
Louisiana Public Facilities Authority, (continued)		
Ochsner Clinic Foundation Obligated Group, Revenue, 2016, Pre-Refunded, 5%, 5/15/47	\$20,000	\$20,826
Ochsner Clinic Foundation Obligated Group, Revenue, 2017, Refunding, 5%, 5/15/42	5,695,000	5,847,663
Ochsner Clinic Foundation Obligated Group, Revenue, 2017, Refunding, 5%, 5/15/46	6,305,000	6,452,139
^a Provident Group - HSC Properties, Inc., Revenue, 144A, 2020 A-1, 5.5%, 1/01/50 .	2,000,000	1,925,179
Roman Catholic Church of the Archdiocese of New Orleans, Revenue, 2017, Refunding, 5%, 7/01/37	3,750,000	3,000,000
Tulane University, Revenue, 2016 A, Refunding, 5%, 12/15/41	3,000,000	3,086,959
Tulane University, Revenue, 2017 A, Pre-Refunded, 4%, 12/15/50	60,000	62,618
Louisiana Stadium & Exposition District, Revenue, Senior Lien, 2023 A, Refunding, 5.25%, 7/01/53	1,750,000	1,921,383
Louisiana State University & Agricultural & Mechanical College, Auxiliary, Revenue, 2016 A, Pre-Refunded, 5%, 7/01/40	4,500,000	4,704,592
Natchitoches Parish School District No. 9, GO, 2018, AGMC Insured, 5%, 3/01/38 . . .	1,440,000	1,560,773
New Orleans Aviation Board, Louis Armstrong New Orleans International Airport, Revenue, 2017 A, 5%, 1/01/48	8,000,000	8,175,915
Parish of East Baton Rouge Capital Improvements District, MovEBR Sales Tax, Revenue, 2019, 5%, 8/01/48	500,000	524,358
Parish of Terrebonne, Sales & Use Tax, Revenue, 2020 A, 4%, 3/01/41	2,660,000	2,667,560
Port New Orleans Board of Commissioners, Revenue, 2018 A, AGMC Insured, 5%, 4/01/48	2,750,000	2,832,813
Revenue, 2020 D, 5%, 4/01/50	6,000,000	6,284,761
Rapides Parish Consolidated School District No. 62, GO, 2022, AGMC Insured, 5%, 3/01/42	1,100,000	1,205,191
Rapides Parish School District No. 11 Rigolette, GO, 2023, AGMC Insured, 4%, 3/01/41	1,000,000	1,004,782
St. John the Baptist, Parish School District No. 1, GO, 2023, 5.25%, 3/01/43	3,300,000	3,507,434
St. Tammany Parish Hospital Service District No. 1, Revenue, 2018 A, Refunding, 5%, 7/01/48	5,500,000	5,657,566
State of Louisiana, GO, 2016 A, 5%, 9/01/35	2,575,000	2,694,876
GO, 2019 A, 5%, 3/01/37	3,000,000	3,273,894
Gasoline & Fuels Tax, Revenue, First Lien, 2015 A, Pre-Refunded, 5%, 5/01/41 . . .	3,000,000	3,062,637
Gasoline & Fuels Tax, Revenue, Second Lien, 2017 C, Refunding, 5%, 5/01/40 . . .	5,000,000	5,249,888
Gasoline & Fuels Tax, Revenue, Second Lien, 2017 C, Refunding, 5%, 5/01/45 . . .	10,000,000	10,397,835
Tangipahoa Parish Hospital Service District No. 1, Revenue, 2021, Refunding, 4%, 2/01/35	2,250,000	2,291,056
Revenue, 2021, Refunding, 4%, 2/01/38	2,000,000	1,989,232
Terrebonne Levee & Conservation District, Sales Tax, Revenue, 2020 B, Refunding, 4%, 6/01/41	1,000,000	1,000,360
West Feliciana Parish Parishwide Consolidated School District No. 1, GO, 2020, 4%, 3/01/50	3,000,000	2,821,120
		246,573,752
South Carolina 0.4%		
South Carolina Jobs-Economic Development Authority,		
^a Revenue, 144A, 2021 A-1, 3.65%, 12/01/36	600,000	509,587
AHPC Vista Towers 2021 LLC, Revenue, 2021 A-1, 3.65%, 12/01/36	700,000	594,519
		1,104,106

Franklin Louisiana Tax-Free Income Fund (continued)

	Principal Amount	Value
Municipal Bonds (continued)		
Texas 0.8%		
City of Dallas, DHFC - Briscoe Apartments LLC (The), Revenue, Senior Lien, 2022 A, 6%, 12/01/62	\$450,000	\$458,396
^a EP Cimarron Ventanas PFC, Revenue, Senior Lien, 144A, 2021 A, 4%, 12/01/51	900,000	690,027
^a Pecan Public Facility Corp., Revenue, 144A, 2022 A-2, 5%, 12/01/52	1,250,000	976,489
		<u>2,124,912</u>
Washington 0.2%		
^a Washington State Housing Finance Commission, Madison at Rivers Edge Apartments LLC, Revenue, 144A, 2021 A, 3.65%, 1/01/37	700,000	594,038
Wisconsin 1.5%		
^a Public Finance Authority, Revenue, 144A, 2022, B-1, 4%, 12/28/44	800,000	647,217
AL-FL Portfolio Obligated Group, Revenue, 144A, 2021 A, 3.4%, 12/01/36	1,225,000	1,022,371
Gulf Coast Portfolio Obligated Group, Revenue, 144A, 2021, 5.25%, 6/01/24	1,800,000	1,800,000
Pine Forest 2022 Obligated Group, Revenue, 144A, 2022 A, 6.5%, 12/01/52	500,000	508,596
		<u>3,978,184</u>
U.S. Territories 2.0%		
Puerto Rico 2.0%		
Puerto Rico Electric Power Authority, Revenue, VV, Refunding, NATL Insured, 5.25%, 7/01/32	500,000	495,513
^b Revenue, WW, 5.25%, 7/01/33	855,000	226,575
Puerto Rico Sales Tax Financing Corp., Sales Tax, Revenue, A-1, 4.75%, 7/01/53	3,500,000	3,502,002
Sales Tax, Revenue, A-1, 5%, 7/01/58	1,196,000	1,204,967
		<u>5,429,057</u>
Total U.S. Territories		<u>5,429,057</u>
Total Municipal Bonds (Cost \$274,361,241)		<u>261,153,262</u>
	Shares	
Escrows and Litigation Trusts 0.0%[†]		
^{c,d} Puerto Rico Electric Power Authority, Escrow Account	43,434	34,747
Total Escrows and Litigation Trusts (Cost \$-)		<u>34,747</u>
Total Long Term Investments (Cost \$274,361,241)		<u>261,188,009</u>
Short Term Investments 1.9%		
	Principal Amount	
Municipal Bonds 1.9%		
Louisiana 1.9%		
^e State of Louisiana, Gasoline & Fuels Tax, Revenue, Second Lien, 2023 A-1, Refunding, LOC Toronto Dominion Bank (The), Daily VRDN and Put, 3.65%, 5/01/43	4,035,000	4,035,000

Franklin Louisiana Tax-Free Income Fund (continued)

Short Term Investments (continued)

	Principal Amount	Value
Municipal Bonds (continued)		
Louisiana (continued)		
°State of Louisiana, (continued)		
Gasoline & Fuels Tax, Revenue, Second Lien, 2023 A-2, Refunding, LOC Toronto Dominion Bank (The), Daily VRDN and Put, 3.65%, 5/01/43	\$1,000,000	\$1,000,000
		5,035,000
Total Municipal Bonds (Cost \$5,035,000)		5,035,000
Total Short Term Investments (Cost \$5,035,000)		5,035,000
Total Investments (Cost \$279,396,241) 98.9%		\$266,223,009
Other Assets, less Liabilities 1.1%		3,031,356
Net Assets 100.0%		\$269,254,365

See Abbreviations on page 140.

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

[°] Security was purchased pursuant to Rule 144A or Regulation S under the Securities Act of 1933. 144A securities may be sold in transactions exempt from registration only to qualified institutional buyers or in a public offering registered under the Securities Act of 1933. Regulation S securities cannot be sold in the United States without either an effective registration statement filed pursuant to the Securities Act of 1933, or pursuant to an exemption from registration. At February 29, 2024, the aggregate value of these securities was \$25,359,062, representing 9.4% of net assets.

[°] Defaulted security or security for which income has been deemed uncollectible. See Note 7.

[°] Non-income producing.

[°] Fair valued using significant unobservable inputs. See Note 10 regarding fair value measurements.

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

Financial Highlights

Franklin Maryland Tax-Free Income Fund

	Year Ended February 28,				
	2024 ^a	2023	2022	2021	2020 ^a
Class A					
Per share operating performance (for a share outstanding throughout the year)					
Net asset value, beginning of year	\$9.75	\$10.71	\$10.97	\$11.35	\$10.80
Income from investment operations ^b :					
Net investment income ^c	0.31	0.26	0.23	0.28	0.29
Net realized and unrealized gains (losses)	0.16	(0.96)	(0.26)	(0.38)	0.57
Total from investment operations	0.47	(0.70)	(0.03)	(0.10)	0.86
Less distributions from:					
Net investment income	(0.31)	(0.26)	(0.23)	(0.28)	(0.31)
Net asset value, end of year	\$9.91	\$9.75	\$10.71	\$10.97	\$11.35
Total return ^d	4.89%	(6.56)%	(0.30)%	(0.84)%	8.11%
Ratios to average net assets					
Expenses ^e	0.90%	0.89%	0.87%	0.87%	0.88%
Net investment income	3.17%	2.62%	2.10%	2.55%	2.65%
Supplemental data					
Net assets, end of year (000's)	\$87,309	\$80,313	\$90,950	\$78,374	\$60,104
Portfolio turnover rate	12.33%	37.44%	15.00%	28.27%	7.50%

^aFor the year ended February 29.

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

^cBased on average daily shares outstanding.

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

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

Franklin Maryland Tax-Free Income Fund (continued)

	Year Ended February 28,				
	2024 ^a	2023	2022	2021	2020 ^a
Class A1					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$9.75	\$10.71	\$10.97	\$11.36	\$10.80
Income from investment operations ^b :					
Net investment income ^c	0.32	0.27	0.25	0.30	0.31
Net realized and unrealized gains (losses)	0.16	(0.96)	(0.26)	(0.39)	0.58
Total from investment operations	0.48	(0.69)	(0.01)	(0.09)	0.89
Less distributions from:					
Net investment income	(0.32)	(0.27)	(0.25)	(0.30)	(0.33)
Net asset value, end of year	\$9.91	\$9.75	\$10.71	\$10.97	\$11.36
Total return ^d	5.05%	(6.42)%	(0.15)%	(0.69)%	8.27%
Ratios to average net assets					
Expenses ^e	0.75%	0.74%	0.72%	0.72%	0.73%
Net investment income	3.30%	2.76%	2.25%	2.72%	2.80%
Supplemental data					
Net assets, end of year (000's)	\$147,337	\$162,447	\$214,264	\$240,637	\$270,309
Portfolio turnover rate	12.33%	37.44%	15.00%	28.27%	7.50%

^aFor the year ended February 29.

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

^cBased on average daily shares outstanding.

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

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

Franklin Maryland Tax-Free Income Fund (continued)

	Year Ended February 28,				
	2024 ^a	2023	2022	2021	2020 ^a
Class C					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$9.95	\$10.94	\$11.20	\$11.59	\$11.02
Income from investment operations ^b :					
Net investment income ^c	0.27	0.22	0.19	0.24	0.25
Net realized and unrealized gains (losses)	0.17	(0.99)	(0.26)	(0.39)	0.59
Total from investment operations	0.44	(0.77)	(0.07)	(0.15)	0.84
Less distributions from:					
Net investment income	(0.27)	(0.22)	(0.19)	(0.24)	(0.27)
Net asset value, end of year	\$10.12	\$9.95	\$10.94	\$11.20	\$11.59
Total return ^d	4.47%	(7.08)%	(0.70)%	(1.30)%	7.75%
Ratios to average net assets					
Expenses ^e	1.29%	1.28%	1.26%	1.26%	1.28%
Net investment income	2.67%	2.15%	1.65%	2.13%	2.25%
Supplemental data					
Net assets, end of year (000's)	\$13,708	\$17,531	\$24,227	\$34,896	\$45,502
Portfolio turnover rate	12.33%	37.44%	15.00%	28.27%	7.50%

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

Franklin Maryland Tax-Free Income Fund (continued)

	Year Ended February 28,				
	2024 ^a	2023	2022	2021	2020 ^a
Class R6					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$9.77	\$10.73	\$10.99	\$11.37	\$10.82
Income from investment operations ^b :					
Net investment income ^c	0.34	0.29	0.26	0.31	0.32
Net realized and unrealized gains (losses)	0.16	(0.96)	(0.25)	(0.37)	0.58
Total from investment operations	0.50	(0.67)	0.01	(0.06)	0.90
Less distributions from:					
Net investment income	(0.34)	(0.29)	(0.27)	(0.32)	(0.35)
Net asset value, end of year	\$9.93	\$9.77	\$10.73	\$10.99	\$11.37
Total return	5.19%	(6.27)%	(—)% ^d	(0.55)%	8.41%
Ratios to average net assets					
Expenses before waiver and payments by affiliates	0.60%	0.60%	0.57%	0.59%	0.60%
Expenses net of waiver and payments by affiliates ^e	0.60%	0.60%	0.57% ^f	0.57%	0.58%
Net investment income	3.46%	2.91%	2.39%	2.81%	2.95%
Supplemental data					
Net assets, end of year (000's)	\$10,818	\$11,709	\$13,771	\$8,033	\$3,642
Portfolio turnover rate	12.33%	37.44%	15.00%	28.27%	7.50%

^aFor the year ended February 29.

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

^cBased on average daily shares outstanding.

^dRounds to less than 0.01%.

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

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

Franklin Maryland Tax-Free Income Fund (continued)

	Year Ended February 28,				
	2024 ^a	2023	2022	2021	2020 ^a
Advisor Class					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$9.76	\$10.73	\$10.98	\$11.37	\$10.81
Income from investment operations ^b :					
Net investment income ^c	0.33	0.28	0.26	0.31	0.32
Net realized and unrealized gains (losses)	0.16	(0.97)	(0.25)	(0.39)	0.58
Total from investment operations	0.49	(0.69)	0.01	(0.08)	0.90
Less distributions from:					
Net investment income	(0.33)	(0.28)	(0.26)	(0.31)	(0.34)
Net asset value, end of year	\$9.92	\$9.76	\$10.73	\$10.98	\$11.37
Total return	5.14%	(6.41)%	0.04%	(0.68)%	8.47%
Ratios to average net assets					
Expenses ^d	0.65%	0.64%	0.62%	0.62%	0.63%
Net investment income	3.40%	2.87%	2.35%	2.81%	2.90%
Supplemental data					
Net assets, end of year (000's)	\$48,094	\$45,667	\$55,284	\$57,854	\$54,079
Portfolio turnover rate	12.33%	37.44%	15.00%	28.27%	7.50%

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

Schedule of Investments, February 29, 2024

Franklin Maryland Tax-Free Income Fund

	Principal Amount	Value
Municipal Bonds 97.8%		
Georgia 0.3%		
^a Development Authority of Rockdale County, AHPC Terraces at Fieldstone LLC, Revenue, 144A, 2021 A-1, 3.5%, 12/01/36	\$1,325,000	\$1,086,582
Maryland 86.9%		
City of Baltimore,		
Harbor Point Special Taxing District, Revenue, 2016, Refunding, 5.125%, 6/01/43	3,000,000	3,008,325
Wastewater Utility Fund, Revenue, 2017 A, 5%, 7/01/46	2,000,000	2,050,138
City of Gaithersburg, Asbury Maryland Obligated Group, Revenue, 2022, 4.5%, 1/01/42	1,500,000	1,388,717
^b County of Anne Arundel, Glenview Housing LP, Revenue, 2009, Mandatory Put, 5%, 1/01/27	1,780,000	1,782,541
County of Baltimore, GO, 2023, 5%, 3/01/53	6,000,000	6,623,330
^a County of Frederick, Urbana Community Development Authority, Special Tax, 144A, 2020 C, 4%, 7/01/50	3,995,000	3,600,433
County of Harford,		
Beechtree Estates Development District, Tax Allocation, 2021, Refunding, 4%, 7/01/31	150,000	157,783
Beechtree Estates Development District, Tax Allocation, 2021, Refunding, 4%, 7/01/36	750,000	773,208
Beechtree Estates Development District, Tax Allocation, 2021, Refunding, 4%, 7/01/40	675,000	670,265
County of Prince George's, GO, 2018 A, 4%, 7/15/35	3,000,000	3,128,831
Howard County Housing Commission,		
Revenue, 2013, 5%, 10/01/28	10,000,000	10,014,146
Revenue, 2016, 4%, 6/01/46	2,000,000	1,867,657
Revenue, 2017, 5%, 12/01/46	5,000,000	5,158,273
Maryland Community Development Administration,		
Housing, Revenue, 2019 D, 3%, 7/01/39	1,500,000	1,317,985
Housing, Revenue, 2019 D, 3.2%, 7/01/44	1,000,000	866,248
Maryland Community Development Administration Local Government Infrastructure,		
Revenue, 2017 A-1, 4%, 6/01/47	2,300,000	2,245,423
Revenue, 2018 A-1, 5%, 6/01/48	1,310,000	1,371,776
Revenue, Senior Lien, 2019 B-1, 4%, 6/01/49	3,000,000	2,976,876
Maryland Economic Development Corp.,		
Annapolis Parking System, Revenue, Senior Lien, 2022 A, 5.25%, 12/31/47	5,000,000	5,246,997
Frostburg State University Project, Revenue, Senior Lien, 2013, Refunding, 5%, 10/01/33	5,000,000	5,000,557
Morgan View & Thurgood Marshall Student Housing, Revenue, 2020, 4%, 7/01/40	1,000,000	960,613
Morgan View & Thurgood Marshall Student Housing, Revenue, 2020, 5%, 7/01/50	1,250,000	1,273,188
Morgan View & Thurgood Marshall Student Housing, Revenue, 2022 A, 6%, 7/01/58	4,620,000	5,115,058
Purple Line Transit Partners LLC, Revenue, 2022 B, 5.25%, 6/30/47	5,000,000	5,131,846
Purple Line Transit Partners LLC, Revenue, 2022 B, 5.25%, 6/30/55	5,000,000	5,089,036
University of Maryland College Park, Revenue, 2016, Refunding, AGMC Insured, 5%, 6/01/35	4,225,000	4,381,285
University of Maryland College Park, Revenue, 2016, Refunding, AGMC Insured, 5%, 6/01/43	3,305,000	3,363,902
University Park Phase I & II at Salisbury University, Revenue, 2013, Refunding, 5%, 6/01/34	2,040,000	2,035,873
University Village at Sheppard Pratt, Revenue, 2012, Refunding, 5%, 7/01/27	1,500,000	1,500,407
University Village at Sheppard Pratt, Revenue, 2012, Refunding, 5%, 7/01/33	2,495,000	2,495,052
West Village & Millennium Hall Student Housing at Towson University, Revenue, Senior Lien, 2012, 5%, 7/01/27	940,000	940,744
Maryland Health & Higher Educational Facilities Authority,		
Adventist Healthcare Obligated Group, Revenue, 2016 A, 5.5%, 1/01/46	9,750,000	9,904,487
Adventist Healthcare Obligated Group, Revenue, 2020, Refunding, 4%, 1/01/38	865,000	813,038
Adventist Healthcare Obligated Group, Revenue, 2021 B, 4%, 1/01/51	2,000,000	1,711,631
Charlestown Community, Inc., Revenue, 2016 A, Refunding, 5%, 1/01/45	4,170,000	4,235,015
Frederick Health, Inc. Obligated Group, Revenue, 2020, Refunding, 4%, 7/01/50	1,715,000	1,586,698

Franklin Maryland Tax-Free Income Fund (continued)

	Principal Amount	Value
Municipal Bonds (continued)		
Maryland (continued)		
Maryland Health & Higher Educational Facilities Authority, (continued)		
Frederick Health, Inc. Obligated Group, Revenue, 2023, Refunding, 5.25%, 7/01/53	\$1,500,000	\$1,592,429
Goucher College, Revenue, 2017 A, Refunding, 5%, 7/01/44	7,470,000	7,499,701
Johns Hopkins Medical Institutions Parking System, Revenue, 2001, AMBAC Insured, 5%, 7/01/27	655,000	659,614
Johns Hopkins Medical Institutions Parking System, Revenue, 2004, AMBAC Insured, 5%, 7/01/34	5,000,000	5,035,533
LifeBridge Health Obligated Group, Revenue, 2016, Refunding, 5%, 7/01/47	4,000,000	4,077,812
Loyola University Maryland, Inc., Revenue, 2014, Refunding, 5%, 10/01/45	2,250,000	2,260,922
Loyola University Maryland, Inc., Revenue, 2019 A, Refunding, 5%, 10/01/49	2,000,000	2,101,541
Maryland Institute College of Art, Revenue, 2012, 5%, 6/01/29	1,000,000	1,000,618
Maryland Institute College of Art, Revenue, 2016, Refunding, 4%, 6/01/42	5,325,000	4,714,790
MedStar Health Obligated Group, Revenue, 1997, AMBAC Insured, ETM, 5%, 7/01/27	5,935,000	6,140,571
MedStar Health Obligated Group, Revenue, 2013 A, 5%, 8/15/38	5,000,000	5,001,630
MedStar Health Obligated Group, Revenue, 2015, Refunding, 5%, 8/15/38	2,100,000	2,122,548
MedStar Health Obligated Group, Revenue, 2017 A, 5%, 5/15/45	5,000,000	5,084,572
Meritus Medical Center Obligated Group, Revenue, 2015, Refunding, 5%, 7/01/40	8,535,000	8,606,464
Stevenson University, Inc., Revenue, 2021 A, Refunding, 5%, 6/01/28	630,000	655,268
Stevenson University, Inc., Revenue, 2021 A, Refunding, 5%, 6/01/30	1,225,000	1,293,273
Stevenson University, Inc., Revenue, 2021 A, Refunding, 5%, 6/01/32	800,000	847,825
Stevenson University, Inc., Revenue, 2021 A, Refunding, 4%, 6/01/34	350,000	344,074
Stevenson University, Inc., Revenue, 2021 A, Refunding, 4%, 6/01/36	1,125,000	1,086,847
Stevenson University, Inc., Revenue, 2021 A, Refunding, 4%, 6/01/40	1,850,000	1,696,262
Stevenson University, Inc., Revenue, 2021 A, Refunding, 4%, 6/01/46	1,000,000	859,417
Stevenson University, Inc., Revenue, 2021 A, Refunding, 4%, 6/01/55	3,250,000	2,652,846
University of Maryland Medical System Obligated Group, Revenue, 2017 B, Refunding, 5%, 7/01/39	10,000,000	10,363,064
University of Maryland Medical System Obligated Group, Revenue, 2017 D, 4%, 7/01/48	5,000,000	4,755,948
Maryland Industrial Development Financing Authority,		
McDonogh School, Inc., Revenue, 2019, Refunding, 4%, 9/01/43	1,100,000	1,094,673
McDonogh School, Inc., Revenue, 2019, Refunding, 4%, 9/01/48	610,000	587,408
Maryland Stadium Authority,		
Baltimore City Public School Construction Financing Fund, Revenue, 2016, Pre- Refunded, 5%, 5/01/46	4,085,000	4,272,601
Baltimore City Public School Construction Financing Fund, Revenue, 2020 A, 5%, 5/01/50	11,225,000	12,862,082
Built to Learn, Revenue, 2021, 4%, 6/01/35	1,590,000	1,663,952
Built to Learn, Revenue, 2022 A, 4%, 6/01/47	5,000,000	4,947,528
Maryland State Transportation Authority,		
Revenue, 2020, 4%, 7/01/45	4,000,000	3,979,614
Revenue, 2021 A, Refunding, 5%, 7/01/46	2,000,000	2,185,543
Montgomery County Housing Opportunities Commission, Revenue, 2023 C, 5.125%, 1/01/53	915,000	980,911
State of Maryland, GO, 2022 A, 5%, 6/01/37	8,000,000	9,290,470
State of Maryland Department of Transportation,		
Maryland Aviation Administration, Revenue, 2021 B, 5%, 8/01/46	3,000,000	3,143,587
Maryland Aviation Administration, Revenue, 2021 B, 4%, 8/01/51	3,500,000	3,252,142
Town of Chestertown,		
Washington College, Revenue, 2021 A, Refunding, 4%, 3/01/34	3,420,000	3,335,787
Washington College, Revenue, 2021 A, Refunding, 4%, 3/01/36	2,700,000	2,593,413
Washington College, Revenue, 2021 A, Refunding, 4%, 3/01/37	3,095,000	2,927,655
University System of Maryland, Revenue, 2021 A, Refunding, 4%, 4/01/51	5,260,000	5,131,276
Washington Suburban Sanitary Commission,		
Revenue, 2023, 4%, 6/01/49	9,500,000	9,426,773

Franklin Maryland Tax-Free Income Fund (continued)

	Principal Amount	Value
Municipal Bonds (continued)		
Maryland (continued)		
Washington Suburban Sanitary Commission, (continued)		
Revenue, Second Series, 2016, 4%, 6/01/43	\$5,000,000	\$5,006,549
		<u>266,922,915</u>
New Jersey 0.8%		
New Jersey Transportation Trust Fund Authority, Revenue, 2022 BB, 4%, 6/15/39 . . .	2,500,000	2,557,850
South Carolina 0.7%		
South Carolina Jobs-Economic Development Authority,		
^a Revenue, 144A, 2021 A-1, 3.65%, 12/01/36	700,000	594,519
AHPC Vista Towers 2021 LLC, Revenue, 2021 A-1, 3.65%, 12/01/36	700,000	594,519
^a Columbia Portfolio Obligated Group, Revenue, 144A, 2022 A-2, Zero Cpn., 6/01/52	1,350,000	949,793
		<u>2,138,831</u>
Texas 0.8%		
City of Dallas, DHFC - Briscoe Apartments LLC (The), Revenue, Senior Lien, 2022 A, 6%, 12/01/62		
	550,000	560,262
^a EP Cimarron Ventanas PFC, Revenue, Senior Lien, 144A, 2021 A, 4%, 12/01/51	1,000,000	766,697
^a Pecan Public Facility Corp., Revenue, 144A, 2022 A-2, 5%, 12/01/52	1,300,000	1,015,549
		<u>2,342,508</u>
Washington 0.2%		
^a Washington State Housing Finance Commission, Madison at Rivers Edge Apartments LLC, Revenue, 144A, 2021 A, 3.65%, 1/01/37	700,000	594,038
Wisconsin 1.0%		
^a Public Finance Authority,		
Revenue, 144A, 2022, B-1, 4%, 12/28/44	800,000	647,217
Gulf Coast Portfolio Obligated Group, Revenue, 144A, 2021, 5.25%, 6/01/24	2,000,000	2,000,000
Pine Forest 2022 Obligated Group, Revenue, 144A, 2022 A, 6.5%, 12/01/52	500,000	508,596
		<u>3,155,813</u>
U.S. Territories 7.1%		
District of Columbia 3.7%		
Washington Metropolitan Area Transit Authority,		
Dedicated, Revenue, 2020 A, 5%, 7/15/45	2,500,000	2,691,190
Dedicated, Revenue, 2021 A, 5%, 7/15/46	3,000,000	3,253,582
Dedicated, Revenue, 2023 A, 5%, 7/15/43	2,500,000	2,795,817
Dedicated, Revenue, 2023 A, 4.125%, 7/15/47	2,500,000	2,500,301
		<u>11,240,890</u>
Puerto Rico 3.4%		
HTA HRRB Custodial Trust, Revenue, 2007 CC, 5.25%, 7/01/33	347,342	345,212
HTA TRRB Custodial Trust, Revenue, 2005 L, 5.25%, 7/01/41	2,094,826	2,056,310
Puerto Rico Electric Power Authority, Revenue, VV, Refunding, NATL Insured, 5.25%, 7/01/32	2,000,000	1,982,050
^c Revenue, WW, 5.5%, 7/01/38	1,975,000	523,375
Puerto Rico Sales Tax Financing Corp., Sales Tax, Revenue, A-1, 4.75%, 7/01/53	3,600,000	3,602,059
Sales Tax, Revenue, A-1, 5%, 7/01/58	1,900,000	1,914,246
		<u>10,423,252</u>
Total U.S. Territories		<u>21,664,142</u>
Total Municipal Bonds (Cost \$310,412,686)		<u>300,462,679</u>

Franklin Maryland Tax-Free Income Fund (continued)

	Shares	Value
Escrows and Litigation Trusts 0.0%[†]		
^{d,e} Puerto Rico Electric Power Authority, Escrow Account	100,330	\$80,264
Total Escrows and Litigation Trusts (Cost \$-)		80,264
Total Long Term Investments (Cost \$310,412,686)		300,542,943
Short Term Investments 1.2%		
	Principal Amount	
Municipal Bonds 1.2%		
Maryland 1.2%		
^f County of Montgomery, GO, 2017 E, SPA US Bank NA, Daily VRDN and Put, 3.6%, 11/01/37	\$3,700,000	3,700,000
Total Municipal Bonds (Cost \$3,700,000)		3,700,000
Total Short Term Investments (Cost \$3,700,000)		3,700,000
Total Investments (Cost \$314,112,686) 99.0%		\$304,242,943
Other Assets, less Liabilities 1.0%		3,022,763
Net Assets 100.0%		\$307,265,706

See Abbreviations on page 140.

[†]Rounds to less than 0.1% of net assets.^aSecurity was purchased pursuant to Rule 144A or Regulation S under the Securities Act of 1933. 144A securities may be sold in transactions exempt from registration only to qualified institutional buyers or in a public offering registered under the Securities Act of 1933. Regulation S securities cannot be sold in the United States without either an effective registration statement filed pursuant to the Securities Act of 1933, or pursuant to an exemption from registration. At February 29, 2024, the aggregate value of these securities was \$11,763,424, representing 3.8% of net assets.^bThe maturity date shown represents the mandatory put date.^cDefaulted security or security for which income has been deemed uncollectible. See Note 7.^dNon-income producing.^eFair valued using significant unobservable inputs. See Note 10 regarding fair value measurements.^fVariable rate demand notes (VRDNs) are obligations which contain a floating or variable interest rate adjustment formula and an unconditional right of demand to receive payment of the principal balance plus accrued interest at specified dates. Unless otherwise noted, the coupon rate is determined based on factors including supply and demand, underlying credit, tax treatment, and current short term rates. The coupon rate shown represents the rate at period end.

Financial Highlights

Franklin Missouri Tax-Free Income Fund

	Year Ended February 28,				
	2024 ^a	2023	2022	2021	2020 ^a
Class A					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$10.27	\$11.48	\$11.85	\$12.09	\$11.47
Income from investment operations ^b :					
Net investment income ^c	0.34	0.31	0.28	0.29	0.31
Net realized and unrealized gains (losses)	0.20	(1.22)	(0.37)	(0.24)	0.63
Total from investment operations	0.54	(0.91)	(0.09)	0.05	0.94
Less distributions from:					
Net investment income	(0.34)	(0.30)	(0.28)	(0.29)	(0.32)
Net asset value, end of year	\$10.47	\$10.27	\$11.48	\$11.85	\$12.09
Total return ^d	5.34%	(7.92)%	(0.84)%	0.41%	8.32%
Ratios to average net assets					
Expenses ^e	0.83%	0.82%	0.81%	0.81%	0.81%
Net investment income	3.30%	2.90%	2.33%	2.42%	2.62%
Supplemental data					
Net assets, end of year (000's)	\$180,411	\$166,355	\$208,059	\$169,677	\$122,845
Portfolio turnover rate	15.60%	26.78%	21.64%	18.20%	14.83%

^aFor the year ended February 29.

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

^cBased on average daily shares outstanding.

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

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

Franklin Missouri Tax-Free Income Fund (continued)

	Year Ended February 28,				
	2024 ^a	2023	2022	2021	2020 ^a
Class A1					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$10.27	\$11.48	\$11.84	\$12.09	\$11.46
Income from investment operations ^b :					
Net investment income ^c	0.35	0.32	0.30	0.31	0.33
Net realized and unrealized gains (losses)	0.19	(1.21)	(0.36)	(0.26)	0.64
Total from investment operations	0.54	(0.89)	(0.06)	0.05	0.97
Less distributions from:					
Net investment income	(0.35)	(0.32)	(0.30)	(0.30)	(0.34)
Net asset value, end of year	\$10.46	\$10.27	\$11.48	\$11.84	\$12.09
Total return ^d	5.40%	(7.78)%	(0.60)%	0.48%	8.58%
Ratios to average net assets					
Expenses ^e	0.68%	0.67%	0.66%	0.66%	0.66%
Net investment income	3.44%	3.05%	2.49%	2.58%	2.77%
Supplemental data					
Net assets, end of year (000's)	\$399,059	\$439,718	\$588,698	\$647,517	\$708,399
Portfolio turnover rate	15.60%	26.78%	21.64%	18.20%	14.83%

^aFor the year ended February 29.

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

^cBased on average daily shares outstanding.

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

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

Franklin Missouri Tax-Free Income Fund (continued)

	Year Ended February 28,				
	2024 ^a	2023	2022	2021	2020 ^a
Class C					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$10.37	\$11.60	\$11.97	\$12.21	\$11.58
Income from investment operations ^b :					
Net investment income ^c	0.29	0.26	0.23	0.24	0.26
Net realized and unrealized gains (losses)	0.20	(1.23)	(0.37)	(0.24)	0.65
Total from investment operations	0.49	(0.97)	(0.14)	—	0.91
Less distributions from:					
Net investment income	(0.29)	(0.26)	(0.23)	(0.24)	(0.28)
Net asset value, end of year	\$10.57	\$10.37	\$11.60	\$11.97	\$12.21
Total return ^d	4.87%	(8.38)%	(1.23)%	0.01%	7.92%
Ratios to average net assets					
Expenses ^e	1.23%	1.22%	1.20%	1.21%	1.21%
Net investment income	2.83%	2.45%	1.91%	2.01%	2.22%
Supplemental data					
Net assets, end of year (000's)	\$23,851	\$33,334	\$52,654	\$74,779	\$104,721
Portfolio turnover rate	15.60%	26.78%	21.64%	18.20%	14.83%

^aFor the year ended February 29.

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

^cBased on average daily shares outstanding.

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

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

Franklin Missouri Tax-Free Income Fund (continued)

	Year Ended February 28,				
	2024 ^a	2023	2022	2021	2020 ^a
Class R6					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$10.28	\$11.49	\$11.85	\$12.10	\$11.47
Income from investment operations ^b :					
Net investment income ^c	0.37	0.34	0.31	0.32	0.34
Net realized and unrealized gains (losses)	0.19	(1.22)	(0.36)	(0.25)	0.65
Total from investment operations	0.56	(0.88)	(0.05)	0.07	0.99
Less distributions from:					
Net investment income	(0.37)	(0.33)	(0.31)	(0.32)	(0.36)
Net asset value, end of year	\$10.47	\$10.28	\$11.49	\$11.85	\$12.10
Total return	5.53%	(7.65)%	(0.47)%	0.61%	8.71%
Ratios to average net assets					
Expenses before waiver and payments by affiliates	0.55%	0.54%	0.53%	0.53%	0.54%
Expenses net of waiver and payments by affiliates ^d	0.55% ^e	0.54% ^e	0.52%	0.53% ^e	0.53%
Net investment income	3.57%	3.17%	2.61%	2.70%	2.90%
Supplemental data					
Net assets, end of year (000's)	\$22,474	\$20,620	\$33,747	\$30,329	\$23,700
Portfolio turnover rate	15.60%	26.78%	21.64%	18.20%	14.83%

^aFor the year ended February 29.

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

^cBased on average daily shares outstanding.

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

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

Franklin Missouri Tax-Free Income Fund (continued)

	Year Ended February 28,				
	2024 ^a	2023	2022	2021	2020 ^a
Advisor Class					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$10.27	\$11.49	\$11.85	\$12.09	\$11.47
Income from investment operations ^b :					
Net investment income ^c	0.36	0.33	0.31	0.32	0.34
Net realized and unrealized gains (losses)	0.20	(1.22)	(0.36)	(0.24)	0.63
Total from investment operations	0.56	(0.89)	(0.05)	0.08	0.97
Less distributions from:					
Net investment income	(0.36)	(0.33)	(0.31)	(0.32)	(0.35)
Net asset value, end of year	\$10.47	\$10.27	\$11.49	\$11.85	\$12.09
Total return	5.61%	(7.77)%	(0.50)%	0.66%	8.59%
Ratios to average net assets					
Expenses ^d	0.58%	0.57%	0.56%	0.56%	0.56%
Net investment income	3.54%	3.15%	2.59%	2.68%	2.87%
Supplemental data					
Net assets, end of year (000's)	\$67,832	\$70,684	\$86,643	\$85,456	\$82,970
Portfolio turnover rate	15.60%	26.78%	21.64%	18.20%	14.83%

^aFor the year ended February 29.

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

^cBased on average daily shares outstanding.

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

Schedule of Investments, February 29, 2024

Franklin Missouri Tax-Free Income Fund

	Principal Amount	Value
Municipal Bonds 97.9%		
California 0.1%		
Santa Barbara Secondary High School District, GO, 2011 A, Zero Cpn., 8/01/40	\$1,790,000	\$891,841
Florida 0.8%		
Capital Trust Agency, Inc., Kingdom Development West Palm Beach Portfolio Obligated Group, Revenue, 2021 A-1, 3.75%, 12/01/36	5,544,000	4,806,177
^a SHI - Lake Osborne LLC, Revenue, 144A, 2021 A-1, 3.68%, 1/01/57	850,000	585,883
		<u>5,392,060</u>
Georgia 0.4%		
^a Development Authority of Rockdale County, AHPC Terraces at Fieldstone LLC, Revenue, 144A, 2021 A-1, 3.5%, 12/01/36	3,250,000	2,665,202
Missouri 89.3%		
Affton School District No. 101, GO, 2017 A, Refunding, 5%, 3/01/32	1,500,000	1,598,218
GO, 2017 A, Refunding, 5%, 3/01/33	1,595,000	1,699,987
GO, 2017 A, Refunding, 5%, 3/01/34	1,700,000	1,812,360
GO, 2017 A, Refunding, 5%, 3/01/35	1,810,000	1,927,195
GO, 2017 A, 5%, 3/01/36	300,000	318,567
GO, 2017 A, Pre-Refunded, 5%, 3/01/36	1,620,000	1,722,169
Cape Girardeau County Industrial Development Authority, Procter & Gamble Co. (The), Revenue, 1998, 5.3%, 5/15/28	6,875,000	6,886,683
SoutheastHEALTH Obligated Group, Revenue, 2021, 4%, 3/01/41	3,010,000	2,974,789
SoutheastHEALTH Obligated Group, Revenue, 2021, 3%, 3/01/46	3,000,000	2,298,713
SoutheastHEALTH Obligated Group, Revenue, 2021, 4%, 3/01/46	8,730,000	8,324,334
St. Francis Obligated Group, Revenue, 2016, Refunding, 5%, 6/01/39	7,110,000	7,244,207
Cape Girardeau County School District No. R-2, GO, 2018, 5%, 3/01/38	2,195,000	2,365,841
City of Bridgeton, Sales Tax, Revenue, 2021 A, Refunding, 2%, 12/01/32	500,000	428,164
Sales Tax, Revenue, 2021 A, Refunding, 2.125%, 12/01/33	1,170,000	1,002,391
City of Harrisonville, COP, 2023 A, Refunding, 4.375%, 3/01/43	1,000,000	1,001,043
COP, 2023 A, Refunding, 4.5%, 3/01/48	2,000,000	1,984,108
COP, 2023 A, Refunding, 4.625%, 3/01/53	2,000,000	1,981,048
City of Kansas City, Sanitary Sewer System, Revenue, 2018 A, 4%, 1/01/35	1,500,000	1,558,548
Sanitary Sewer System, Revenue, 2023 A, 4%, 1/01/48	5,000,000	4,962,588
Sanitary Sewer System, Revenue, 2024 A, 4%, 1/01/49	3,500,000	3,460,142
Water, Revenue, 2017 A, 4%, 12/01/41	4,970,000	4,978,054
Water, Revenue, 2023 A, 4%, 12/01/47	2,120,000	2,117,946
City of Kirkwood, COP, 2024 A, 4.25%, 4/01/50	535,000	526,801
COP, 2024 A, 4.25%, 4/01/54	1,700,000	1,650,787
City of Marshfield, Waterworks & Sewer System, Revenue, 2020 B, AGMC Insured, 5%, 2/01/47	1,775,000	1,855,231
City of Republic, Revenue, 2022, 3%, 5/01/47	5,000,000	3,844,260
Revenue, 2023, 4.5%, 5/01/41	1,000,000	1,012,954
Revenue, 2023, 4.5%, 5/01/44	1,000,000	1,006,942
City of Springfield, Revenue, 2023, 4.375%, 11/01/42	500,000	519,013
City of St. Charles, COP, 2020 B, Refunding, 3%, 2/01/39	1,500,000	1,310,624
City of St. Louis, Airport, Revenue, 2005, Refunding, NATL Insured, 5.5%, 7/01/29	13,070,000	14,862,347
Airport, Revenue, 2017 A, Refunding, AGMC Insured, 5%, 7/01/25	5,000,000	5,118,145
Airport, Revenue, 2017 D, Refunding, AGMC Insured, 5%, 7/01/35	1,000,000	1,044,093
Airport, Revenue, 2017 D, Refunding, AGMC Insured, 5%, 7/01/36	2,125,000	2,215,268

Franklin Missouri Tax-Free Income Fund (continued)

	Principal Amount	Value
Municipal Bonds (continued)		
Missouri (continued)		
City of St. Louis, (continued)		
Airport, Revenue, 2019 C, Refunding, 5%, 7/01/27	\$1,705,000	\$1,823,227
Clay County Reorganized School District No. R-1,		
GO, 2017, 3%, 3/01/36	1,540,000	1,482,984
GO, 2017, 3.125%, 3/01/37	1,855,000	1,754,543
Community College District of Central Southwest Missouri,		
COP, 2021, 3%, 3/01/40	575,000	508,095
COP, 2021, 3%, 3/01/41	400,000	347,556
County of Jackson,		
Revenue, 2023 A, 4.25%, 12/01/53	2,660,000	2,602,650
Revenue, 2023 A, 5.25%, 12/01/58	2,500,000	2,732,009
Ferguson Reorganized School District No. R-2,		
GO, 2018, 4%, 5/01/32	1,000,000	1,022,107
GO, 2018, 5%, 5/01/38	2,250,000	2,376,625
Hannibal Board of Public Works,		
COP, 2022, 3.625%, 4/01/44	1,000,000	887,000
COP, 2022, 3.75%, 4/01/47	1,000,000	876,958
Health & Educational Facilities Authority of the State of Missouri,		
Bethesda Health Group, Inc. Obligated Group, Revenue, 2015, 5%, 8/01/40	1,650,000	1,583,884
Bethesda Health Group, Inc. Obligated Group, Revenue, 2015, 5%, 8/01/45	1,300,000	1,201,820
BJC Healthcare Obligated Group, Revenue, 2021 A, Refunding, 3%, 7/01/51	13,000,000	9,772,156
CoxHealth Obligated Group, Revenue, 2013 A, 5%, 11/15/44	2,760,000	2,761,368
CoxHealth Obligated Group, Revenue, 2015 A, Refunding, 5%, 11/15/33	3,200,000	3,247,404
CoxHealth Obligated Group, Revenue, 2015 A, Refunding, 5%, 11/15/39	6,690,000	6,785,018
CoxHealth Obligated Group, Revenue, 2019 A, 4%, 11/15/44	5,000,000	4,908,965
Kansas City University, Revenue, 2017 A, 5%, 6/01/42	2,800,000	2,897,288
Kansas City University, Revenue, 2017 A, 5%, 6/01/47	4,875,000	5,012,791
Lake Regional Health System Obligated Group, Revenue, 2021, Refunding, 3%, 2/15/40	2,060,000	1,576,434
Lake Regional Health System Obligated Group, Revenue, 2021, Refunding, 3%, 2/15/41	2,120,000	1,600,134
Lake Regional Health System Obligated Group, Revenue, 2021, Refunding, 3%, 2/15/46	5,590,000	3,879,967
Lutheran Senior Services Obligated Group, Revenue, 2016 A, 5%, 2/01/46	4,000,000	3,840,361
Lutheran Senior Services Obligated Group, Revenue, 2016 B, Refunding, 5%, 2/01/46	11,575,000	11,113,044
Lutheran Senior Services Obligated Group, Revenue, 2019 A, 5%, 2/01/34	2,000,000	2,023,957
Lutheran Senior Services Obligated Group, Revenue, 2019 A, 5%, 2/01/42	1,750,000	1,715,441
Lutheran Senior Services Obligated Group, Revenue, 2019 C, Refunding, 4%, 2/01/33	1,730,000	1,649,899
Lutheran Senior Services Obligated Group, Revenue, 2019 C, Refunding, 4%, 2/01/48	485,000	393,853
Lutheran Senior Services Obligated Group, Revenue, 2021, 4%, 2/01/30	2,035,000	1,976,486
Lutheran Senior Services Obligated Group, Revenue, 2021, 4%, 2/01/42	9,900,000	8,557,336
Maryville University of St. Louis, Revenue, 2015, 5%, 6/15/44	5,000,000	5,027,537
Maryville University of St. Louis, Revenue, 2019 A, 5%, 6/15/45	4,000,000	4,068,451
Maryville University of St. Louis, Revenue, 2020 A, Refunding, 4%, 6/15/34	4,345,000	4,381,819
Maryville University of St. Louis, Revenue, 2020 A, Refunding, 4%, 6/15/38	4,885,000	4,742,711
Maryville University of St. Louis, Revenue, 2022 A, Refunding, 3.125%, 6/15/38	2,300,000	2,019,571
Maryville University of St. Louis, Revenue, 2022 A, Refunding, 3.375%, 6/15/45	1,000,000	823,460
Mercy Health, Revenue, 2012, 4%, 11/15/42	8,000,000	7,843,046
Mercy Health, Revenue, 2015 B, Refunding, 5%, 2/01/45	6,870,000	6,945,871
Mercy Health, Revenue, 2017 C, Refunding, 5%, 11/15/42	9,720,000	10,071,606
Mercy Health, Revenue, 2017 C, Refunding, 4%, 11/15/47	10,000,000	9,564,156
Mercy Health, Revenue, 2020, 4%, 6/01/53	2,000,000	1,897,368
Mercy Health, Revenue, 2023, 5%, 12/01/52	18,000,000	19,335,775
Mosaic Health System Obligated Group, Revenue, 2019 A, Refunding, 4%, 2/15/54	4,000,000	3,732,433

Franklin Missouri Tax-Free Income Fund (continued)

	Principal Amount	Value
Municipal Bonds (continued)		
Missouri (continued)		
Health & Educational Facilities Authority of the State of Missouri, (continued)		
SSM Health Care Obligated Group, Revenue, 2018 A, 5%, 6/01/48	\$13,500,000	\$13,902,470
St. Louis University, Revenue, 2015 A, 5%, 10/01/38	5,500,000	5,623,449
St. Louis University, Revenue, 2017 A, 5%, 10/01/42	9,200,000	9,575,538
St. Louis University, Revenue, 2017 A, 5%, 10/01/47	11,490,000	11,870,712
St. Luke's Health System Obligated Group, Revenue, 2016, Refunding, 5%, 11/15/34	4,030,000	4,173,441
St. Luke's Health System Obligated Group, Revenue, 2018 A, Refunding, 5%, 11/15/43	2,000,000	2,082,338
Howard Bend Levee District,		
Special Tax, 2021, 2.75%, 3/01/31	400,000	354,866
Special Tax, 2021, 3%, 3/01/36	500,000	414,302
Special Tax, 2021, 3.125%, 3/01/41	1,000,000	782,654
Special Tax, 2022, 3.375%, 3/01/32	75,000	69,018
Special Tax, 2022, 3.5%, 3/01/37	175,000	151,159
Special Tax, 2022, 3.625%, 3/01/42	200,000	165,231
Jefferson City School District, GO, 2018, 5%, 3/01/38	2,070,000	2,173,678
Jefferson County School District No. R-VI,		
Festus, COP, 2021 B, 3%, 4/01/42	500,000	418,196
Festus, COP, 2021 B, 3%, 4/01/44	1,500,000	1,209,176
Festus, COP, 2021 B, 2.375%, 4/01/46	2,000,000	1,410,692
Kansas City Industrial Development Authority,		
Revenue, 2011 A, Refunding, 5.5%, 9/01/29	5,000,000	5,008,469
Revenue, 2011 A, Refunding, 5.5%, 9/01/30	12,000,000	12,020,876
Revenue, 2011 A, Refunding, 5%, 9/01/32	3,000,000	3,004,387
City of Kansas City Airport, Revenue, 2019 B, 5%, 3/01/46	30,680,000	31,400,495
City of Kansas City Airport, Revenue, 2019 B, AGMC Insured, 5%, 3/01/49	8,000,000	8,217,059
City of Kansas City Airport, Revenue, 2019 B, 5%, 3/01/54	5,090,000	5,156,119
City of Kansas City Airport, Revenue, 2020 A, AGMC Insured, 4%, 3/01/57	5,000,000	4,600,678
City of Kansas City Airport, Revenue, 2020 A, AGMC Insured, 5%, 3/01/57	100,000	103,104
Liberty Public School District No. 53, GO, 2018, 4%, 3/01/37	4,500,000	4,538,059
Metropolitan St. Louis Sewer District,		
Revenue, 2016 C, Refunding, 5%, 5/01/46	24,700,000	25,650,019
Revenue, 2017 A, Refunding, 5%, 5/01/47	15,000,000	15,555,588
Missouri Development Finance Board,		
City of Independence, Revenue, 2021, Refunding, 5%, 3/01/30	930,000	976,082
City of Independence, Revenue, 2021, Refunding, 4%, 3/01/36	1,140,000	1,123,144
City of Independence, Revenue, 2021, Refunding, 4%, 3/01/37	500,000	482,481
City of Independence, Revenue, 2021, Refunding, 4%, 3/01/41	515,000	472,215
City of Independence, Revenue, 2021, Refunding, 3%, 3/01/46	2,640,000	1,915,057
City of Independence, Revenue, 2021, Refunding, 4%, 3/01/51	9,445,000	8,054,676
Procter & Gamble Co. (The), Revenue, 1999, 5.2%, 3/15/29	3,000,000	3,327,787
Zoological Subdistrict of the Metropolitan Zoo Park & Museum District of St. Louis, Revenue, 2022, 5.25%, 5/01/55	2,500,000	2,673,387
Missouri Housing Development Commission,		
Revenue, 2018 B, GNMA Insured, 4%, 11/01/38	785,000	777,648
Revenue, 2019 C, GNMA Insured, 3%, 11/01/44	3,030,000	2,452,695
Revenue, 2020 C, GNMA Insured, 2.4%, 11/01/45	2,010,000	1,412,446
Revenue, 2020 D, GNMA Insured, 2.55%, 11/01/50	2,715,000	1,950,157
Revenue, 2021 B, GNMA Insured, 2.2%, 11/01/46	1,160,000	827,103
Revenue, 2021 B, GNMA Insured, 2.3%, 11/01/51	7,220,000	4,837,006
Revenue, 2022 A, GNMA Insured, 3.125%, 11/01/42	3,425,000	2,916,144
Revenue, 2022 C, GNMA Insured, 4.3%, 11/01/47	1,990,000	1,965,690
Revenue, 2022 C, GNMA Insured, 4.35%, 11/01/52	2,480,000	2,390,565
Missouri Joint Municipal Electric Utility Commission,		
Iatan 2 Project, Revenue, 2015 A, Refunding, 5%, 12/01/35	7,335,000	7,439,759
MoPEP 1 Pool Fund, Revenue, 2018, 5%, 12/01/43	2,000,000	2,060,934
Plum Point Project, Revenue, 2014 A, Refunding, 5%, 1/01/33	5,500,000	5,548,216

Franklin Missouri Tax-Free Income Fund (continued)

	Principal Amount	Value
Municipal Bonds (continued)		
Missouri (continued)		
Missouri Joint Municipal Electric Utility Commission, (continued)		
Prairie State Project, Revenue, 2016 A, Refunding, 5%, 12/01/40	\$27,950,000	\$28,532,090
Monarch-Chesterfield Levee District, Special Tax, 2015, Refunding, 5%, 3/01/40	4,395,000	4,399,343
Move Rolla Transportation Development District, Revenue, 2017, 4.75%, 6/01/47	5,050,000	5,062,430
Normandy Schools Collaborative,		
GO, 2021 B, 2%, 3/01/40	2,050,000	1,494,745
GO, 2021 B, 2%, 3/01/41	1,700,000	1,213,711
Poplar Bluff Regional Transportation Development District,		
Sales Tax, Revenue, 2023 B, Refunding, 3.375%, 12/01/31	2,000,000	1,975,871
Sales Tax, Revenue, 2023 B, Refunding, 4%, 12/01/37	2,600,000	2,607,244
Republic School District No. R-3, GO, 2023, 4%, 3/01/43	1,470,000	1,482,595
Riverside-Quindaro Bend Levee District of Platte County, Special Assessment, 2017, Refunding, 5%, 3/01/29	2,585,000	2,650,420
Springfield School District No. R-12, GO, 2023, 4%, 3/01/43	2,000,000	2,029,264
St. Charles County Public Water Supply District No. 2, COP, 2022, 4%, 12/01/44	5,000,000	4,992,077
St. Charles County School District No. R-IV Wentzville, GO, 2018, Refunding, 4%, 3/01/38	15,400,000	15,586,191
St. Louis County Industrial Development Authority,		
Friendship Village St. Louis Obligated Group, Revenue, 2013 A, 5.875%, 9/01/43	7,000,000	7,003,226
Friendship Village St. Louis Obligated Group, Revenue, 2017, Refunding, 5%, 9/01/48	7,095,000	6,487,257
St. Louis Land Clearance for Redevelopment Authority,		
Revenue, 2021, 2.125%, 7/15/39	3,680,000	2,633,148
Revenue, 2021, 2.25%, 7/15/41	3,845,000	2,724,456
Revenue, 2021 A, Refunding, 2.125%, 4/01/39	6,385,000	5,124,127
City of St. Louis, Revenue, 2022 C, 5%, 6/01/36	2,025,000	2,131,195
City of St. Louis, Revenue, 2022 C, 5%, 6/01/41	2,000,000	2,039,995
City of St. Louis, Revenue, 2022 C, 5.125%, 6/01/46	2,600,000	2,646,349
St. Louis Municipal Finance Corp.,		
City of St. Louis, Revenue, 2020, AGMC Insured, 5%, 10/01/45	5,685,000	6,031,856
City of St. Louis, Revenue, 2020, AGMC Insured, 5%, 10/01/49	2,175,000	2,276,414
St. Louis Municipal Library District, COP, 2020, Refunding, BAM Insured, 4%, 3/15/48	2,800,000	2,725,806
St. Louis School District, GO, 2023, AGMC Insured, 4%, 4/01/43	7,000,000	7,072,370
Strafford Reorganized School District No. R-VI, GO, 2023, 4%, 3/01/43	4,000,000	3,986,241
Washington Industrial Development Authority, Revenue, 2021, Refunding, 2.5%, 11/01/29	210,000	195,449
		619,317,559
Oregon 0.2%		
^a State of Oregon Housing & Community Services Department, Union at Pacific Highway LP, Revenue, 144A, 2022 II-1, 5.5%, 12/01/39	1,400,000	1,424,162
South Carolina 0.8%		
South Carolina Jobs-Economic Development Authority,		
^a Revenue, 144A, 2021 A-1, 3.65%, 12/01/36	1,900,000	1,613,693
AHPC Vista Towers 2021 LLC, Revenue, 2021 A-1, 3.65%, 12/01/36	1,900,000	1,613,694
^a Columbia Portfolio Obligated Group, Revenue, 144A, 2022 A-2, Zero Cpn., 6/01/52	3,200,000	2,251,363
		5,478,750
Texas 1.0%		
City of Dallas, DHFC - Briscoe Apartments LLC (The), Revenue, Senior Lien, 2022 A, 6%, 12/01/62	2,000,000	2,037,316
^a EP Cimarron Ventanas PFC, Revenue, Senior Lien, 144A, 2021 A, 4%, 12/01/51	2,500,000	1,916,742
Lake Houston Redevelopment Authority,		
City of Houston Reinvestment Zone No. 10, Revenue, 2021, Refunding, 2.5%, 9/01/41	525,000	365,559
City of Houston Reinvestment Zone No. 10, Revenue, 2021, Refunding, 3%, 9/01/44	700,000	512,525

Franklin Missouri Tax-Free Income Fund (continued)

	Principal Amount	Value
Municipal Bonds (continued)		
Texas (continued)		
^a Pecan Public Facility Corp., Revenue, 144A, 2022 A-2, 5%, 12/01/52	\$3,200,000	\$2,499,812
		7,331,954
Washington 0.2%		
^a Washington State Housing Finance Commission, Madison at Rivers Edge Apartments LLC, Revenue, 144A, 2021 A, 3.65%, 1/01/37	1,900,000	1,612,389
Wisconsin 1.8%		
^a Public Finance Authority, Revenue, 144A, 2022, B-1, 4%, 12/28/44	1,900,000	1,537,141
AL-FL Portfolio Obligated Group, Revenue, 144A, 2021 A, 3.4%, 12/01/36	3,250,000	2,712,412
FAH Tree House LLC, Revenue, 144A, 2023 A, 6.5%, 8/01/53	1,500,000	1,512,189
Gulf Coast Portfolio Obligated Group, Revenue, 144A, 2021, 5.25%, 6/01/24	4,900,000	4,900,000
Pine Forest 2022 Obligated Group, Revenue, 144A, 2022 A, 6.5%, 12/01/52	1,500,000	1,525,787
		12,187,529
U.S. Territories 3.3%		
Guam 0.9%		
Guam Government Waterworks Authority, Revenue, 2020 A, 5%, 1/01/50	5,790,000	5,974,214
Puerto Rico 2.4%		
HTA HRRB Custodial Trust, Revenue, 2007 CC, 5.25%, 7/01/33	192,434	191,253
Revenue, 2007 CC, 5.25%, 7/01/36	1,193,087	1,197,832
HTA TRRB Custodial Trust, Revenue, 2005 L, 5.25%, 7/01/41	4,275,909	4,197,292
Revenue, 2007 N, 5.25%, 7/01/36	410,750	412,383
Puerto Rico Electric Power Authority, Revenue, VV, Refunding, NATL Insured, 5.25%, 7/01/32	1,750,000	1,734,293
^b Revenue, WW, 5.5%, 7/01/38	4,690,000	1,242,850
Puerto Rico Sales Tax Financing Corp., Sales Tax, Revenue, A-1, 4.75%, 7/01/53	1,404,000	1,404,803
Sales Tax, Revenue, A-1, 5%, 7/01/58	6,000,000	6,044,988
		16,425,694
Total U.S. Territories		22,399,908
Total Municipal Bonds (Cost \$706,552,981)		678,701,354
	Shares	
Escrows and Litigation Trusts 0.0%[†]		
^{cd} Puerto Rico Electric Power Authority, Escrow Account	238,252	190,602
Total Escrows and Litigation Trusts (Cost \$-)		190,602
Total Long Term Investments (Cost \$706,552,981)		678,891,956
Short Term Investments 0.9%		
	Principal Amount	
Municipal Bonds 0.9%		
Missouri 0.9%		
^e Health & Educational Facilities Authority of the State of Missouri, Washington University (The), Revenue, 2000 B, SPA JPMorgan Chase Bank NA, Daily VRDN and Put, 3.6%, 3/01/40	600,000	600,000

Franklin Missouri Tax-Free Income Fund (continued)

Short Term Investments (continued)

	Principal Amount	Value
Municipal Bonds (continued)		
Missouri (continued)		
^e Health & Educational Facilities Authority of the State of Missouri, (continued)		
Washington University (The), Revenue, 2003 B, SPA US Bank NA, Daily VRDN and Put, 3.45%, 2/15/33	\$5,800,000	\$5,800,000
		6,400,000
Total Municipal Bonds (Cost \$6,400,000)		6,400,000
Total Short Term Investments (Cost \$6,400,000)		6,400,000
Total Investments (Cost \$712,952,981) 98.8%		\$685,291,956
Other Assets, less Liabilities 1.2%		8,335,288
Net Assets 100.0%		\$693,627,244

See Abbreviations on page 140.

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

^gSecurity was purchased pursuant to Rule 144A or Regulation S under the Securities Act of 1933. 144A securities may be sold in transactions exempt from registration only to qualified institutional buyers or in a public offering registered under the Securities Act of 1933. Regulation S securities cannot be sold in the United States without either an effective registration statement filed pursuant to the Securities Act of 1933, or pursuant to an exemption from registration. At February 29, 2024, the aggregate value of these securities was \$26,756,775, representing 3.9% of net assets.

^hDefaulted security or security for which income has been deemed uncollectible. See Note 7.

ⁱNon-income producing.

^dFair valued using significant unobservable inputs. See Note 10 regarding fair value measurements.

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

Financial Highlights

Franklin North Carolina Tax-Free Income Fund

	Year Ended February 28,				
	2024 ^a	2023	2022	2021	2020 ^a
Class A					
Per share operating performance (for a share outstanding throughout the year)					
Net asset value, beginning of year	\$10.25	\$11.31	\$11.62	\$11.84	\$11.30
Income from investment operations ^b :					
Net investment income ^c	0.27	0.24	0.21	0.27	0.28
Net realized and unrealized gains (losses)	0.25	(1.07)	(0.31)	(0.23)	0.56
Total from investment operations	0.52	(0.83)	(0.10)	0.04	0.84
Less distributions from:					
Net investment income	(0.26)	(0.23)	(0.21)	(0.26)	(0.30)
Net asset value, end of year	\$10.51	\$10.25	\$11.31	\$11.62	\$11.84
Total return ^d	5.21%	(7.31)%	(0.89)%	0.38%	7.50%
Ratios to average net assets					
Expenses ^e	0.85%	0.84%	0.82%	0.81%	0.82%
Net investment income	2.61%	2.26%	1.81%	2.27%	2.48%
Supplemental data					
Net assets, end of year (000's)	\$134,364	\$133,789	\$167,474	\$145,847	\$101,981
Portfolio turnover rate	14.73%	16.87%	23.40%	15.09%	15.22%

^aFor the year ended February 29.

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

^cBased on average daily shares outstanding.

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

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

Franklin North Carolina Tax-Free Income Fund (continued)

	Year Ended February 28,				
	2024 ^a	2023	2022	2021	2020 ^a
Class A1					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$10.25	\$11.31	\$11.62	\$11.84	\$11.30
Income from investment operations ^b :					
Net investment income ^c	0.28	0.25	0.23	0.29	0.30
Net realized and unrealized gains (losses)	0.25	(1.06)	(0.31)	(0.23)	0.56
Total from investment operations	0.53	(0.81)	(0.08)	0.06	0.86
Less distributions from:					
Net investment income	(0.28)	(0.25)	(0.23)	(0.28)	(0.32)
Net asset value, end of year	\$10.50	\$10.25	\$11.31	\$11.62	\$11.84
Total return ^d	5.27%	(7.17)%	(0.65)%	0.44%	7.66%
Ratios to average net assets					
Expenses ^e	0.70%	0.69%	0.67%	0.67%	0.67%
Net investment income	2.75%	2.41%	1.97%	2.44%	2.63%
Supplemental data					
Net assets, end of year (000's)	\$293,654	\$339,756	\$462,916	\$521,406	\$567,825
Portfolio turnover rate	14.73%	16.87%	23.40%	15.09%	15.22%

^aFor the year ended February 29.

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

^cBased on average daily shares outstanding.

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

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

Franklin North Carolina Tax-Free Income Fund (continued)

	Year Ended February 28,				
	2024 ^a	2023	2022	2021	2020 ^a
Class C					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$10.42	\$11.49	\$11.81	\$12.04	\$11.49
Income from investment operations ^b :					
Net investment income ^c	0.22	0.19	0.17	0.22	0.24
Net realized and unrealized gains (losses)	0.26	(1.07)	(0.33)	(0.23)	0.56
Total from investment operations	0.48	(0.88)	(0.16)	(0.01)	0.80
Less distributions from:					
Net investment income	(0.22)	(0.19)	(0.16)	(0.22)	(0.25)
Net asset value, end of year	\$10.68	\$10.42	\$11.49	\$11.81	\$12.04
Total return ^d	4.70%	(7.66)%	(1.36)%	(0.11)%	7.07%
Ratios to average net assets					
Expenses ^e	1.24%	1.23%	1.21%	1.21%	1.22%
Net investment income	2.15%	1.81%	1.40%	1.87%	2.08%
Supplemental data					
Net assets, end of year (000's)	\$21,453	\$27,303	\$42,794	\$63,485	\$90,244
Portfolio turnover rate	14.73%	16.87%	23.40%	15.09%	15.22%

^aFor the year ended February 29.

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

^cBased on average daily shares outstanding.

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

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

Franklin North Carolina Tax-Free Income Fund (continued)

	Year Ended February 28,				
	2024 ^a	2023	2022	2021	2020 ^a
Class R6					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$10.24	\$11.30	\$11.61	\$11.84	\$11.29
Income from investment operations ^b :					
Net investment income ^c	0.30	0.27	0.25	0.30	0.32
Net realized and unrealized gains (losses)	0.25	(1.07)	(0.31)	(0.23)	0.56
Total from investment operations	0.55	(0.80)	(0.06)	0.07	0.88
Less distributions from:					
Net investment income	(0.29)	(0.26)	(0.25)	(0.30)	(0.33)
Net asset value, end of year	\$10.50	\$10.24	\$11.30	\$11.61	\$11.84
Total return	5.52%	(7.05)%	(0.60)%	0.57%	7.90%
Ratios to average net assets					
Expenses before waiver and payments by affiliates	0.56%	0.56%	0.54%	0.54%	0.55%
Expenses net of waiver and payments by affiliates ^d	0.56% ^e	0.55%	0.53%	0.53%	0.54%
Net investment income	2.89%	2.56%	2.10%	2.56%	2.76%
Supplemental data					
Net assets, end of year (000's)	\$28,442	\$20,233	\$23,000	\$17,426	\$10,948
Portfolio turnover rate	14.73%	16.87%	23.40%	15.09%	15.22%

^aFor the year ended February 29.

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

^cBased on average daily shares outstanding.

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

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

Franklin North Carolina Tax-Free Income Fund (continued)

	Year Ended February 28,				
	2024 ^a	2023	2022	2021	2020 ^a
Advisor Class					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$10.25	\$11.31	\$11.62	\$11.84	\$11.30
Income from investment operations ^b :					
Net investment income ^c	0.29	0.26	0.24	0.30	0.31
Net realized and unrealized gains (losses)	0.25	(1.06)	(0.31)	(0.23)	0.56
Total from investment operations	0.54	(0.80)	(0.07)	0.07	0.87
Less distributions from:					
Net investment income	(0.29)	(0.26)	(0.24)	(0.29)	(0.33)
Net asset value, end of year	\$10.50	\$10.25	\$11.31	\$11.62	\$11.84
Total return	5.37%	(7.08)%	(0.64)%	0.63%	7.77%
Ratios to average net assets					
Expenses ^d	0.60%	0.59%	0.57%	0.57%	0.57%
Net investment income	2.86%	2.52%	2.06%	2.53%	2.73%
Supplemental data					
Net assets, end of year (000's)	\$112,197	\$115,439	\$132,919	\$121,041	\$105,851
Portfolio turnover rate	14.73%	16.87%	23.40%	15.09%	15.22%

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

Schedule of Investments, February 29, 2024

Franklin North Carolina Tax-Free Income Fund

	Principal Amount	Value
Corporate Bonds 0.3%		
Software 0.3%		
^a Haven at Elgin LLC, 5.25%, 12/31/53	\$1,600,000	\$1,591,797
Total Corporate Bonds (Cost \$1,600,000)		1,591,797
Municipal Bonds 97.3%		
California 0.4%		
California Municipal Finance Authority, Revenue, 2022 A-1, 4.25%, 12/01/37	2,300,000	2,068,317
Florida 1.4%		
Capital Trust Agency, Inc., Kingdom Development West Palm Beach Portfolio Obligated Group, Revenue, 2021 A-1, 3.75%, 12/01/36	4,680,000	4,057,163
^b SHI - Lake Osborne LLC, Revenue, 144A, 2021 A-1, 3.68%, 1/01/57	1,500,000	1,033,911
^b Leon County Housing Finance Authority, Revenue, 144A, 2022 A, Zero Cpn., 5/01/57	3,750,000	3,276,563
		8,367,637
Illinois 0.7%		
Metropolitan Pier & Exposition Authority, Revenue, 2020 A, Refunding, 5%, 6/15/50 . .	500,000	514,186
State of Illinois, GO, 2016, 5%, 11/01/34	1,100,000	1,137,545
GO, 2021 A, 5%, 3/01/33	2,000,000	2,235,415
		3,887,146
Kentucky 0.7%		
^b Louisville/Jefferson County Metropolitan Government, PSG Vesta Derby Oaks LLC, Revenue, 144A, 2022 A, Zero Cpn., 5/01/52	5,600,000	4,135,293
New Jersey 1.1%		
New Jersey Economic Development Authority, Revenue, 2021 QQQ, 4%, 6/15/41 . . .	1,000,000	1,013,348
New Jersey Transportation Trust Fund Authority, Revenue, 2019 BB, 5%, 6/15/44	2,900,000	3,028,591
Revenue, 2020 AA, 3%, 6/15/50	500,000	382,942
Revenue, 2020 AA, 5%, 6/15/50	1,290,000	1,358,581
Revenue, 2022 BB, 4%, 6/15/46	1,000,000	974,123
		6,757,585
New York 1.6%		
Metropolitan Transportation Authority, Revenue, 2020 E, Refunding, 4%, 11/15/45	1,595,000	1,560,917
Revenue, 2021 A-1, 4%, 11/15/48	5,325,000	5,138,669
Revenue, 2021 A-2, 4%, 11/15/41	3,000,000	2,984,789
		9,684,375
North Carolina 84.5%		
Cape Fear Public Utility Authority, Revenue, 2019 A, Refunding, 4%, 8/01/44	3,070,000	3,082,254
Charlotte-Mecklenburg Hospital Authority (The), Atrium Health Obligated Group, Revenue, 2016 A, Refunding, 5%, 1/15/40	14,000,000	14,279,390
Atrium Health Obligated Group, Revenue, 2018 A, Refunding, 5%, 1/15/36	5,000,000	5,398,606
Atrium Health Obligated Group, Revenue, 2022 A, Refunding, 4%, 1/15/43	2,000,000	1,993,169
City of Charlotte, COP, 2019 A, Refunding, 5%, 6/01/44	8,250,000	8,818,436
GO, 2023 B, Refunding, 5%, 7/01/42	2,925,000	3,351,155
GO, 2023 B, Refunding, 5%, 7/01/43	2,300,000	2,622,231
Airport, Revenue, 2019 B, 4%, 7/01/44	5,515,000	5,382,065
Airport, Revenue, 2021 A, Refunding, 4%, 7/01/39	6,000,000	6,136,471
Airport, Revenue, 2021 A, Refunding, 4%, 7/01/40	9,030,000	9,196,943
Airport, Revenue, 2021 A, Refunding, 4%, 7/01/41	2,410,000	2,445,685
Airport, Revenue, 2023 A, 5%, 7/01/48	4,500,000	4,963,319

Franklin North Carolina Tax-Free Income Fund (continued)

	Principal Amount	Value
Municipal Bonds (continued)		
North Carolina (continued)		
City of Charlotte, (continued)		
Airport, Revenue, 2023 A, 5%, 7/01/53	\$6,155,000	\$6,712,343
Water & Sewer System, Revenue, 2018, Refunding, 4%, 7/01/38	4,150,000	4,264,765
Water & Sewer System, Revenue, 2020, Refunding, 2%, 7/01/41	500,000	359,073
City of Fayetteville, Public Works Commission, Revenue, 2018, Refunding, 4%, 3/01/41	4,015,000	4,037,646
City of Greensboro, Combined Water & Sewer System, Revenue, 2020 A, Refunding, 4%, 6/01/45	4,500,000	4,530,571
City of Raleigh,		
GO, 2023 A, Refunding, 5%, 4/01/41	1,775,000	2,032,982
Combined Enterprise System, Revenue, 2016 A, 4%, 3/01/46	3,000,000	2,995,729
Combined Enterprise System, Revenue, 2016 B, Refunding, 4%, 3/01/34	1,000,000	1,030,844
Combined Enterprise System, Revenue, 2023, Refunding, 4%, 9/01/53	9,305,000	9,248,944
City of Salisbury, Combined Enterprise System, Revenue, 2020, Refunding, 5%, 2/01/45	1,000,000	1,072,478
City of Winston-Salem,		
Water & Sewer System, Revenue, 2016 A, Refunding, 4%, 6/01/34	1,350,000	1,375,344
Water & Sewer System, Revenue, 2017, 4%, 6/01/47	10,000,000	9,895,055
County of Brunswick, GO, 2022, 4%, 8/01/39	1,550,000	1,633,402
County of Catawba, Revenue, 2023, 4%, 4/01/43	400,000	401,015
County of Dare,		
Revenue, 2021 A, 3%, 6/01/38	375,000	338,535
Revenue, 2021 A, 3%, 6/01/39	585,000	520,863
Revenue, 2021 A, 3%, 6/01/40	250,000	218,630
Revenue, 2021 A, 3%, 6/01/41	450,000	385,605
County of Durham,		
GO, 2019, 4%, 6/01/36	500,000	524,813
GO, 2019, 4%, 6/01/37	450,000	468,452
GO, 2019, 4%, 6/01/39	700,000	719,547
County of Forsyth, GO, 2023 A, 4%, 6/01/42	1,000,000	1,025,501
County of Guilford,		
GO, 2017 B, 4%, 5/01/33	5,000,000	5,163,680
GO, 2024, 4%, 3/01/43	5,000,000	5,109,145
County of Johnston, Water & Sewer System, Revenue, 2023, 4%, 4/01/53	1,150,000	1,123,828
County of Lincoln,		
Enterprise System, Revenue, 2020, Refunding, 3%, 8/01/38	400,000	357,544
Enterprise System, Revenue, 2020, Refunding, 3%, 8/01/41	480,000	409,009
County of Mecklenburg, GO, 2017 A, 4%, 4/01/30	5,000,000	5,163,506
County of New Hanover,		
Revenue, 2021, Refunding, 5%, 8/01/30	3,375,000	3,864,647
New Hanover Regional Medical Center, Revenue, 2017, Pre-Refunded, 5%, 10/01/42	5,000,000	5,364,710
New Hanover Regional Medical Center, Revenue, 2017, Pre-Refunded, 5%, 10/01/47	13,565,000	14,554,458
County of Union, Enterprise System, Revenue, 2021, 4%, 6/01/32	1,050,000	1,140,024
County of Wake,		
GO, 2019 A, 5%, 3/01/32	7,870,000	8,801,011
Revenue, 2021, 3%, 3/01/35	5,535,000	5,268,389
Revenue, 2021, 3%, 3/01/36	6,000,000	5,629,514
Greater Asheville Regional Airport Authority, Revenue, 2023, AGMC Insured, 5.25%, 7/01/53	2,500,000	2,669,802
North Carolina Agricultural & Technical State University, Revenue, 2023, 5%, 10/01/43	1,000,000	1,108,572
North Carolina Capital Facilities Finance Agency,		
Campbell University, Inc., Revenue, 2021 A, Refunding, 5%, 10/01/25	1,700,000	1,726,193
Campbell University, Inc., Revenue, 2021 A, Refunding, 5%, 10/01/27	400,000	418,217
Campbell University, Inc., Revenue, 2021 A, Refunding, 5%, 10/01/28	500,000	529,383
Campbell University, Inc., Revenue, 2021 A, Refunding, 5%, 10/01/29	550,000	588,861

Franklin North Carolina Tax-Free Income Fund (continued)

	Principal Amount	Value
Municipal Bonds (continued)		
North Carolina (continued)		
North Carolina Capital Facilities Finance Agency, (continued)		
Campbell University, Inc., Revenue, 2021 A, Refunding, 5%, 10/01/30	\$1,860,000	\$2,008,512
Campbell University, Inc., Revenue, 2021 A, Refunding, 5%, 10/01/31	1,855,000	2,016,510
Campbell University, Inc., Revenue, 2021 A, Refunding, 5%, 10/01/32	1,000,000	1,084,386
Campbell University, Inc., Revenue, 2021 A, Refunding, 5%, 10/01/33	1,670,000	1,804,084
Campbell University, Inc., Revenue, 2021 A, Refunding, 4%, 10/01/34	740,000	744,013
Campbell University, Inc., Revenue, 2021 A, Refunding, 4%, 10/01/35	360,000	360,421
Duke University, Revenue, 2015 B, Pre-Refunded, 5%, 10/01/41	13,585,000	13,987,132
Duke University, Revenue, 2016 B, Refunding, 5%, 10/01/40	2,500,000	2,577,643
Duke University, Revenue, 2016 B, Refunding, 5%, 7/01/42	5,500,000	5,654,468
Duke University, Revenue, 2016 B, Refunding, 4%, 10/01/44	5,085,000	5,099,036
Duke University, Revenue, 2016 B, Refunding, 5%, 10/01/44	13,000,000	13,345,839
High Point University, Revenue, 2021, Refunding, 4%, 5/01/32	2,000,000	2,079,742
High Point University, Revenue, 2021, Refunding, 4%, 5/01/33	3,210,000	3,329,972
High Point University, Revenue, 2021, Refunding, 4%, 5/01/34	2,270,000	2,348,274
Wake Forest University, Revenue, 2016, Refunding, 4%, 1/01/38	5,500,000	5,557,232
Wake Forest University, Revenue, 2016, Refunding, 4%, 1/01/39	5,250,000	5,294,009
Wake Forest University, Revenue, 2018, 4%, 1/01/48	10,000,000	9,912,495
Wake Forest University, Revenue, 2018, 5%, 1/01/48	13,500,000	14,052,744
North Carolina Central University,		
Revenue, 2019, AGMC Insured, 5%, 4/01/44	1,575,000	1,671,753
Revenue, 2019, 4%, 4/01/49	1,000,000	920,168
North Carolina Housing Finance Agency,		
Revenue, 41, GNMA Insured, 3.55%, 7/01/44	4,180,000	3,780,695
Revenue, 41, GNMA Insured, 3.625%, 7/01/49	6,405,000	5,684,329
Revenue, 42, GNMA Insured, 2.45%, 7/01/34	750,000	653,651
Revenue, 42, GNMA Insured, 2.625%, 7/01/39	3,035,000	2,518,028
Revenue, 42, GNMA Insured, 2.85%, 1/01/43	2,660,000	2,129,591
Revenue, 43, GNMA Insured, 2.8%, 1/01/40	4,715,000	3,940,846
Revenue, 43, GNMA Insured, 2.95%, 7/01/43	2,170,000	1,786,195
Revenue, 44, 3%, 7/01/46	2,740,000	2,138,755
Revenue, 45, Refunding, GNMA Insured, 2.2%, 7/01/40	1,805,000	1,363,846
Revenue, 46 A, GNMA Insured, 1.55%, 1/01/30	2,100,000	1,816,410
Revenue, 46 A, GNMA Insured, 1.75%, 1/01/31	975,000	842,869
North Carolina Medical Care Commission,		
Atrium Health Wake Forest Baptist Obligated Group, Revenue, 2019 A, 5%, 12/01/33	1,000,000	1,081,392
Caromont Health Obligated Group, Revenue, 2021 A, 4%, 2/01/36	1,675,000	1,736,659
Duke University Health System, Inc., Revenue, 2016 D, Refunding, 4%, 6/01/42	7,000,000	7,005,951
EveryAge Obligated Group, Revenue, 2021 A, Refunding, 4%, 9/01/47	2,935,000	2,358,295
EveryAge Obligated Group, Revenue, 2021 A, Refunding, 4%, 9/01/51	960,000	750,284
Forest at Duke, Inc. Obligated Group, Revenue, 2021, 4%, 9/01/33	180,000	170,837
Forest at Duke, Inc. Obligated Group, Revenue, 2021, 4%, 9/01/34	185,000	174,370
Forest at Duke, Inc. Obligated Group, Revenue, 2021, 4%, 9/01/41	920,000	786,599
Forest at Duke, Inc. Obligated Group, Revenue, 2021, 4%, 9/01/46	1,665,000	1,361,666
Forest at Duke, Inc. Obligated Group, Revenue, 2021, 4%, 9/01/51	1,670,000	1,317,019
Friends Homes Obligated Group, Revenue, 2020 A, 4%, 9/01/50	3,000,000	2,327,528
Novant Health Obligated Group, Revenue, 2013 A, Refunding, 5%, 11/01/46	20,000,000	20,010,784
Novant Health Obligated Group, Revenue, 2019 A, 4%, 11/01/49	2,115,000	2,044,286
Novant Health Obligated Group, Revenue, 2019 A, 4%, 11/01/52	6,640,000	6,295,676
Pines at Davidson, Inc. Obligated Group, Revenue, 2019 A, 5%, 1/01/34	2,050,000	2,120,458
Pines at Davidson, Inc. Obligated Group, Revenue, 2019 A, 5%, 1/01/49	5,000,000	5,011,721
Plantation Village, Inc. Obligated Group, Revenue, 2021 A, Refunding, 4%, 1/01/41	1,020,000	890,033
Plantation Village, Inc. Obligated Group, Revenue, 2021 A, Refunding, 4%, 1/01/52	3,510,000	2,714,430
Presbyterian Homes Obligated Group, Revenue, 2016 C, Refunding, 5%, 10/01/31	5,000,000	5,132,965
Presbyterian Homes Obligated Group, Revenue, 2020 A, 5%, 10/01/40	1,800,000	1,880,875
Presbyterian Homes Obligated Group, Revenue, 2020 A, 4%, 10/01/45	1,000,000	900,672
Presbyterian Homes Obligated Group, Revenue, 2020 A, 5%, 10/01/45	2,420,000	2,489,512

Franklin North Carolina Tax-Free Income Fund (continued)

	Principal Amount	Value
Municipal Bonds (continued)		
North Carolina (continued)		
North Carolina Medical Care Commission, (continued)		
Presbyterian Homes Obligated Group, Revenue, 2020 A, 4%, 10/01/50	\$1,350,000	\$1,174,115
Presbyterian Homes Obligated Group, Revenue, 2020 A, 5%, 10/01/50	1,400,000	1,425,054
Rex Hospital, Inc. Obligated Group, Revenue, 2020 A, 4%, 7/01/49	4,000,000	3,820,838
^d United Methodist Retirement Homes, Inc. Obligated Group (The), Revenue, 2024 A, 5%, 10/01/44	750,000	793,036
^d United Methodist Retirement Homes, Inc. Obligated Group (The), Revenue, 2024 A, 5%, 10/01/49	750,000	782,616
Vidant Health Obligated Group, Revenue, 2015, Refunding, 5%, 6/01/40	5,000,000	5,069,174
North Carolina Municipal Power Agency No. 1, Revenue, 2015 A, Refunding, 5%, 1/01/32	4,200,000	4,333,182
North Carolina State Education Assistance Authority,		
Revenue, Senior Lien, 2020 A, 5%, 6/01/25	125,000	127,040
Revenue, Senior Lien, 2020 A, 5%, 6/01/26	300,000	309,634
Revenue, Senior Lien, 2020 A, 5%, 6/01/27	450,000	466,895
Revenue, Senior Lien, 2020 A, 5%, 6/01/28	500,000	531,899
Revenue, Senior Lien, 2020 A, 5%, 6/01/29	350,000	377,049
Revenue, Senior Lien, 2020 A, 3.125%, 6/01/39	55,000	51,937
North Carolina Turnpike Authority,		
Revenue, 2016 A, Refunding, 5%, 7/01/54	2,560,000	2,588,649
Revenue, 2018 A, Refunding, 4%, 1/01/36	4,875,000	5,052,776
Revenue, 2018 A, Refunding, 4%, 1/01/39	9,815,000	9,984,383
Revenue, 2021, Refunding, 5%, 7/01/35	1,300,000	1,504,016
Revenue, 2021, Refunding, 5%, 7/01/36	1,750,000	2,011,986
Revenue, 2021, Refunding, 5%, 7/01/37	1,770,000	2,019,399
Revenue, 2021, Refunding, 5%, 7/01/38	1,250,000	1,412,591
Revenue, 2021, Refunding, 5%, 7/01/39	1,500,000	1,685,124
Revenue, 2021, Refunding, 5%, 7/01/40	1,270,000	1,419,150
Revenue, 2021, Refunding, 5%, 7/01/41	2,000,000	2,226,958
Revenue, Senior Lien, 2017, Refunding, AGMC Insured, 5%, 1/01/31	1,000,000	1,056,932
Revenue, Senior Lien, 2019, AGMC Insured, 5%, 1/01/49	2,000,000	2,101,974
Revenue, Senior Lien, 2019, 4%, 1/01/55	5,000,000	4,519,622
Revenue, Senior Lien, 2024 A, AGMC Insured, 5%, 1/01/58	3,000,000	3,207,646
Raleigh Durham Airport Authority,		
Revenue, 2015 A, Refunding, 5%, 5/01/27	350,000	357,800
Revenue, 2015 A, Refunding, 5%, 5/01/30	550,000	561,266
Revenue, 2020 A, Refunding, 5%, 5/01/36	2,580,000	2,800,170
State of North Carolina,		
GO, 2019 B, 5%, 6/01/29	2,500,000	2,812,004
GO, 2020 A, 5%, 6/01/31	2,500,000	2,863,831
Highway Trust Fund, Revenue, 2020 B, 4%, 5/01/35	2,750,000	2,924,896
Town of Cary, Combined Utility Systems, Revenue, 2017 B, Refunding, 4%, 12/01/42	8,000,000	8,090,727
Town of Oak Island, Enterprise System, Revenue, 2017, Refunding, AGMC Insured, 5%, 6/01/33	1,000,000	1,064,242
University of North Carolina at Chapel Hill,		
Revenue, 2021 B, Refunding, 5%, 12/01/37	2,180,000	2,524,099
Hospitals at Chapel Hill, Revenue, 2019, 5%, 2/01/49	6,920,000	8,115,109
University of North Carolina at Charlotte (The),		
Revenue, 2014, Pre-Refunded, 5%, 4/01/43	5,000,000	5,006,240
Revenue, 2017, 5%, 10/01/47	5,000,000	5,226,546
Revenue, 2017 A, Refunding, 4%, 10/01/40	2,250,000	2,269,039
Revenue, 2020 A, Refunding, 4%, 10/01/40	290,000	293,695
University of North Carolina at Greensboro,		
Revenue, 2017, Refunding, 4%, 4/01/35	1,205,000	1,234,485
Revenue, 2017, Refunding, 4%, 4/01/36	1,000,000	1,021,855

Franklin North Carolina Tax-Free Income Fund (continued)

	Principal Amount	Value
Municipal Bonds (continued)		
North Carolina (continued)		
University of North Carolina at Wilmington, Revenue, 2015, Refunding, 5%, 6/01/37	\$3,000,000	\$3,048,761
University of North Carolina System, Appalachian State University, Revenue, 2008 A, AGMC Insured, 5%, 10/01/33	160,000	160,015
Water and Sewer Authority of Cabarrus County, Revenue, 2024, 4%, 6/01/49	2,685,000	2,655,923
Western Carolina University, Revenue, 2020 B, 3%, 4/01/36	1,000,000	947,962
Revenue, 2020 B, 4%, 4/01/50	5,000,000	4,874,341
		498,424,695
South Carolina 0.8%		
South Carolina Jobs-Economic Development Authority, ^b Revenue, 144A, 2021 A-1, 3.65%, 12/01/36	1,600,000	1,358,900
AHPC Vista Towers 2021 LLC, Revenue, 2021 A-1, 3.65%, 12/01/36	1,600,000	1,358,900
^b South Carolina State Housing Finance & Development Authority, Garden Oaks LP, Revenue, 144A, 2021 A, 4.2%, 12/01/39	2,500,000	2,047,761
		4,765,561
Texas 0.7%		
^b EP Cimarron Ventanas PFC, Revenue, Senior Lien, 144A, 2021 A, 4%, 12/01/51.	2,100,000	1,610,064
Lake Houston Redevelopment Authority, City of Houston Reinvestment Zone No. 10, Revenue, 2021, Refunding, 4%, 9/01/32	200,000	195,202
City of Houston Reinvestment Zone No. 10, Revenue, 2021, Refunding, 4%, 9/01/33	200,000	194,600
^b Pecan Public Facility Corp., Revenue, 144A, 2022 A-2, 5%, 12/01/52	2,800,000	2,187,335
		4,187,201
Washington 0.2%		
^b Washington State Housing Finance Commission, Madison at Rivers Edge Apartments LLC, Revenue, 144A, 2021 A, 3.65%, 1/01/37	1,600,000	1,357,801
Wisconsin 0.9%		
^b Public Finance Authority, Revenue, 144A, 2022, B-1, 4%, 12/28/44	1,600,000	1,294,435
Gulf Coast Portfolio Obligated Group, Revenue, 144A, 2021, 5.25%, 6/01/24	4,200,000	4,200,000
		5,494,435
U.S. Territories 4.3%		
Guam 0.8%		
Antonio B Won Pat International Airport Authority, Revenue, 2023 A, Refunding, 5.25%, 10/01/30	750,000	781,083
Revenue, 2023 A, Refunding, 5.125%, 10/01/34	390,000	403,677
Revenue, 2023 A, Refunding, 5.25%, 10/01/35	265,000	275,263
Guam Government Waterworks Authority, Revenue, 2020 A, 5%, 1/01/50	3,205,000	3,306,970
		4,766,993
Puerto Rico 3.5%		
Commonwealth of Puerto Rico, ^e GO, FRN, Zero Cpn., 11/01/43	103,304	60,562
GO, 2022 A-1, 5.625%, 7/01/27	25,850	27,309
GO, 2022 A-1, 5.625%, 7/01/29	25,431	27,584
GO, 2022 A-1, 5.75%, 7/01/31	24,701	27,587
GO, 2022 A-1, 4%, 7/01/33	23,423	23,010
GO, 2022 A-1, 4%, 7/01/35	21,054	20,436
GO, 2022 A-1, 4%, 7/01/37	18,070	17,258
GO, 2022 A-1, 4%, 7/01/41	24,568	22,820
GO, 2022 A-1, 4%, 7/01/46	25,551	23,093
GO, 2022 A-1, Zero Cpn., 7/01/24	3,797	3,747
GO, 2022 A-1, Zero Cpn., 7/01/33	30,143	19,428

Franklin North Carolina Tax-Free Income Fund (continued)

	Principal Amount	Value
Municipal Bonds (continued)		
U.S. Territories (continued)		
Puerto Rico (continued)		
HTA TRRB Custodial Trust,		
Revenue, 2005 L, 5.25%, 7/01/41	\$1,643,000	\$1,612,792
Revenue, 2007 N, 5.25%, 7/01/36	246,450	247,430
Puerto Rico Electric Power Authority,		
Revenue, VV, Refunding, NATL Insured, 5.25%, 7/01/32	1,500,000	1,486,537
Revenue, XX, 5.25%, 7/01/40	4,120,000	1,091,800
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	478,787
Hospital Auxilio Mutuo Obligated Group, Revenue, 2021, Refunding, 4%, 7/01/41..	220,000	204,440
Puerto Rico Sales Tax Financing Corp.,		
Sales Tax, Revenue, A-1, 5%, 7/01/58	12,890,000	12,986,649
Sales Tax, Revenue, A-2, 4.329%, 7/01/40	2,000,000	1,990,857
		<u>20,372,126</u>
Total U.S. Territories		25,139,119
Total Municipal Bonds (Cost \$596,599,104)		574,269,165
	<u>Shares</u>	
Escrows and Litigation Trusts 0.0%[†]		
^a Puerto Rico Electric Power Authority, Escrow Account	209,296	167,437
Total Escrows and Litigation Trusts (Cost \$-)		167,437
Total Long Term Investments (Cost \$598,199,104)		576,028,399
Short Term Investments 2.4%		
	<u>Principal Amount</u>	
Municipal Bonds 2.4%		
North Carolina 2.4%		
^h Charlotte-Mecklenburg Hospital Authority (The),		
Atrium Health Obligated Group, Revenue, 2007 B, Refunding, SPA JPMorgan Chase Bank NA, Daily VRDN and Put, 3.65%, 1/15/38	9,255,000	9,255,000
Atrium Health Obligated Group, Revenue, 2007 C, Refunding, SPA JPMorgan Chase Bank NA, Daily VRDN and Put, 3.65%, 1/15/37	700,000	700,000
Atrium Health Obligated Group, Revenue, 2007 E, AGMC Insured, LOC TD Bank NA, Daily VRDN and Put, 3.65%, 1/15/44	300,000	300,000
Atrium Health Obligated Group, Revenue, 2018 G, SPA JPMorgan Chase Bank NA, Daily VRDN and Put, 3.65%, 1/15/48	3,800,000	3,800,000
Atrium Health Obligated Group, Revenue, 2018 H, SPA JPMorgan Chase Bank NA, Daily VRDN and Put, 3.65%, 1/15/48	260,000	260,000
		<u>14,315,000</u>
Total Municipal Bonds (Cost \$14,315,000)		14,315,000
Total Short Term Investments (Cost \$14,315,000)		14,315,000
Total Investments (Cost \$612,514,104) 100.0%		\$590,343,399
Other Assets, less Liabilities 0.0%		(233,268)
Net Assets 100.0%		\$590,110,131

Franklin North Carolina Tax-Free Income Fund (continued)

See Abbreviations on page 140.

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

^ªFair valued using significant unobservable inputs. See Note 10 regarding fair value measurements.

^ºSecurity was purchased pursuant to Rule 144A or Regulation S under the Securities Act of 1933. 144A securities may be sold in transactions exempt from registration only to qualified institutional buyers or in a public offering registered under the Securities Act of 1933. Regulation S securities cannot be sold in the United States without either an effective registration statement filed pursuant to the Securities Act of 1933, or pursuant to an exemption from registration. At February 29, 2024, the aggregate value of these securities was \$22,502,063, representing 3.8% of net assets.

^ºSecurity purchased on a when-issued basis. See Note 1(b).

^ºA portion or all of the security purchased on a delayed delivery basis. See Note 1(b).

^ºThe coupon rate shown represents the rate at period end.

[†]Defaulted security or security for which income has been deemed uncollectible. See Note 7.

^ºNon-income producing.

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

Financial Highlights

Franklin Virginia Tax-Free Income Fund

	Year Ended February 28,				
	2024 ^a	2023	2022	2021	2020 ^a
Class A					
Per share operating performance (for a share outstanding throughout the year)					
Net asset value, beginning of year	\$9.72	\$10.79	\$11.13	\$11.42	\$10.92
Income from investment operations ^b :					
Net investment income ^c	0.26	0.23	0.19	0.22	0.28
Net realized and unrealized gains (losses)	0.27	(1.08)	(0.34)	(0.29)	0.52
Total from investment operations	0.53	(0.85)	(0.15)	(0.07)	0.80
Less distributions from:					
Net investment income	(0.26)	(0.22)	(0.19)	(0.22)	(0.30)
Net asset value, end of year	\$9.99	\$9.72	\$10.79	\$11.13	\$11.42
Total return ^d	5.66%	(7.85)%	(1.38)%	(0.58)%	7.40%
Ratios to average net assets					
Expenses ^e	0.88%	0.86%	0.84%	0.84%	0.84%
Net investment income	2.65%	2.28%	1.71%	1.97%	2.54%
Supplemental data					
Net assets, end of year (000's)	\$84,618	\$87,137	\$108,135	\$107,395	\$77,058
Portfolio turnover rate	13.99%	22.24%	34.49%	31.54%	14.44%

^aFor the year ended February 29.

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

^cBased on average daily shares outstanding.

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

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

Franklin Virginia Tax-Free Income Fund (continued)

	Year Ended February 28,				
	2024 ^a	2023	2022	2021	2020 ^a
Class A1					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$9.72	\$10.79	\$11.12	\$11.42	\$10.91
Income from investment operations ^b :					
Net investment income ^c	0.27	0.24	0.21	0.24	0.30
Net realized and unrealized gains (losses)	0.27	(1.07)	(0.33)	(0.30)	0.52
Total from investment operations	0.54	(0.83)	(0.12)	(0.06)	0.82
Less distributions from:					
Net investment income	(0.27)	(0.24)	(0.21)	(0.24)	(0.31)
Net asset value, end of year	\$9.99	\$9.72	\$10.79	\$11.12	\$11.42
Total return ^d	5.71%	(7.71)%	(1.15)%	(0.52)%	7.66%
Ratios to average net assets					
Expenses ^e	0.73%	0.71%	0.69%	0.69%	0.69%
Net investment income	2.80%	2.42%	1.86%	2.15%	2.69%
Supplemental data					
Net assets, end of year (000's)	\$211,988	\$235,354	\$316,275	\$353,874	\$398,547
Portfolio turnover rate	13.99%	22.24%	34.49%	31.54%	14.44%

^aFor the year ended February 29.

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

^cBased on average daily shares outstanding.

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

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

Franklin Virginia Tax-Free Income Fund (continued)

	Year Ended February 28,				
	2024 ^a	2023	2022	2021	2020 ^a
Class C					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$9.89	\$10.98	\$11.32	\$11.62	\$11.10
Income from investment operations ^b :					
Net investment income ^c	0.22	0.18	0.15	0.18	0.24
Net realized and unrealized gains (losses)	0.28	(1.09)	(0.34)	(0.30)	0.54
Total from investment operations	0.50	(0.91)	(0.19)	(0.12)	0.78
Less distributions from:					
Net investment income	(0.22)	(0.18)	(0.15)	(0.18)	(0.26)
Net asset value, end of year	\$10.17	\$9.89	\$10.98	\$11.32	\$11.62
Total return ^d	5.13%	(8.27)%	(1.76)%	(1.05)%	7.07%
Ratios to average net assets					
Expenses ^e	1.27%	1.25%	1.23%	1.24%	1.24%
Net investment income	2.19%	1.80%	1.27%	1.58%	2.14%
Supplemental data					
Net assets, end of year (000's)	\$9,264	\$12,400	\$20,687	\$38,151	\$52,357
Portfolio turnover rate	13.99%	22.24%	34.49%	31.54%	14.44%

^aFor the year ended February 29.

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

^cBased on average daily shares outstanding.

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

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

Franklin Virginia Tax-Free Income Fund (continued)

	Year Ended February 28,				
	2024 ^a	2023	2022	2021	2020 ^a
Class R6					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$9.72	\$10.80	\$11.13	\$11.43	\$10.92
Income from investment operations ^b :					
Net investment income ^c	0.29	0.26	0.22	0.25	0.32
Net realized and unrealized gains (losses)	0.28	(1.09)	(0.32)	(0.29)	0.52
Total from investment operations	0.57	(0.83)	(0.10)	(0.04)	0.84
Less distributions from:					
Net investment income	(0.29)	(0.25)	(0.23)	(0.26)	(0.33)
Net asset value, end of year	\$10.00	\$9.72	\$10.80	\$11.13	\$11.43
Total return	5.97%	(7.66)%	(1.00)%	(0.38)%	7.80%
Ratios to average net assets					
Expenses before waiver and payments by affiliates	0.58%	0.58%	0.56%	0.57%	0.56%
Expenses net of waiver and payments by affiliates ^d	0.58%	0.56%	0.55%	0.55%	0.55%
Net investment income	2.95%	2.61%	2.00%	2.27%	2.83%
Supplemental data					
Net assets, end of year (000's)	\$8,667	\$6,243	\$7,778	\$6,812	\$5,829
Portfolio turnover rate	13.99%	22.24%	34.49%	31.54%	14.44%

^aFor the year ended February 29.

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

^cBased on average daily shares outstanding.

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

Franklin Virginia Tax-Free Income Fund (continued)

	Year Ended February 28,				
	2024 ^a	2023	2022	2021	2020 ^a
Advisor Class					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$9.73	\$10.80	\$11.13	\$11.43	\$10.92
Income from investment operations ^b :					
Net investment income ^c	0.28	0.25	0.22	0.25	0.31
Net realized and unrealized gains (losses)	0.27	(1.07)	(0.33)	(0.30)	0.53
Total from investment operations	0.55	(0.82)	(0.11)	(0.05)	0.84
Less distributions from:					
Net investment income	(0.28)	(0.25)	(0.22)	(0.25)	(0.33)
Net asset value, end of year	\$10.00	\$9.73	\$10.80	\$11.13	\$11.43
Total return	5.81%	(7.61)%	(1.05)%	(0.42)%	7.76%
Ratios to average net assets					
Expenses ^d	0.63%	0.61%	0.59%	0.59%	0.59%
Net investment income	2.90%	2.54%	1.96%	2.23%	2.79%
Supplemental data					
Net assets, end of year (000's)	\$103,453	\$111,733	\$138,033	\$128,837	\$109,844
Portfolio turnover rate	13.99%	22.24%	34.49%	31.54%	14.44%

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

Schedule of Investments, February 29, 2024

Franklin Virginia Tax-Free Income Fund

	Principal Amount	Value
Municipal Bonds 98.1%		
California 0.2%		
California Municipal Finance Authority, Revenue, 2022 A-1, 4.25%, 12/01/37	\$1,000,000	\$899,269
Florida 0.9%		
Capital Trust Agency, Inc., Kingdom Development West Palm Beach Portfolio Obligated Group, Revenue, 2021 A-1, 3.75%, 12/01/36	3,456,000	2,996,058
^a SHI - Lake Osborne LLC, Revenue, 144A, 2021 A-1, 3.68%, 1/01/57	1,100,000	758,202
		3,754,260
Illinois 0.6%		
Metropolitan Pier & Exposition Authority, Revenue, 2020 A, Refunding, 5%, 6/15/50 . .	1,500,000	1,542,558
State of Illinois, GO, 2017 D, 5%, 11/01/26	1,000,000	1,044,380
		2,586,938
New Jersey 1.2%		
New Jersey Transportation Trust Fund Authority, Revenue, 2018 A, Refunding, 5%, 12/15/32	3,460,000	3,765,319
Revenue, 2022 A, 4%, 6/15/41	1,000,000	1,008,786
		4,774,105
New York 0.3%		
Metropolitan Transportation Authority, Revenue, 2021 A-1, 4%, 11/15/46	1,350,000	1,317,297
South Carolina 0.9%		
South Carolina Jobs-Economic Development Authority, ^a Revenue, 144A, 2021 A-1, 3.65%, 12/01/36	1,200,000	1,019,175
AHPC Vista Towers 2021 LLC, Revenue, 2021 A-1, 3.65%, 12/01/36	1,200,000	1,019,175
^a South Carolina State Housing Finance & Development Authority, Garden Oaks LP, Revenue, 144A, 2021 A, 4.2%, 12/01/39	2,000,000	1,638,209
		3,676,559
Texas 0.8%		
^a EP Cimarron Ventanas PFC, Revenue, Senior Lien, 144A, 2021 A, 4%, 12/01/51	1,600,000	1,226,715
Lake Houston Redevelopment Authority, City of Houston Reinvestment Zone No. 10, Revenue, 2021, Refunding, 5%, 9/01/28	225,000	230,916
City of Houston Reinvestment Zone No. 10, Revenue, 2021, Refunding, 5%, 9/01/29	250,000	258,087
^a Pecan Public Facility Corp., Revenue, 144A, 2022 A-2, 5%, 12/01/52	2,100,000	1,640,502
		3,356,220
Virginia 81.6%		
Albemarle County Economic Development Authority, Westminster Canterbury of the Blue Ridge Obligated Group, Revenue, 2022 A, Refunding, 4%, 6/01/30	1,120,000	1,129,809
Westminster Canterbury of the Blue Ridge Obligated Group, Revenue, 2022 A, Refunding, 4%, 6/01/31	1,165,000	1,175,897
Westminster Canterbury of the Blue Ridge Obligated Group, Revenue, 2022 A, Refunding, 4%, 6/01/32	1,105,000	1,115,780
Westminster Canterbury of the Blue Ridge Obligated Group, Revenue, 2022 A, Refunding, 4%, 6/01/33	1,260,000	1,270,518
Westminster Canterbury of the Blue Ridge Obligated Group, Revenue, 2022 A, Refunding, 4%, 6/01/42	2,725,000	2,546,850
Westminster Canterbury of the Blue Ridge Obligated Group, Revenue, 2022 A, Refunding, 4%, 6/01/49	2,800,000	2,462,919
Westminster Canterbury of the Blue Ridge Obligated Group, Revenue, 2022 B, Refunding, 4%, 6/01/54	5,215,000	4,471,069
Alexandria Industrial Development Authority, Goodwin House, Inc. Obligated Group, Revenue, 2015, Pre-Refunded, 5%, 10/01/45	975,000	1,002,345

Franklin Virginia Tax-Free Income Fund (continued)

	Principal Amount	Value
Municipal Bonds (continued)		
Virginia (continued)		
Alexandria Industrial Development Authority, (continued)		
Protestant Episcopal High School in Virginia, Revenue, 2021 C, Refunding, 4%, 1/01/46	\$2,450,000	\$2,393,228
Arlington County Industrial Development Authority, Virginia Hospital Center Arlington Health System Obligated Group, Revenue, 2020, Refunding, 4%, 7/01/45	2,000,000	1,941,116
Virginia Hospital Center Arlington Health System Obligated Group, Revenue, 2020, Refunding, 3.75%, 7/01/50	10,350,000	9,451,051
Chesapeake Hospital Authority, Chesapeake Hospital Authority Obligated Group, Revenue, 2019, Refunding, 4%, 7/01/39	1,000,000	989,216
Chesapeake Hospital Authority Obligated Group, Revenue, 2019, Refunding, 4%, 7/01/43	4,000,000	3,846,890
City of Alexandria, GO, 2023, 4%, 12/15/43	5,500,000	5,618,560
City of Hopewell, Sewer System, Revenue, 2011 A, Refunding, 5%, 7/15/42	4,850,000	4,850,239
City of Norfolk, Water, Revenue, 2018, 5%, 11/01/43	6,920,000	7,308,940
Water, Revenue, 2018, 5%, 11/01/47	6,925,000	7,266,362
City of Richmond, Public Utility, Revenue, 2016 A, Pre-Refunded, 5%, 1/15/33	10,000,000	10,393,451
Commonwealth of Virginia, GO, 2020 A, 4%, 6/01/31	2,710,000	2,929,347
GO, 2022 A, 5%, 6/01/52	2,445,000	2,700,603
^b GO, 2024 A, 4%, 6/01/42	3,180,000	3,287,177
Fairfax County Economic Development Authority, Revenue, 2017, 5%, 4/01/42	5,085,000	5,302,715
Goodwin House, Inc. Obligated Group, Revenue, 2016 A, Pre-Refunded, 5%, 10/01/36	4,865,000	5,003,328
Fairfax County Water Authority, Revenue, 2017, Refunding, 5%, 4/01/43	3,510,000	3,667,499
Revenue, 2017, Refunding, 5%, 4/01/47	5,000,000	5,204,592
Farmville Industrial Development Authority, Elwood Place LLC, Revenue, 2021, AGMC Insured, 5.375%, 7/01/53	5,000,000	5,284,453
Longwood Housing Foundation LLC, Revenue, 2018 A, Refunding, 5%, 1/01/48	5,000,000	4,814,596
Hampton Roads Sanitation District, Revenue, 2016 A, Pre-Refunded, 5%, 8/01/33	5,115,000	5,369,721
Revenue, 2016 A, Pre-Refunded, 5%, 8/01/43	11,840,000	12,429,618
Hampton Roads Transportation Accountability Commission, Revenue, Senior Lien, 2018 A, Pre-Refunded, 5%, 7/01/48	5,505,000	5,997,909
Revenue, Senior Lien, 2020 A, 5%, 7/01/60	4,885,000	5,156,784
Henrico County Economic Development Authority, Westminster-Canterbury Corp. Obligated Group, Revenue, 2020, Refunding, 4%, 10/01/40	500,000	489,372
Westminster-Canterbury Corp. Obligated Group, Revenue, 2020, Refunding, 4%, 10/01/45	725,000	681,418
Westminster-Canterbury Corp. Obligated Group, Revenue, 2020, Refunding, 4%, 10/01/50	1,500,000	1,361,270
Westminster-Canterbury Corp. Obligated Group, Revenue, 2022 A, 5%, 10/01/42	1,125,000	1,183,290
Westminster-Canterbury Corp. Obligated Group, Revenue, 2022 A, 5%, 10/01/52	5,000,000	5,104,623
Isle of Wight County Economic Development Authority, Riverside Healthcare Association Obligated Group, Revenue, 2023, AGMC Insured, 5.25%, 7/01/48	2,260,000	2,487,921
Lexington Industrial Development Authority, Lexington Retirement Community Obligated Group, Revenue, 2022, Refunding, 4%, 1/01/38	675,000	643,853
Lexington Retirement Community Obligated Group, Revenue, 2022, Refunding, 4%, 1/01/42	1,120,000	1,020,948

Franklin Virginia Tax-Free Income Fund (continued)

	Principal Amount	Value
Municipal Bonds (continued)		
Virginia (continued)		
Lexington Industrial Development Authority, (continued)		
Lexington Retirement Community Obligated Group, Revenue, 2022, Refunding, 4%, 1/01/48	\$2,315,000	\$2,003,332
Washington & Lee University (The), Revenue, 2018 A, Refunding, 5%, 1/01/35	1,105,000	1,197,430
Washington & Lee University (The), Revenue, 2018 A, Refunding, 5%, 1/01/48	1,500,000	1,570,116
Lynchburg Economic Development Authority,		
Centra Health Obligated Group, Revenue, 2017 A, Refunding, 5%, 1/01/47	4,500,000	4,565,948
Centra Health Obligated Group, Revenue, 2021, Refunding, 4%, 1/01/47	2,350,000	2,274,634
Centra Health Obligated Group, Revenue, 2021, Refunding, 3%, 1/01/51	2,000,000	1,462,587
Centra Health Obligated Group, Revenue, 2021, Refunding, 4%, 1/01/55	6,305,000	5,916,893
Montgomery County Economic Development Authority, Virginia Tech Foundation, Inc., Revenue, 2019 A, 4%, 6/01/39		
	1,750,000	1,779,775
Norfolk Airport Authority,		
Revenue, 2019, 5%, 7/01/39	800,000	853,682
Revenue, 2019, 5%, 7/01/43	5,600,000	5,910,938
Northern Virginia Transportation Commission,		
Commuter Rail Operating & Capital Fund, Revenue, 2022, 5%, 6/01/47	1,750,000	1,927,070
Commuter Rail Operating & Capital Fund, Revenue, 2022, 5%, 6/01/52	7,090,000	7,725,296
Prince Edward County Industrial Development Authority, President and Trustees of Hampden-Sydney College, Revenue, 2018, 5%, 9/01/48		
	2,050,000	2,123,134
Riverside Regional Jail Authority, Revenue, 2015, Refunding, 5%, 7/01/31		
	6,215,000	6,355,343
Roanoke Economic Development Authority, Carilion Clinic Obligated Group, Revenue, 2020 A, Refunding, 4%, 7/01/51		
	4,000,000	3,860,178
Salem Economic Development Authority, Roanoke College, Revenue, 2020, Refunding, 5%, 4/01/49		
	925,000	932,736
Stafford County & Staunton Industrial Development Authority, Revenue, 2007 E, AGMC Insured, 5%, 8/01/37		
	960,000	960,420
Virginia Beach Development Authority,		
Westminster-Canterbury on Chesapeake Bay Obligated Group, Revenue, 2018, Refunding, 5%, 9/01/40	1,750,000	1,713,445
Westminster-Canterbury on Chesapeake Bay Obligated Group, Revenue, 2018, Refunding, 5%, 9/01/44	2,215,000	2,087,651
Virginia College Building Authority,		
Revenue, 2016 A, 5%, 9/01/27	3,925,000	4,112,536
Revenue, 2016 A, Pre-Refunded, 5%, 9/01/27	75,000	78,890
Revenue, 2016 A, Refunding, 4%, 2/01/30	7,000,000	7,109,666
Revenue, 2023 B, Refunding, 5%, 2/01/32	6,000,000	7,067,461
Randolph-Macon College, Revenue, 2021 A, Refunding, 3%, 1/15/39	795,000	702,500
Randolph-Macon College, Revenue, 2021 A, Refunding, 2.25%, 1/15/40	450,000	328,814
Randolph-Macon College, Revenue, 2021 A, Refunding, 3%, 1/15/41	500,000	427,466
Randolph-Macon College, Revenue, 2021 A, Refunding, 3%, 1/15/46	1,100,000	870,591
Randolph-Macon College, Revenue, 2021 A, Refunding, 3%, 1/15/51	1,750,000	1,279,081
Regent University, Revenue, 2021, Refunding, 4%, 6/01/36	2,750,000	2,739,353
Regent University, Revenue, 2021, Refunding, 3%, 6/01/41	4,800,000	3,825,287
Regent University, Revenue, 2021, Refunding, 4%, 6/01/46	3,725,000	3,320,221
Virginia Commonwealth Transportation Board,		
Revenue, 2016, 5%, 9/15/30	2,260,000	2,371,637
Revenue, 2016, 5%, 9/15/31	4,000,000	4,189,616
Revenue, 2022, Refunding, 4%, 5/15/36	5,000,000	5,320,136
^b Virginia Housing Development Authority, Revenue, 2024 A, 4.45%, 9/01/44	3,000,000	3,025,083
Virginia Public Building Authority, Revenue, 2019 A, 4%, 8/01/35		
	1,250,000	1,304,065
Virginia Public School Authority,		
Revenue, 2018 B, 5%, 8/01/30	5,280,000	5,818,068
County of Prince William, Revenue, 2018, 4%, 3/01/33	5,795,000	6,063,667
Virginia Resources Authority,		
Revenue, Pre-Refunded, 5%, 11/01/38	3,195,000	3,297,944
Revenue, 2015 B, Refunding, 5%, 11/01/45	2,255,000	2,290,666

Franklin Virginia Tax-Free Income Fund (continued)

	Principal Amount	Value
Municipal Bonds (continued)		
Virginia (continued)		
Virginia Resources Authority, (continued)		
Revenue, 2018 C, Refunding, 5%, 11/01/48	\$7,655,000	\$8,162,112
Virginia Small Business Financing Authority,		
95 Express Lanes LLC, Revenue, Senior Lien, 2022, Refunding, 4%, 1/01/48	7,000,000	6,515,842
Bon Secours Mercy Health, Inc., Revenue, 2020 A, Refunding, 4%, 12/01/49	5,000,000	4,760,271
Capital Beltway Express LLC, Revenue, Senior Lien, 2022, Refunding, 5%, 12/31/57	6,000,000	6,117,607
Elizabeth River Crossings OpCo LLC, Revenue, Senior Lien, 2022, Refunding, 4%, 1/01/40	7,500,000	7,227,561
I-66 Express Mobility Partners LLC, Revenue, Senior Lien, 2017, 5%, 12/31/47	5,000,000	5,057,574
I-66 Express Mobility Partners LLC, Revenue, Senior Lien, 2017, 5%, 12/31/52	4,600,000	4,633,247
LifeSpire of Virginia Obligated Group, Revenue, 2021, Refunding, 4%, 12/01/36	2,210,000	2,122,272
LifeSpire of Virginia Obligated Group, Revenue, 2021, Refunding, 4%, 12/01/41	2,500,000	2,265,571
LifeSpire of Virginia Obligated Group, Revenue, 2021, Refunding, 4%, 12/01/51	7,500,000	6,175,835
National Senior Communities, Inc. Obligated Group, Revenue, 2020 A, Refunding, 4%, 1/01/37	2,750,000	2,683,837
National Senior Communities, Inc. Obligated Group, Revenue, 2020 A, Refunding, 4%, 1/01/51	2,250,000	1,980,090
Sentara Healthcare Obligated Group, Revenue, 2020, Refunding, 4%, 11/01/37	4,000,000	4,088,149
Sentara Healthcare Obligated Group, Revenue, 2020, Refunding, 4%, 11/01/38	2,000,000	2,034,526
Williamsburg Economic Development Authority, Provident Group - Williamsburg Properties LLC, Revenue, 2023 A, AGMC Insured, 4.125%, 7/01/58	2,000,000	1,989,030
Winchester Economic Development Authority, Valley Health Obligated Group, Revenue, 2015, Refunding, 5%, 1/01/44	5,000,000	5,084,221
		<u>341,016,378</u>
Washington 0.3%		
^a Washington State Housing Finance Commission, Madison at Rivers Edge Apartments LLC, Revenue, 144A, 2021 A, 3.65%, 1/01/37	1,200,000	1,018,351
Wisconsin 1.2%		
^a Public Finance Authority, Revenue, 144A, 2022, B-1, 4%, 12/28/44	1,200,000	970,826
Gulf Coast Portfolio Obligated Group, Revenue, 144A, 2021, 5.25%, 6/01/24	3,100,000	3,100,000
Pine Forest 2022 Obligated Group, Revenue, 144A, 2022 A, 6.5%, 12/01/52	1,000,000	1,017,191
		<u>5,088,017</u>
U.S. Territories 10.1%		
District of Columbia 7.4%		
Metropolitan Washington Airports Authority,		
Aviation, Revenue, 2021 A, Refunding, 5%, 10/01/46	5,000,000	5,283,731
Aviation, Revenue, 2023 A, Refunding, 5.25%, 10/01/48	4,000,000	4,313,232
Dulles Toll Road, Revenue, Senior Lien, 2022 A, Refunding, AGMC Insured, 4%, 10/01/52	5,000,000	4,790,392
Washington Metropolitan Area Transit Authority,		
Dedicated, Revenue, 2020 A, 5%, 7/15/45	3,145,000	3,385,517
Dedicated, Revenue, 2021 A, 5%, 7/15/41	7,530,000	8,355,001
Dedicated, Revenue, 2021 A, 5%, 7/15/46	2,000,000	2,169,055
Dedicated, Revenue, 2023 A, 5%, 7/15/43	2,500,000	2,795,817
		<u>31,092,745</u>
Puerto Rico 2.7%		
HTA TRRB Custodial Trust, Revenue, 2005 L, 5.25%, 7/01/41	1,314,400	1,290,234
Puerto Rico Electric Power Authority,		
Revenue, VV, Refunding, NATL Insured, 5.25%, 7/01/32	1,700,000	1,684,742
^c Revenue, WW, 5.5%, 7/01/38	1,040,000	275,600
^c Revenue, XX, 5.25%, 7/01/40	1,900,000	503,500

Franklin Virginia Tax-Free Income Fund (continued)

	Principal Amount	Value
Municipal Bonds (continued)		
U.S. Territories (continued)		
Puerto Rico (continued)		
Puerto Rico Industrial Tourist Educational Medical & Environmental Control Facilities Financing Authority,		
Hospital Auxilio Mutuo Obligated Group, Revenue, 2021, Refunding, 5%, 7/01/29 . .	\$425,000	\$453,456
Hospital Auxilio Mutuo Obligated Group, Revenue, 2021, Refunding, 4%, 7/01/37 . .	200,000	191,909
Puerto Rico Sales Tax Financing Corp.,		
Sales Tax, Revenue, A-1, 4.75%, 7/01/53	6,400,000	6,403,660
Sales Tax, Revenue, A-1, 5%, 7/01/58	500,000	503,749
		<u>11,306,850</u>
Total U.S. Territories		<u>42,399,595</u>
Total Municipal Bonds (Cost \$430,975,427)		<u>409,886,989</u>
	<u>Shares</u>	
Escrows and Litigation Trusts 0.0%†		
^{d,e} Puerto Rico Electric Power Authority, Escrow Account	149,352	119,482
Total Escrows and Litigation Trusts (Cost \$-)		<u>119,482</u>
Total Long Term Investments (Cost \$430,975,427)		<u>410,006,471</u>
Short Term Investments 1.7%		
	<u>Principal Amount</u>	
Municipal Bonds 1.7%		
New York 0.5%		
^f City of New York, GO, 2015 F-6, SPA JPMorgan Chase Bank NA, Daily VRDN and Put, 3.75%, 6/01/44	2,000,000	2,000,000
Virginia 1.2%		
^g Albemarle County Economic Development Authority, Sentara Healthcare Obligated Group, Revenue, 2018 B, Refunding, SPA TD Bank NA, Daily VRDN and Put, 3.65%, 10/01/48	5,200,000	5,200,000
Total Municipal Bonds (Cost \$7,200,000)		<u>7,200,000</u>
Total Short Term Investments (Cost \$7,200,000)		<u>7,200,000</u>
Total Investments (Cost \$438,175,427) 99.8%		<u>\$417,206,471</u>
Other Assets, less Liabilities 0.2%		<u>783,815</u>
Net Assets 100.0%		<u>\$417,990,286</u>

Franklin Virginia Tax-Free Income Fund (continued)

See Abbreviations on page 140.

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

[°]Security was purchased pursuant to Rule 144A or Regulation S under the Securities Act of 1933. 144A securities may be sold in transactions exempt from registration only to qualified institutional buyers or in a public offering registered under the Securities Act of 1933. Regulation S securities cannot be sold in the United States without either an effective registration statement filed pursuant to the Securities Act of 1933, or pursuant to an exemption from registration. At February 29, 2024, the aggregate value of these securities was \$12,389,171, representing 3.0% of net assets.

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

[°]Defaulted security or security for which income has been deemed uncollectible. See Note 7.

[°]Non-income producing.

[°]Fair valued using significant unobservable inputs. See Note 10 regarding fair value measurements.

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

Statements of Assets and Liabilities

February 29, 2024

	Franklin Alabama Tax- Free Income Fund	Franklin Georgia Tax- Free Income Fund	Franklin Louisiana Tax- Free Income Fund	Franklin Maryland Tax- Free Income Fund
Assets:				
Investments in securities:				
Cost - Unaffiliated issuers	\$201,483,333	\$330,472,963	\$279,396,241	\$314,112,686
Value - Unaffiliated issuers	\$193,153,617	\$314,677,952	\$266,223,009	\$304,242,943
Cash	2,014,242	3,281,288	68,000	446,705
Receivables:				
Capital shares sold	62,545	175,933	270,981	82,505
Interest	2,252,947	3,173,687	3,383,722	3,219,813
Unrealized appreciation on unfunded commitments (Note 1b)	—	60,898	22,938	53,049
Total assets	197,483,351	321,369,758	269,968,650	308,045,015
Liabilities:				
Payables:				
Investment securities purchased	2,546,260	—	—	—
Capital shares redeemed	395,209	474,632	436,845	423,253
Management fees	88,664	141,234	113,406	136,177
Distribution fees	21,942	36,301	29,246	36,087
Transfer agent fees	27,778	51,220	44,565	48,222
Professional fees	34,217	38,877	36,056	38,155
Trustees' fees and expenses	220	205	309	317
Distributions to shareholders	36,253	77,205	27,982	81,458
Accrued expenses and other liabilities	26,461	16,296	25,876	15,640
Total liabilities	3,177,004	835,970	714,285	779,309
Net assets, at value	\$194,306,347	\$320,533,788	\$269,254,365	\$307,265,706
Net assets consist of:				
Paid-in capital	\$219,877,514	\$372,523,800	\$313,446,371	\$371,837,201
Total distributable earnings (losses)	(25,571,167)	(51,990,012)	(44,192,006)	(64,571,495)
Net assets, at value	\$194,306,347	\$320,533,788	\$269,254,365	\$307,265,706

Statements of Assets and Liabilities (continued)

February 29, 2024

	Franklin Alabama Tax- Free Income Fund	Franklin Georgia Tax- Free Income Fund	Franklin Louisiana Tax- Free Income Fund	Franklin Maryland Tax- Free Income Fund
Class A:				
Net assets, at value	\$48,532,330	\$76,013,783	\$62,107,939	\$87,309,362
Shares outstanding	4,758,935	7,114,409	6,085,587	8,811,387
Net asset value per share ^{a,b}	\$10.20	\$10.68	\$10.21	\$9.91
Maximum offering price per share (net asset value per share ÷ 96.25%) ^b	\$10.60	\$11.10	\$10.61	\$10.30
Class A1:				
Net assets, at value	\$118,538,252	\$172,563,914	\$158,861,563	\$147,336,510
Shares outstanding	11,637,455	16,151,769	15,573,748	14,865,632
Net asset value per share ^{a,b}	\$10.19	\$10.68	\$10.20	\$9.91
Maximum offering price per share (net asset value per share ÷ 96.25%) ^b	\$10.59	\$11.10	\$10.60	\$10.30
Class C:				
Net assets, at value	\$6,045,834	\$14,486,081	\$8,767,171	\$13,708,263
Shares outstanding	585,644	1,335,555	845,478	1,355,017
Net asset value and maximum offering price per share ^{a,b}	\$10.32	\$10.85	\$10.37	\$10.12
Class R6:				
Net assets, at value	\$1,278,736	\$11,081,897	\$7,966,866	\$10,817,722
Shares outstanding	125,509	1,037,104	780,831	1,089,704
Net asset value and maximum offering price per share ^b	\$10.19	\$10.69	\$10.20	\$9.93
Advisor Class:				
Net assets, at value	\$19,911,195	\$46,388,113	\$31,550,826	\$48,093,849
Shares outstanding	1,954,490	4,339,805	3,091,438	4,846,752
Net asset value and maximum offering price per share ^b	\$10.19	\$10.69	\$10.21	\$9.92

^aRedemption price is equal to net asset value less contingent deferred sales charges, if applicable.^bNet asset value per share may not recalculate due to rounding.

Statements of Assets and Liabilities (continued)

February 29, 2024

	Franklin Missouri Tax- Free Income Fund	Franklin North Carolina Tax- Free Income Fund	Franklin Virginia Tax- Free Income Fund
Assets:			
Investments in securities:			
Cost - Unaffiliated issuers	\$712,952,981	\$612,514,104	\$438,175,427
Value - Unaffiliated issuers	\$685,291,956	\$590,343,399	\$417,206,471
Cash	43,375	117,710	3,656,526
Receivables:			
Capital shares sold	108,179	585,656	94,910
Interest	9,790,986	6,777,877	4,297,284
Unrealized appreciation on unfunded commitments (Note 1b)	125,974	110,529	78,906
Total assets	695,360,470	597,935,171	425,334,097
Liabilities:			
Payables:			
Investment securities purchased	—	6,634,552	6,274,192
Capital shares redeemed	1,050,520	627,831	587,885
Management fees	281,982	241,057	177,853
Distribution fees	79,921	60,989	38,324
Transfer agent fees	89,993	85,716	63,383
Trustees' fees and expenses	715	641	464
Distributions to shareholders	130,039	97,336	117,435
Accrued expenses and other liabilities	100,056	76,918	84,275
Total liabilities	1,733,226	7,825,040	7,343,811
Net assets, at value	\$693,627,244	\$590,110,131	\$417,990,286
Net assets consist of:			
Paid-in capital	\$836,793,770	\$730,986,235	\$511,660,217
Total distributable earnings (losses)	(143,166,526)	(140,876,104)	(93,669,931)
Net assets, at value	\$693,627,244	\$590,110,131	\$417,990,286

Statements of Assets and Liabilities (continued)

February 29, 2024

	Franklin Missouri Tax- Free Income Fund	Franklin North Carolina Tax- Free Income Fund	Franklin Virginia Tax- Free Income Fund
Class A:			
Net assets, at value	\$180,411,363	\$134,364,052	\$84,618,356
Shares outstanding	17,236,724	12,788,501	8,467,055
Net asset value per share ^{a,b}	\$10.47	\$10.51	\$9.99
Maximum offering price per share (net asset value per share + 96.25%) ^b	\$10.88	\$10.92	\$10.38
Class A1:			
Net assets, at value	\$399,058,818	\$293,654,262	\$211,988,148
Shares outstanding	38,152,871	27,957,607	21,216,902
Net asset value per share ^{a,b}	\$10.46	\$10.50	\$9.99
Maximum offering price per share (net asset value per share + 96.25%) ^b	\$10.87	\$10.91	\$10.38
Class C:			
Net assets, at value	\$23,851,213	\$21,452,903	\$9,263,778
Shares outstanding	2,256,734	2,009,203	911,192
Net asset value and maximum offering price per share ^{a,b}	\$10.57	\$10.68	\$10.17
Class R6:			
Net assets, at value	\$22,474,186	\$28,441,923	\$8,667,060
Shares outstanding	2,146,566	2,708,830	866,999
Net asset value and maximum offering price per share ^b	\$10.47	\$10.50	\$10.00
Advisor Class:			
Net assets, at value	\$67,831,664	\$112,196,991	\$103,452,944
Shares outstanding	6,480,481	10,680,789	10,344,506
Net asset value and maximum offering price per share ^b	\$10.47	\$10.50	\$10.00

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

^bNet asset value per share may not recalculate due to rounding.

Statements of Operations

for the year ended February 29, 2024

	Franklin Alabama Tax- Free Income Fund	Franklin Georgia Tax- Free Income Fund	Franklin Louisiana Tax- Free Income Fund	Franklin Maryland Tax- Free Income Fund
Investment income:				
Interest:				
Unaffiliated issuers	\$6,533,564	\$12,064,044	\$10,139,471	\$12,675,348
Expenses:				
Management fees (Note 3a)	1,081,276	1,727,684	1,491,247	1,653,658
Distribution fees: (Note 3c)				
Class A	107,413	186,950	151,484	209,493
Class A1	121,044	180,573	165,065	155,051
Class C	44,211	108,187	69,673	100,936
Transfer agent fees: (Note 3e)				
Class A	25,288	50,054	41,205	57,591
Class A1	71,287	120,952	112,314	106,819
Class C	4,010	11,178	7,304	10,729
Class R6	570	3,143	2,023	3,022
Advisor Class	11,530	31,934	24,069	31,649
Custodian fees (Note 4)	1,032	1,843	1,536	1,712
Reports to shareholders fees	4,513	10,426	6,740	5,073
Registration and filing fees	11,013	11,403	10,222	14,254
Professional fees	47,947	91,192	62,306	84,750
Trustees' fees and expenses	652	2,336	1,931	2,375
Other	47,582	62,517	60,063	49,775
Total expenses	1,579,368	2,600,372	2,207,182	2,486,887
Expense reductions (Note 4)	(1,033)	(1,843)	(1,536)	(1,713)
Expenses waived/paid by affiliates (Note 3f)	(60,312)	—	(14,466)	—
Net expenses	1,518,023	2,598,529	2,191,180	2,485,174
Net investment income	5,015,541	9,465,515	7,948,291	10,190,174
Realized and unrealized gains (losses):				
Net realized gain (loss) from:				
Investments:				
Unaffiliated issuers	(2,024,966)	(4,001,278)	(3,206,369)	(5,547,815)
Net change in unrealized appreciation (depreciation) on:				
Investments:				
Unaffiliated issuers	7,015,967	12,510,276	9,462,317	10,222,796
Unfunded commitments	—	60,898	22,938	53,049
Net change in unrealized appreciation (depreciation)	7,015,967	12,571,174	9,485,255	10,275,845
Net realized and unrealized gain (loss)	4,991,001	8,569,896	6,278,886	4,728,030
Net increase (decrease) in net assets resulting from operations	\$10,006,542	\$18,035,411	\$14,227,177	\$14,918,204

Statements of Operations (continued)

for the year ended February 29, 2024

	Franklin Missouri Tax- Free Income Fund	Franklin North Carolina Tax- Free Income Fund	Franklin Virginia Tax- Free Income Fund
Investment income:			
Interest:			
Unaffiliated issuers	\$29,126,095	\$20,826,410	\$15,291,729
Expenses:			
Management fees (Note 3a)	3,413,854	2,952,728	2,192,511
Distribution fees: (Note 3c)			
Class A	427,948	333,136	210,642
Class A1	416,500	315,272	222,335
Class C	183,662	156,621	69,448
Transfer agent fees: (Note 3e)			
Class A	102,630	89,537	63,252
Class A1	250,051	212,049	166,956
Class C	17,000	16,214	8,029
Class R6	6,473	6,218	2,443
Advisor Class	41,400	74,459	81,161
Custodian fees (Note 4)	3,901	3,375	2,368
Reports to shareholders fees	10,399	9,038	6,352
Registration and filing fees	13,342	14,507	17,576
Professional fees	139,214	119,166	100,363
Trustees' fees and expenses	7,258	6,357	3,779
Other	98,855	97,324	71,134
Total expenses	5,132,487	4,406,001	3,218,349
Expense reductions (Note 4)	(3,900)	(3,375)	(2,368)
Expenses waived/paid by affiliates (Note 3f)	—	(10)	—
Net expenses	5,128,587	4,402,616	3,215,981
Net investment income	23,997,508	16,423,794	12,075,748
Realized and unrealized gains (losses):			
Net realized gain (loss) from:			
Investments:			
Unaffiliated issuers	(12,379,707)	(10,154,504)	(6,627,550)
Net change in unrealized appreciation (depreciation) on:			
Investments:			
Unaffiliated issuers	24,310,504	23,377,791	17,643,919
Unfunded commitments	125,974	110,529	78,906
Net change in unrealized appreciation (depreciation)	24,436,478	23,488,320	17,722,825
Net realized and unrealized gain (loss)	12,056,771	13,333,816	11,095,275
Net increase (decrease) in net assets resulting from operations	\$36,054,279	\$29,757,610	\$23,171,023

Statements of Changes in Net Assets

	Franklin Alabama Tax-Free Income Fund		Franklin Georgia Tax-Free Income Fund	
	Year Ended February 29, 2024	Year Ended February 28, 2023	Year Ended February 29, 2024	Year Ended February 28, 2023
Increase (decrease) in net assets:				
Operations:				
Net investment income	\$5,015,541	\$5,227,299	\$9,465,515	\$10,423,304
Net realized gain (loss)	(2,024,966)	(550,238)	(4,001,278)	(7,422,368)
Net change in unrealized appreciation (depreciation)	7,015,967	(22,789,068)	12,571,174	(37,586,160)
Net increase (decrease) in net assets resulting from operations.	10,006,542	(18,112,007)	18,035,411	(34,585,224)
Distributions to shareholders:				
Class A	(1,075,335)	(1,036,037)	(2,054,639)	(2,112,564)
Class A1	(3,212,748)	(3,431,367)	(5,231,108)	(5,828,544)
Class C	(140,105)	(188,374)	(382,369)	(502,522)
Class R6	(44,276)	(49,965)	(325,565)	(363,765)
Advisor Class	(540,377)	(447,010)	(1,429,418)	(1,495,781)
Total distributions to shareholders	(5,012,841)	(5,152,753)	(9,423,099)	(10,303,176)
Capital share transactions: (Note 2)				
Class A	5,233,322	111,663	(2,273,436)	(6,595,134)
Class A1	(10,338,785)	(22,516,464)	(21,628,755)	(35,655,157)
Class C	(2,391,146)	(3,955,851)	(5,537,344)	(6,508,892)
Class R6	(526,870)	(302,386)	401,788	(5,097,440)
Advisor Class	1,089,614	449,996	(3,297,249)	(16,910,087)
Total capital share transactions	(6,933,865)	(26,213,042)	(32,334,996)	(70,766,710)
Net increase (decrease) in net assets	(1,940,164)	(49,477,802)	(23,722,684)	(115,655,110)
Net assets:				
Beginning of year	196,246,511	245,724,313	344,256,472	459,911,582
End of year	\$194,306,347	\$196,246,511	\$320,533,788	\$344,256,472

Statements of Changes in Net Assets (continued)

	Franklin Louisiana Tax-Free Income Fund		Franklin Maryland Tax-Free Income Fund	
	Year Ended February 29, 2024	Year Ended February 28, 2023	Year Ended February 29, 2024	Year Ended February 28, 2023
Increase (decrease) in net assets:				
Operations:				
Net investment income	\$7,948,291	\$8,031,368	\$10,190,174	\$9,274,527
Net realized gain (loss)	(3,206,369)	(3,580,288)	(5,547,815)	(7,975,275)
Net change in unrealized appreciation (depreciation)	9,485,255	(32,395,123)	10,275,845	(27,068,319)
Net increase (decrease) in net assets resulting from operations.	14,227,177	(27,944,043)	14,918,204	(25,769,067)
Distributions to shareholders:				
Class A	(1,651,634)	(1,519,013)	(2,640,012)	(2,099,584)
Class A1	(4,744,726)	(5,014,939)	(5,109,295)	(5,014,256)
Class C	(242,913)	(301,203)	(414,527)	(432,089)
Class R6	(188,714)	(181,380)	(429,659)	(332,637)
Advisor Class	(1,050,581)	(934,723)	(1,561,046)	(1,290,745)
Total distributions to shareholders	(7,878,568)	(7,951,258)	(10,154,539)	(9,169,311)
Capital share transactions: (Note 2)				
Class A	459,155	(2,619,672)	5,862,440	(2,420,595)
Class A1	(20,900,132)	(36,224,345)	(17,498,765)	(32,972,184)
Class C	(4,148,210)	(5,435,907)	(4,040,981)	(4,587,337)
Class R6	1,514,443	(942,152)	(1,033,994)	(902,211)
Advisor Class	(5,459,468)	(1,999,978)	1,546,638	(5,007,484)
Total capital share transactions	(28,534,212)	(47,222,054)	(15,164,662)	(45,889,811)
Net increase (decrease) in net assets	(22,185,603)	(83,117,355)	(10,400,997)	(80,828,189)
Net assets:				
Beginning of year	291,439,968	374,557,323	317,666,703	398,494,892
End of year	\$269,254,365	\$291,439,968	\$307,265,706	\$317,666,703

Statements of Changes in Net Assets (continued)

	Franklin Missouri Tax-Free Income Fund		Franklin North Carolina Tax-Free Income Fund	
	Year Ended February 29, 2024	Year Ended February 28, 2023	Year Ended February 29, 2024	Year Ended February 28, 2023
Increase (decrease) in net assets:				
Operations:				
Net investment income	\$23,997,508	\$24,126,661	\$16,423,794	\$16,531,865
Net realized gain (loss)	(12,379,707)	(21,361,631)	(10,154,504)	(14,027,331)
Net change in unrealized appreciation (depreciation)	24,436,478	(77,792,805)	23,488,320	(62,079,218)
Net increase (decrease) in net assets resulting from operations.	36,054,279	(75,027,775)	29,757,610	(59,574,684)
Distributions to shareholders:				
Class A	(5,616,499)	(4,880,341)	(3,430,760)	(3,170,425)
Class A1	(14,283,512)	(14,833,742)	(8,580,472)	(9,153,724)
Class C	(800,796)	(989,784)	(511,336)	(602,606)
Class R6	(772,308)	(803,127)	(592,488)	(499,873)
Advisor Class	(2,433,793)	(2,328,879)	(3,129,619)	(2,901,482)
Total distributions to shareholders	(23,906,908)	(23,835,873)	(16,244,675)	(16,328,110)
Capital share transactions: (Note 2)				
Class A	11,028,803	(20,498,698)	(2,540,106)	(18,279,436)
Class A1	(47,845,085)	(88,850,838)	(53,205,230)	(80,798,332)
Class C	(9,921,227)	(14,071,379)	(6,411,452)	(11,670,976)
Class R6	1,545,960	(9,762,458)	7,942,383	(713,448)
Advisor Class	(4,040,876)	(7,042,482)	(5,708,972)	(5,217,857)
Total capital share transactions	(49,232,425)	(140,225,855)	(59,923,377)	(116,680,049)
Net increase (decrease) in net assets	(37,085,054)	(239,089,503)	(46,410,442)	(192,582,843)
Net assets:				
Beginning of year	730,712,298	969,801,801	636,520,573	829,103,416
End of year	\$693,627,244	\$730,712,298	\$590,110,131	\$636,520,573

Statements of Changes in Net Assets (continued)

	Franklin Virginia Tax-Free Income Fund	
	Year Ended February 29, 2024	Year Ended February 28, 2023
Increase (decrease) in net assets:		
Operations:		
Net investment income	\$12,075,748	\$11,886,948
Net realized gain (loss)	(6,627,550)	(9,377,978)
Net change in unrealized appreciation (depreciation)	17,722,825	(47,552,051)
Net increase (decrease) in net assets resulting from operations	23,171,023	(45,043,081)
Distributions to shareholders:		
Class A	(2,245,661)	(2,065,728)
Class A1	(6,255,295)	(6,321,400)
Class C	(235,671)	(279,197)
Class R6	(262,424)	(156,330)
Advisor Class	(3,145,156)	(2,900,585)
Total distributions to shareholders	(12,144,207)	(11,723,240)
Capital share transactions: (Note 2)		
Class A	(4,812,684)	(10,481,727)
Class A1	(29,112,662)	(50,259,582)
Class C	(3,384,280)	(6,332,061)
Class R6	2,225,283	(839,600)
Advisor Class	(10,819,074)	(13,362,192)
Total capital share transactions	(45,903,417)	(81,275,162)
Net increase (decrease) in net assets	(34,876,601)	(138,041,483)
Net assets:		
Beginning of year	452,866,887	590,908,370
End of year	\$417,990,286	\$452,866,887

Notes to Financial Statements

1. Organization and Significant Accounting Policies

Franklin Tax-Free Trust (Trust) is registered under the Investment Company Act of 1940 (1940 Act) as an open-end management investment company, consisting of twenty separate funds, seven of which are included in this report (Funds). 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, Forward Commitment or Delayed Delivery Basis

Certain or all Funds may purchase securities on a when-issued, forward commitment or delayed delivery 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. These types of securities may be considered unfunded and the Fund may be obligated to perform on such agreements at a future date. Unfunded commitments are marked to market daily and any unrealized appreciation or depreciation is included in the Statements of Assets and Liabilities and the Statements of Operations. At February 29, 2024, unfunded commitments were as follows:

1. Organization and Significant Accounting Policies

(continued)

b. Securities Purchased on a When-Issued, Forward Commitment or Delayed Delivery Basis (continued)

Borrower	Unfunded Commitment
Franklin Georgia Tax-Free Income Fund	
Puerto Rico Electric Power Authority, Restructured Power Revenue,	
B-1, 6%, 7/01/41	\$255,064
B-2, 7.125%, 7/01/59	1,238,735
	<u>\$1,493,799</u>
Franklin Louisiana Tax-Free Income Fund	
Puerto Rico Electric Power Authority, Restructured Power Revenue,	
B-1, 6%, 7/01/41	\$96,071
B-2, 7.125%, 7/01/59	466,572
	<u>\$562,643</u>
Franklin Maryland Tax-Free Income Fund	
Puerto Rico Electric Power Authority, Restructured Power Revenue,	
B-1, 6%, 7/01/41	\$222,188
B-2, 7.125%, 7/01/59	1,079,067
	<u>\$1,301,255</u>
Franklin Missouri Tax-Free Income Fund	
Puerto Rico Electric Power Authority, Restructured Power Revenue,	
B-1, 6%, 7/01/41	\$527,626
B-2, 7.125%, 7/01/59	2,562,442
	<u>\$3,090,068</u>
Franklin North Carolina Tax-Free Income Fund	
Puerto Rico Electric Power Authority, Restructured Power Revenue,	
B-1, 6%, 7/01/41	\$462,937
B-2, 7.125%, 7/01/59	2,248,276
	<u>\$2,711,213</u>
Franklin Virginia Tax-Free Income Fund	
Puerto Rico Electric Power Authority, Restructured Power Revenue,	
B-1, 6%, 7/01/41	\$330,490
B-2, 7.125%, 7/01/59	1,605,043
	<u>\$1,935,533</u>

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.

Each Fund may recognize an income tax liability related to its uncertain tax positions under U.S. GAAP when the uncertain tax position has a less than 50% probability that

it will be sustained upon examination by the tax authorities based on its technical merits. As of February 29, 2024, 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 (including interest income from payment-in-kind securities, if any) and estimated expenses are accrued daily. Amortization of premium and accretion of discount on debt securities are included in interest income. Paydown gains and losses are recorded as an adjustment to 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.

1. Organization and Significant Accounting Policies

(continued)

e. Insurance

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

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

f. Accounting Estimates

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

g. Guarantees and Indemnifications

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

2. Shares of Beneficial Interest

At February 29, 2024, there were an unlimited number of shares authorized (without par value). Transactions in the Funds' shares were as follows:

	Franklin Alabama Tax-Free Income Fund		Franklin Georgia Tax-Free Income Fund	
	Shares	Amount	Shares	Amount
Class A Shares:				
Year ended February 29, 2024				
Shares sold ^a	1,338,090	\$13,494,319	1,302,263	\$13,569,597
Shares issued in reinvestment of distributions	102,450	1,020,836	179,768	1,874,809
Shares redeemed	(938,308)	(9,281,833)	(1,705,485)	(17,717,842)
Net increase (decrease)	502,232	\$5,233,322	(223,454)	\$(2,273,436)
Year ended February 28, 2023				
Shares sold ^a	1,621,324	\$16,265,061	1,748,490	\$18,594,349
Shares issued in reinvestment of distributions	97,512	979,141	183,240	1,934,918
Shares redeemed	(1,714,714)	(17,132,539)	(2,557,645)	(27,124,401)
Net increase (decrease)	4,122	\$111,663	(625,915)	\$(6,595,134)
Class A1 Shares:				
Year ended February 29, 2024				
Shares sold	416,397	\$4,142,694	229,001	\$2,400,520
Shares issued in reinvestment of distributions	290,127	2,887,542	443,413	4,624,141
Shares redeemed	(1,744,630)	(17,369,021)	(2,742,757)	(28,653,416)
Net increase (decrease)	(1,038,106)	\$(10,338,785)	(2,070,343)	\$(21,628,755)
Year ended February 28, 2023				
Shares sold	312,555	\$3,178,258	719,329	\$7,631,801
Shares issued in reinvestment of distributions	306,041	3,075,398	485,622	5,131,175
Shares redeemed	(2,876,995)	(28,770,120)	(4,572,010)	(48,418,133)
Net increase (decrease)	(2,258,399)	\$(22,516,464)	(3,367,059)	\$(35,655,157)
Class C Shares:				
Year ended February 29, 2024				
Shares sold	60,044	\$606,458	109,638	\$1,152,676
Shares issued in reinvestment of distributions	12,707	128,129	34,706	367,460
Shares redeemed ^a	(309,667)	(3,125,733)	(666,303)	(7,057,480)
Net increase (decrease)	(236,916)	\$(2,391,146)	(521,959)	\$(5,537,344)
Year ended February 28, 2023				
Shares sold	97,683	\$991,550	67,375	\$718,553
Shares issued in reinvestment of distributions	17,476	178,192	44,511	477,570
Shares redeemed ^a	(501,116)	(5,125,593)	(714,709)	(7,705,015)
Net increase (decrease)	(385,957)	\$(3,955,851)	(602,823)	\$(6,508,892)

2. Shares of Beneficial Interest (continued)

	Franklin Alabama Tax-Free Income Fund		Franklin Georgia Tax-Free Income Fund	
	Shares	Amount	Shares	Amount
Class R6 Shares:				
Year ended February 29, 2024				
Shares sold	30,124	\$303,644	352,145	\$3,681,149
Shares issued in reinvestment of distributions	4,385	43,596	15,405	160,609
Shares redeemed	(89,107)	(874,110)	(327,117)	(3,439,970)
Net increase (decrease)	(54,598)	\$(526,870)	40,433	\$401,788
Year ended February 28, 2023				
Shares sold	62,185	\$627,320	772,115	\$8,210,516
Shares issued in reinvestment of distributions	4,971	49,965	15,117	159,927
Shares redeemed	(97,776)	(979,671)	(1,264,007)	(13,467,883)
Net increase (decrease)	(30,620)	\$(302,386)	(476,775)	\$(5,097,440)
Advisor Class Shares:				
Year ended February 29, 2024				
Shares sold	440,358	\$4,409,758	900,353	\$9,396,069
Shares issued in reinvestment of distributions	49,211	489,562	127,737	1,332,065
Shares redeemed	(381,889)	(3,809,706)	(1,347,279)	(14,025,383)
Net increase (decrease)	107,680	\$1,089,614	(319,189)	\$(3,297,249)
Year ended February 28, 2023				
Shares sold	869,679	\$8,755,022	1,698,941	\$18,043,256
Shares issued in reinvestment of distributions	40,371	405,764	130,170	1,376,447
Shares redeemed	(870,353)	(8,710,790)	(3,397,008)	(36,329,790)
Net increase (decrease)	39,697	\$449,996	(1,567,897)	\$(16,910,087)
	Franklin Louisiana Tax-Free Income Fund		Franklin Maryland Tax-Free Income Fund	
	Shares	Amount	Shares	Amount
Class A Shares:				
Year ended February 29, 2024				
Shares sold ^a	1,145,651	\$11,526,499	1,790,306	\$17,600,707
Shares issued in reinvestment of distributions	153,264	1,528,379	250,103	2,441,176
Shares redeemed	(1,253,631)	(12,595,723)	(1,466,839)	(14,179,443)
Net increase (decrease)	45,284	\$459,155	573,570	\$5,862,440
Year ended February 28, 2023				
Shares sold ^a	1,273,963	\$12,969,760	1,689,537	\$16,756,402
Shares issued in reinvestment of distributions	140,975	1,420,787	199,166	1,961,949
Shares redeemed	(1,698,813)	(17,010,219)	(2,141,682)	(21,138,946)
Net increase (decrease)	(283,875)	\$(2,619,672)	(252,979)	\$(2,420,595)

2. Shares of Beneficial Interest (continued)

	Franklin Louisiana Tax-Free Income Fund		Franklin Maryland Tax-Free Income Fund	
	Shares	Amount	Shares	Amount
Class A1 Shares:				
Year ended February 29, 2024				
Shares sold	188,891	\$1,883,031	228,603	\$2,210,696
Shares issued in reinvestment of distributions	456,359	4,549,579	458,011	4,472,466
Shares redeemed	(2,744,651)	(27,332,742)	(2,479,180)	(24,181,927)
Net increase (decrease)	(2,099,401)	\$(20,900,132)	(1,792,566)	\$(17,498,765)
Year ended February 28, 2023				
Shares sold	511,375	\$5,157,176	351,520	\$3,484,316
Shares issued in reinvestment of distributions	478,699	4,823,068	445,209	4,388,962
Shares redeemed	(4,583,325)	(46,204,589)	(4,136,594)	(40,845,462)
Net increase (decrease)	(3,593,251)	\$(36,224,345)	(3,339,865)	\$(32,972,184)
Class C Shares:				
Year ended February 29, 2024				
Shares sold	88,248	\$904,712	74,216	\$743,194
Shares issued in reinvestment of distributions	23,452	237,567	39,868	397,515
Shares redeemed ^a	(523,736)	(5,290,489)	(520,297)	(5,181,690)
Net increase (decrease)	(412,036)	\$(4,148,210)	(406,213)	\$(4,040,981)
Year ended February 28, 2023				
Shares sold	100,570	\$1,023,842	226,293	\$2,284,701
Shares issued in reinvestment of distributions	28,824	295,374	40,997	412,514
Shares redeemed ^a	(655,090)	(6,755,123)	(721,197)	(7,284,552)
Net increase (decrease)	(525,696)	\$(5,435,907)	(453,907)	\$(4,587,337)
Class R6 Shares:				
Year ended February 29, 2024				
Shares sold	295,525	\$2,997,859	345,951	\$3,379,331
Shares issued in reinvestment of distributions	18,833	187,914	28,819	281,794
Shares redeemed	(166,964)	(1,671,330)	(483,786)	(4,695,119)
Net increase (decrease)	147,394	\$1,514,443	(109,016)	\$(1,033,994)
Year ended February 28, 2023				
Shares sold	149,286	\$1,510,559	681,091	\$6,663,440
Shares issued in reinvestment of distributions	17,697	178,368	21,007	207,693
Shares redeemed	(261,711)	(2,631,079)	(786,537)	(7,773,344)
Net increase (decrease)	(94,728)	\$(942,152)	(84,439)	\$(902,211)

2. Shares of Beneficial Interest (continued)

	Franklin Louisiana Tax-Free Income Fund		Franklin Maryland Tax-Free Income Fund	
	Shares	Amount	Shares	Amount
Advisor Class Shares:				
Year ended February 29, 2024				
Shares sold	759,737	\$7,568,906	2,043,637	\$19,580,472
Shares issued in reinvestment of distributions	101,346	1,010,575	148,283	1,450,125
Shares redeemed	(1,419,965)	(14,038,949)	(2,022,613)	(19,483,959)
Net increase (decrease)	(558,882)	\$(5,459,468)	169,307	\$1,546,638
Year ended February 28, 2023				
Shares sold	1,064,682	\$10,742,983	2,568,387	\$25,471,601
Shares issued in reinvestment of distributions	86,626	872,889	118,105	1,163,994
Shares redeemed	(1,331,934)	(13,615,850)	(3,162,831)	(31,643,079)
Net increase (decrease)	(180,626)	\$(1,999,978)	(476,339)	\$(5,007,484)
	Franklin Missouri Tax-Free Income Fund		Franklin North Carolina Tax-Free Income Fund	
	Shares	Amount	Shares	Amount
Class A Shares:				
Year ended February 29, 2024				
Shares sold ^a	4,159,046	\$42,768,065	2,818,585	\$29,017,466
Shares issued in reinvestment of distributions	531,375	5,453,991	315,400	3,243,559
Shares redeemed	(3,646,441)	(37,193,253)	(3,396,641)	(34,801,131)
Net increase (decrease)	1,043,980	\$11,028,803	(262,656)	\$(2,540,106)
Year ended February 28, 2023				
Shares sold ^a	5,855,721	\$61,401,454	4,327,513	\$44,876,566
Shares issued in reinvestment of distributions	450,106	4,710,839	284,857	2,952,870
Shares redeemed	(8,228,845)	(86,610,991)	(6,367,988)	(66,108,872)
Net increase (decrease)	(1,923,018)	\$(20,498,698)	(1,755,618)	\$(18,279,436)
Class A1 Shares:				
Year ended February 29, 2024				
Shares sold	979,544	\$10,079,660	641,786	\$6,611,905
Shares issued in reinvestment of distributions	1,287,119	13,200,475	768,222	7,897,674
Shares redeemed	(6,944,203)	(71,125,220)	(6,605,595)	(67,714,809)
Net increase (decrease)	(4,677,540)	\$(47,845,085)	(5,195,587)	\$(53,205,230)
Year ended February 28, 2023				
Shares sold	2,239,512	\$23,487,893	2,128,039	\$22,071,447
Shares issued in reinvestment of distributions	1,320,758	13,817,937	800,975	8,305,512
Shares redeemed	(12,021,358)	(126,156,668)	(10,716,547)	(111,175,291)
Net increase (decrease)	(8,461,088)	\$(88,850,838)	(7,787,533)	\$(80,798,332)

2. Shares of Beneficial Interest (continued)

	Franklin Missouri Tax-Free Income Fund		Franklin North Carolina Tax-Free Income Fund	
	Shares	Amount	Shares	Amount
Class C Shares:				
Year ended February 29, 2024				
Shares sold	150,373	\$1,560,299	170,997	\$1,803,539
Shares issued in reinvestment of distributions	75,169	778,999	46,471	485,700
Shares redeemed ^a	(1,182,040)	(12,260,525)	(829,069)	(8,700,691)
Net increase (decrease)	(956,498)	\$(9,921,227)	(611,601)	\$(6,411,452)
Year ended February 28, 2023				
Shares sold	294,589	\$3,154,109	209,125	\$2,203,737
Shares issued in reinvestment of distributions	90,952	961,917	54,916	578,976
Shares redeemed ^a	(1,712,296)	(18,187,405)	(1,366,078)	(14,453,689)
Net increase (decrease)	(1,326,755)	\$(14,071,379)	(1,102,037)	\$(11,670,976)
Class R6 Shares:				
Year ended February 29, 2024				
Shares sold	832,995	\$8,646,444	2,101,547	\$21,788,281
Shares issued in reinvestment of distributions	70,206	720,567	33,922	348,159
Shares redeemed	(763,127)	(7,821,051)	(1,401,813)	(14,194,057)
Net increase (decrease)	140,074	\$1,545,960	733,656	\$7,942,383
Year ended February 28, 2023				
Shares sold	838,718	\$8,827,824	1,393,866	\$14,428,350
Shares issued in reinvestment of distributions	69,077	724,330	33,064	342,803
Shares redeemed	(1,838,636)	(19,314,612)	(1,486,703)	(15,484,601)
Net increase (decrease)	(930,841)	\$(9,762,458)	(59,773)	\$(713,448)
Advisor Class Shares:				
Year ended February 29, 2024				
Shares sold	1,770,007	\$18,247,223	3,442,355	\$35,274,735
Shares issued in reinvestment of distributions	203,752	2,091,053	294,165	3,024,604
Shares redeemed	(2,373,418)	(24,379,152)	(4,318,914)	(44,008,311)
Net increase (decrease)	(399,659)	\$(4,040,876)	(582,394)	\$(5,708,972)
Year ended February 28, 2023				
Shares sold	3,284,148	\$34,246,384	7,262,296	\$74,897,973
Shares issued in reinvestment of distributions	183,654	1,920,437	269,486	2,792,496
Shares redeemed	(4,131,561)	(43,209,303)	(8,022,802)	(82,908,326)
Net increase (decrease)	(663,759)	\$(7,042,482)	(491,020)	\$(5,217,857)

2. Shares of Beneficial Interest (continued)

	Franklin Virginia Tax-Free Income Fund	
	Shares	Amount
Class A Shares:		
Year ended February 29, 2024		
Shares sold ^a	1,052,351	\$10,319,019
Shares issued in reinvestment of distributions	195,901	1,912,573
Shares redeemed	(1,745,500)	(17,044,276)
Net increase (decrease)	(497,248)	\$(4,812,684)
Year ended February 28, 2023		
Shares sold ^a	1,789,456	\$17,690,250
Shares issued in reinvestment of distributions	179,625	1,771,113
Shares redeemed	(3,024,345)	(29,943,090)
Net increase (decrease)	(1,055,264)	\$(10,481,727)
Class A1 Shares:		
Year ended February 29, 2024		
Shares sold	506,244	\$4,962,378
Shares issued in reinvestment of distributions	575,142	5,612,495
Shares redeemed	(4,081,908)	(39,687,535)
Net increase (decrease)	(3,000,522)	\$(29,112,662)
Year ended February 28, 2023		
Shares sold	597,867	\$5,910,955
Shares issued in reinvestment of distributions	572,381	5,645,061
Shares redeemed	(6,264,117)	(61,815,598)
Net increase (decrease)	(5,093,869)	\$(50,259,582)
Class C Shares:		
Year ended February 29, 2024		
Shares sold	71,429	\$712,272
Shares issued in reinvestment of distributions	22,841	226,818
Shares redeemed ^a	(437,012)	(4,323,370)
Net increase (decrease)	(342,742)	\$(3,384,280)
Year ended February 28, 2023		
Shares sold	112,143	\$1,130,448
Shares issued in reinvestment of distributions	26,940	270,609
Shares redeemed ^a	(769,209)	(7,733,118)
Net increase (decrease)	(630,126)	\$(6,332,061)

2. Shares of Beneficial Interest (continued)

	Franklin Virginia Tax-Free Income Fund	
	Shares	Amount
Class R6 Shares:		
Year ended February 29, 2024		
Shares sold	634,321	\$6,216,526
Shares issued in reinvestment of distributions	18,450	180,037
Shares redeemed	(427,769)	(4,171,280)
Net increase (decrease)	225,002	\$2,225,283
Year ended February 28, 2023		
Shares sold	388,577	\$3,831,979
Shares issued in reinvestment of distributions	14,739	145,517
Shares redeemed	(481,730)	(4,817,096)
Net increase (decrease)	(78,414)	\$(839,600)
Advisor Class Shares:		
Year ended February 29, 2024		
Shares sold	1,949,152	\$19,044,520
Shares issued in reinvestment of distributions	284,133	2,774,790
Shares redeemed	(3,375,212)	(32,638,384)
Net increase (decrease)	(1,141,927)	\$(10,819,074)
Year ended February 28, 2023		
Shares sold	5,189,615	\$51,441,715
Shares issued in reinvestment of distributions	263,131	2,596,173
Shares redeemed	(6,746,936)	(67,400,080)
Net increase (decrease)	(1,294,190)	\$(13,362,192)

^aMay include a portion of Class C shares that were automatically converted to Class A.

3. Transactions with Affiliates

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

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

3. Transactions with Affiliates (continued)

a. Management Fees

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

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

For the year ended February 29, 2024, each Fund's gross effective investment management fee rate based on average daily net assets was as follows:

	Franklin Alabama Tax- Free Income Fund	Franklin Georgia Tax- Free Income Fund	Franklin Louisiana Tax- Free Income Fund
Gross effective investment management fee rate.	0.564%	0.523%	0.537%
	Franklin Maryland Tax- Free Income Fund	Franklin Missouri Tax- Free Income Fund	Franklin North Carolina Tax- Free Income Fund
Gross effective investment management fee rate.	0.529%	0.483%	0.489%
	Franklin Virginia Tax- Free Income Fund		
Gross effective investment management fee rate.	0.505%		

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 Funds' shares up to the maximum annual plan rate for each class. Under the Class A and 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 the Funds' shares up to the maximum annual plan rate. The plan year, for purposes of monitoring compliance with the maximum annual plan rates, is February 1 through January 31 for each Fund.

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

	Franklin Alabama Tax- Free Income Fund	Franklin Georgia Tax- Free Income Fund	Franklin Louisiana Tax- Free Income Fund	Franklin Maryland Tax- Free Income Fund
Class A	0.25%	0.25%	0.25%	0.25%
Class A1	0.10%	0.10%	0.10%	0.10%
Class C	0.65%	0.65%	0.65%	0.65%

	Franklin Missouri Tax- Free Income Fund	Franklin North Carolina Tax- Free Income Fund	Franklin Virginia Tax- Free Income Fund
Class A	0.25%	0.25%	0.25%
Class A1	0.10%	0.10%	0.10%
Class C	0.65%	0.65%	0.65%

d. Sales Charges/Underwriting Agreements

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

	Franklin Alabama Tax- Free Income Fund	Franklin Georgia Tax- Free Income Fund	Franklin Louisiana Tax- Free Income Fund	Franklin Maryland Tax- Free Income Fund
Sales charges retained net of commissions paid to unaffiliated brokers/dealers	\$3,023	\$4,251	\$3,622	\$3,755
CDSC retained	\$1,096	\$13,232	\$2,850	\$4,661

	Franklin Missouri Tax- Free Income Fund	Franklin North Carolina Tax- Free Income Fund	Franklin Virginia Tax- Free Income Fund
Sales charges retained net of commissions paid to unaffiliated brokers/dealers	\$12,089	\$6,263	\$3,676
CDSC retained	\$8,979	\$11,180	\$1,815

3. Transactions with Affiliates (continued)

e. Transfer Agent Fees

Each class of shares pays transfer agent fees, calculated monthly and paid monthly, to Investor Services for its performance of shareholder servicing obligations. Effective October 1, 2023, the fees are based on a fixed margin earned by Investor Services and are allocated to the Funds based upon relative assets and relative transactions. Prior to October 1, 2023, the fees were based on an annualized asset based fee of 0.016% 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 paid to third parties are accrued and allocated daily based upon their relative proportion of such classes' aggregate net assets. Class R6 pays Investor Services transfer agent fees allocated specifically to that class based upon its relative assets and relative transactions.

For the year ended February 29, 2024, the Funds paid transfer agent fees as noted in the Statements of Operations of which the following amounts were retained by Investor Services:

	Franklin Alabama Tax- Free Income Fund	Franklin Georgia Tax- Free Income Fund	Franklin Louisiana Tax- Free Income Fund	Franklin Maryland Tax- Free Income Fund
Transfer agent fees	\$45,032	\$80,152	\$61,970	\$80,730
	Franklin Missouri Tax- Free Income Fund	Franklin North Carolina Tax- Free Income Fund	Franklin Virginia Tax- Free Income Fund	
Transfer agent fees	\$159,473	\$136,072	\$105,224	

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.

Transfer agent fees on Class R6 shares of the Funds have been capped so that transfer agent fees for that class 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 year ended February 29, 2024, were as follows:

	Franklin Alabama Tax- Free Income Fund	Franklin Georgia Tax- Free Income Fund	Franklin Louisiana Tax- Free Income Fund	Franklin Maryland Tax- Free Income Fund
Purchases	\$3,500,000	\$16,746,321	\$14,970,000	\$17,747,564
Sales	—	\$10,100,000	\$8,935,000	\$12,600,000
Net Realized Gains (Losses)	—	—	—	—

3. Transactions with Affiliates (continued)

g. Interfund Transactions (continued)

	Franklin Missouri Tax- Free Income Fund	Franklin North Carolina Tax- Free Income Fund	Franklin Virginia Tax- Free Income Fund
Purchases	\$8,410,000	\$46,240,000	\$8,800,000
Sales	\$10,265,000	\$34,000,000	\$7,200,000
Net Realized Gains (Losses)	—	—	—

4. Expense Offset Arrangement

The Funds have entered into an arrangement with their custodian whereby credits realized as a result of uninvested cash balances are used to reduce a portion of the Funds' custodian expenses. During the year ended February 29, 2024, 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 29, 2024, the capital loss carryforwards were as follows:

	Franklin Alabama Tax- Free Income Fund	Franklin Georgia Tax- Free Income Fund	Franklin Louisiana Tax- Free Income Fund	Franklin Maryland Tax- Free Income Fund
Capital loss carryforwards not subject to expiration:				
Short term	\$4,941,296	\$8,542,927	\$12,705,581	\$16,496,338
Long term	12,341,279	28,121,294	18,636,107	38,692,662
Total capital loss carryforwards	\$17,282,575	\$36,664,221	\$31,341,688	\$55,189,000

	Franklin Missouri Tax- Free Income Fund	Franklin North Carolina Tax- Free Income Fund	Franklin Virginia Tax- Free Income Fund
Capital loss carryforwards not subject to expiration:			
Short term	\$20,331,836	\$32,392,070	\$24,409,566
Long term	96,397,613	87,930,575	48,840,493
Total capital loss carryforwards	\$116,729,449	\$120,322,645	\$73,250,059

The tax character of distributions paid during the years ended February 29, 2024 and February 28, 2023, was as follows:

	Franklin Alabama Tax-Free Income Fund		Franklin Georgia Tax-Free Income Fund	
	2024	2023	2024	2023
Distributions paid from:				
Ordinary income	\$72,227	\$18,105	\$130,689	\$39,459
Tax exempt income	4,940,614	5,134,648	9,292,410	10,263,717
	\$5,012,841	\$5,152,753	\$9,423,099	\$10,303,176

5. Income Taxes (continued)

	Franklin Louisiana Tax-Free Income Fund		Franklin Maryland Tax-Free Income Fund	
	2024	2023	2024	2023
Distributions paid from:				
Ordinary income	\$71,819	\$10,260	\$81,747	\$11,632
Tax exempt income	7,806,749	7,940,998	10,072,792	9,157,679
	<u>\$7,878,568</u>	<u>\$7,951,258</u>	<u>\$10,154,539</u>	<u>\$9,169,311</u>
	Franklin Missouri Tax-Free Income Fund		Franklin North Carolina Tax-Free Income Fund	
	2024	2023	2024	2023
Distributions paid from:				
Ordinary income	\$221,640	\$29,478	\$243,155	\$67,888
Tax exempt income	23,685,268	23,806,395	16,001,520	16,260,222
	<u>\$23,906,908</u>	<u>\$23,835,873</u>	<u>\$16,244,675</u>	<u>\$16,328,110</u>
	Franklin Virginia Tax-Free Income Fund			
	2024	2023		
Distributions paid from:				
Ordinary income	\$416,643	\$18,568		
Tax exempt income	11,727,564	11,704,672		
	<u>\$12,144,207</u>	<u>\$11,723,240</u>		

At February 29, 2024, the cost of investments, net unrealized appreciation (depreciation) and undistributed tax exempt income for income tax purposes were as follows:

	Franklin Alabama Tax-Free Income Fund	Franklin Georgia Tax-Free Income Fund	Franklin Louisiana Tax-Free Income Fund	Franklin Maryland Tax-Free Income Fund
Cost of investments	\$201,462,406	\$330,452,185	\$279,399,156	\$314,109,665
Unrealized appreciation.	\$1,494,863	\$2,716,012	\$1,866,037	\$4,865,418
Unrealized depreciation.	(9,803,652)	(18,490,245)	(15,042,184)	(14,732,140)
Net unrealized appreciation (depreciation).	<u>\$(8,308,789)</u>	<u>\$(15,774,233)</u>	<u>\$(13,176,147)</u>	<u>\$(9,866,722)</u>
Distributable earnings:				
Undistributed tax exempt income.	\$56,449	\$464,751	\$330,874	\$512,635

5. Income Taxes (continued)

	Franklin Missouri Tax- Free Income Fund	Franklin North Carolina Tax- Free Income Fund	Franklin Virginia Tax- Free Income Fund
Cost of investments	\$713,416,157	\$612,489,313	\$438,173,896
Unrealized appreciation.	\$10,502,429	\$5,684,195	\$4,509,959
Unrealized depreciation.	(38,626,630)	(27,830,109)	(25,477,384)
Net unrealized appreciation (depreciation).	\$(28,124,201)	\$(22,145,914)	\$(20,967,425)
Distributable earnings:			
Undistributed tax exempt income.	\$1,691,195	\$1,579,258	\$586,078

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

6. Investment Transactions

Purchases and sales of investments (excluding short term securities) for the year ended February 29, 2024, were as follows:

	Franklin Alabama Tax- Free Income Fund	Franklin Georgia Tax- Free Income Fund	Franklin Louisiana Tax- Free Income Fund	Franklin Maryland Tax- Free Income Fund
Purchases	\$14,109,980	\$31,882,954	\$23,242,135	\$37,852,099
Sales	\$17,190,280	\$61,131,938	\$50,822,654	\$53,606,265

	Franklin Missouri Tax- Free Income Fund	Franklin North Carolina Tax- Free Income Fund	Franklin Virginia Tax- Free Income Fund
Purchases	\$108,726,734	\$87,485,695	\$59,679,428
Sales	\$151,730,590	\$143,975,433	\$97,114,038

7. Defaulted Securities

Certain or all Funds held defaulted securities and/or other securities for which the income has been deemed uncollectible. The Funds discontinue accruing income on securities for which income has been deemed uncollectible and provide an estimate for losses on interest receivable. The securities have been identified in the accompanying Schedules of Investments. At February 29, 2024, the aggregate value of these securities was as follows:

	Value	Percentage of Net Assets
Franklin Georgia Tax-Free Income Fund	\$601,550	0.2%
Franklin Louisiana Tax-Free Income Fund	226,575	0.1%
Franklin Maryland Tax-Free Income Fund	523,375	0.2%
Franklin Missouri Tax-Free Income Fund	1,242,850	0.2%
Franklin North Carolina Tax-Free Income Fund	1,091,800	0.2%
Franklin Virginia Tax-Free Income Fund.	779,100	0.2%

8. Concentration of Risk

Certain or all Funds invest a large percentage of their total assets in obligations of issuers within their respective state, U.S. territories, and the District of Columbia. Such concentration may subject the Funds to risks associated with industrial or regional matters, and economic, political or legal developments occurring within those states, U.S. territories, and the District of Columbia. 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 January 31, 2025. This Global Credit Facility provides a source of funds to the Borrowers for temporary and emergency purposes, including the ability to meet future unanticipated or unusually large redemption requests.

Under the terms of the Global Credit Facility, the Funds shall, in addition to interest charged on any borrowings made by the Funds and other costs incurred by the Funds, pay their share of fees and expenses incurred in connection with the implementation and maintenance of the Global Credit Facility, based upon their relative share of the aggregate net assets of all of the Borrowers, including an annual commitment fee of 0.15% based upon the unused portion of the Global Credit Facility. These fees are reflected in other expenses in the Statements of Operations. During the year ended February 29, 2024, 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 February 29, 2024, in valuing the Funds' assets carried at fair value, is as follows:

	Level 1	Level 2	Level 3	Total
Franklin Alabama Tax-Free Income Fund				
Assets:				
Investments in Securities: ^a				
Corporate Bonds	\$—	\$—	\$497,437	\$497,437
Municipal Bonds	—	189,156,180	—	189,156,180
Short Term Investments	—	3,500,000	—	3,500,000
Total Investments in Securities	\$—	\$192,656,180	\$497,437	\$193,153,617

10. Fair Value Measurements (continued)

	Level 1	Level 2	Level 3	Total
Franklin Georgia Tax-Free Income Fund				
Assets:				
Investments in Securities: ^a				
Corporate Bonds	\$—	\$—	\$895,386	\$895,386
Municipal Bonds	—	313,690,313	—	313,690,313
Escrows and Litigation Trusts	—	—	92,253	92,253
Total Investments in Securities	\$—	\$313,690,313	\$987,639	\$314,677,952
Other Financial Instruments:				
Unfunded Commitments	\$—	\$—	\$60,898	\$60,898
Total Other Financial Instruments	\$—	\$—	\$60,898	\$60,898
Franklin Louisiana Tax-Free Income Fund				
Assets:				
Investments in Securities: ^a				
Municipal Bonds	\$—	\$261,153,262	\$—	\$261,153,262
Escrows and Litigation Trusts	—	—	34,747	34,747
Short Term Investments	—	5,035,000	—	5,035,000
Total Investments in Securities	\$—	\$266,188,262	\$34,747	\$266,223,009
Other Financial Instruments:				
Unfunded Commitments	\$—	\$—	\$22,938	\$22,938
Total Other Financial Instruments	\$—	\$—	\$22,938	\$22,938
Franklin Maryland Tax-Free Income Fund				
Assets:				
Investments in Securities: ^a				
Municipal Bonds	—	300,462,679	—	300,462,679
Escrows and Litigation Trusts	—	—	80,264	80,264
Short Term Investments	—	3,700,000	—	3,700,000
Total Investments in Securities	\$—	\$304,162,679	\$80,264	\$304,242,943
Other Financial Instruments:				
Unfunded Commitments	\$—	\$—	\$53,049	\$53,049
Total Other Financial Instruments	\$—	\$—	\$53,049	\$53,049
Franklin Missouri Tax-Free Income Fund				
Assets:				
Investments in Securities: ^a				
Municipal Bonds	—	678,701,354	—	678,701,354
Escrows and Litigation Trusts	—	—	190,602	190,602
Short Term Investments	—	6,400,000	—	6,400,000
Total Investments in Securities	\$—	\$685,101,354	\$190,602	\$685,291,956
Other Financial Instruments:				
Unfunded Commitments	\$—	\$—	\$125,974	\$125,974
Total Other Financial Instruments	\$—	\$—	\$125,974	\$125,974
Franklin North Carolina Tax-Free Income Fund				
Assets:				
Investments in Securities: ^a				
Corporate Bonds	—	—	1,591,797	1,591,797
Municipal Bonds	—	574,269,165	—	574,269,165
Escrows and Litigation Trusts	—	—	167,437	167,437
Short Term Investments	—	14,315,000	—	14,315,000
Total Investments in Securities	\$—	\$588,584,165	\$1,759,234	\$590,343,399
Other Financial Instruments:				
Unfunded Commitments	\$—	\$—	\$110,529	\$110,529
Total Other Financial Instruments	\$—	\$—	\$110,529	\$110,529

10. Fair Value Measurements (continued)

	Level 1	Level 2	Level 3	Total
Franklin Virginia Tax-Free Income Fund				
Assets:				
Investments in Securities: ^a				
Municipal Bonds	\$—	\$409,886,989	\$—	\$409,886,989
Escrows and Litigation Trusts	—	—	119,482	119,482
Short Term Investments	—	7,200,000	—	7,200,000
Total Investments in Securities	\$—	\$417,086,989	\$119,482	\$417,206,471
Other Financial Instruments:				
Unfunded Commitments	\$—	\$—	\$78,906	\$78,906
Total Other Financial Instruments	\$—	\$—	\$78,906	\$78,906

^aFor detailed categories, see the accompanying Schedule of Investments.

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

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

AGMC	Assured Guaranty Municipal Corp.
AMBAC	American Municipal Bond Assurance Corp.
BAM	Build America Mutual Assurance Co.
COP	Certificate of Participation
ETM	Escrowed to Maturity
FRN	Floating Rate Note
GNMA	Government National Mortgage Association
GO	General Obligation
LOC	Letter of Credit
NATL	National Reinsurance Corp.
SPA	Standby Purchase Agreement

Report of Independent Registered Public Accounting Firm

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

Opinions on the Financial Statements

We have audited the accompanying statements of assets and liabilities, including the schedules of investments, of Franklin Alabama Tax-Free Income Fund, Franklin Georgia Tax-Free Income Fund, Franklin Louisiana Tax-Free Income Fund, Franklin Maryland Tax-Free Income Fund, Franklin Missouri Tax-Free Income Fund, Franklin North Carolina Tax-Free Income Fund and Franklin Virginia Tax-Free Income Fund (seven of the funds constituting Franklin Tax-Free Trust, hereafter collectively referred to as the "Funds") as of February 29, 2024, the related statements of operations for the year ended February 29, 2024, the statements of changes in net assets for each of the two years in the period ended February 29, 2024, including the related notes, and the financial highlights for each of the five years in the period ended February 29, 2024 (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of each of the Funds as of February 29, 2024, the results of each of their operations for the year then ended, the changes in each of their net assets for each of the two years in the period ended February 29, 2024 and each of the financial highlights for each of the five years in the period ended February 29, 2024 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

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

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of February 29, 2024 by correspondence with the custodian and brokers; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinions.

PricewaterhouseCoopers LLP

San Francisco, California

April 16, 2024

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

Tax Information (unaudited)

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

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

The Funds hereby report the following amounts, or if subsequently determined to be different, the maximum allowable amounts, for the fiscal year ended February 29, 2024:

		Franklin Alabama Tax-Free Income Fund	Franklin Georgia Tax-Free Income Fund	Franklin Louisiana Tax-Free Income Fund
Exempt-Interest Dividends Distributed	Pursuant to: §852(b)(5)(A)	\$4,940,614	\$9,292,410	\$7,806,749
		Franklin Maryland Tax-Free Income Fund	Franklin Missouri Tax-Free Income Fund	Franklin North Carolina Tax-Free Income Fund
Exempt-Interest Dividends Distributed	Pursuant to: §852(b)(5)(A)	\$10,072,792	\$23,685,268	\$16,001,520
		Franklin Virginia Tax-Free Income Fund		
Exempt-Interest Dividends Distributed	Pursuant to: §852(b)(5)(A)	\$11,727,564		

Board Members and Officers

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

Independent Board Members

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member ¹	Other Directorships Held During at Least the Past 5 Years
Harris J. Ashton (1932) One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 1984	117	Bar-S Foods (meat packing company) (1981-2010).
Principal Occupation During at Least the Past 5 Years: Director of various companies; and formerly , Director, RBC Holdings, Inc. (bank holding company) (until 2002); and President, Chief Executive Officer and Chairman of the Board, General Host Corporation (nursery and craft centers) (until 1998).				
Terrence J. Checki (1945) One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 2017	117	Hess Corporation (exploration of oil and gas) (2014-present).
Principal Occupation During at Least the Past 5 Years: Member of the Council on Foreign Relations (1996-present); Member of the National Committee on U.S.-China Relations (1999-present); member of the board of trustees of the Economic Club of New York (2013-present); member of the board of trustees of the Foreign Policy Association (2005-present); member of the board of directors of Council of the Americas (2007-present) and the Tallberg Foundation (2018-present); and formerly , Executive Vice President of the Federal Reserve Bank of New York and Head of its Emerging Markets and Internal Affairs Group and Member of Management Committee (1995-2014); and Visiting Fellow at the Council on Foreign Relations (2014).				
Mary C. Choksi (1950) One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 2014	117	Omnicom Group Inc. (advertising and marketing communications services) (2011-present) and White Mountains Insurance Group, Ltd. (holding company) (2017-present); and formerly , Avis Budget Group Inc. (car rental) (2007-2020).
Principal Occupation During at Least the Past 5 Years: Director of various companies; and formerly , Founder and Senior Advisor, Strategic Investment Group (investment management group) (2015-2017); Founding Partner and Senior Managing Director, Strategic Investment Group (1987-2015); Founding Partner and Managing Director, Emerging Markets Management LLC (investment management firm) (1987-2011); and Loan Officer/Senior Loan Officer/Senior Pension Investment Officer, World Bank Group (international financial institution) (1977-1987).				

Independent Board Members (continued)

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member ¹	Other Directorships Held During at Least the Past 5 Years
Edith E. Holiday (1952) One Franklin Parkway San Mateo, CA 94403-1906	Lead Independent Trustee	Trustee since 1998 and Lead Independent Trustee since 2019	117	Hess Corporation (exploration of oil and gas) (1993-present); Santander Holdings USA (holding company) (2019-present); and formerly , Santander Consumer USA Holdings, Inc. (consumer finance) (2016-2023), Canadian National Railway (railroad) (2001-2021), White Mountains Insurance Group, Ltd. (holding company) (2004-2021), RTI International Metals, Inc. (manufacture and distribution of titanium) (1999-2015) and H.J. Heinz Company (processed foods and allied products) (1994-2013).

Principal Occupation During at Least the Past 5 Years:

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

J. Michael Luttig (1954) One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 2009	117	Boeing Capital Corporation (aircraft financing) (2006-2010).
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Principal Occupation During at Least the Past 5 Years:

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

Larry D. Thompson (1945) One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 2007	117	Graham Holdings Company (education and media organization) (2011-2021); The Southern Company (energy company) (2014-2020; previously 2010-2012) and Cbeyond, Inc. (business communications provider) (2010-2012).
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Principal Occupation During at Least the Past 5 Years:

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

Independent Board Members (continued)

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member ¹	Other Directorships Held During at Least the Past 5 Years
Valerie M. Williams (1956) One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 2021	108	Omnicom Group, Inc. (advertising and marketing communications services) (2016-present), DTE Energy Co. (gas and electric utility) (2018-present), Devon Energy Corporation (exploration and production of oil and gas) (2021-present); and formerly , WPX Energy, Inc. (exploration and production of oil and gas) (2018-2021).

Principal Occupation During at Least the Past 5 Years:

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

Interested Board Members and Officers

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member ¹	Other Directorships Held During at Least the Past 5 Years
Gregory E. Johnson² (1961) One Franklin Parkway San Mateo, CA 94403-1906	Chairman of the Board and Trustee	Chairman of the Board since 2023 and Trustee since 2007	127	None

Principal Occupation During at Least the Past 5 Years:

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

Rupert H. Johnson, Jr.³ (1940) One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 2013	117	None
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Principal Occupation During at Least the Past 5 Years:

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

Ben Barber (1969) One Franklin Parkway San Mateo, CA 94403-1906	Vice President	June 2023	Not Applicable	Not Applicable
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Principal Occupation During at Least the Past 5 Years:

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

Ted P. Becker (1951) 280 Park Avenue New York, NY 10017	Chief Compliance Officer	Since June 2023	Not Applicable	Not Applicable
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Principal Occupation During at Least the Past 5 Years:

Vice President, Global Compliance of Franklin Templeton (since 2020); Chief Compliance Officer of Franklin Templeton Fund Adviser, LLC (since 2006); Chief Compliance Officer of certain funds associated with Legg Mason & Co. or its affiliates (since 2006); **formerly**, Director of Global Compliance at Legg Mason (2006-2020); Managing Director of Compliance of Legg Mason & Co. (2005-2020).

Interested Board Members and Officers (continued)

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member ¹	Other Directorships Held During at Least the Past 5 Years
Sonal Desai, Ph.D. (1963) One Franklin Parkway San Mateo, CA 94403-1906	President and Chief Executive Officer – Investment Management	Since 2018	Not Applicable	Not Applicable

Principal Occupation During at Least the Past 5 Years:

Director and Executive Vice President, Franklin Advisers, Inc.; Executive Vice President, Franklin Templeton Institutional, LLC; and officer of certain funds in the Franklin Templeton/Legg Mason fund complex.

Susan Kerr (1949) 280 Park Avenue New York, NY 10017	Vice President – AML Compliance	Since 2021	Not Applicable	Not Applicable
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Principal Occupation During at Least the Past 5 Years:

Senior Compliance Analyst, Franklin Templeton; Chief Anti-Money Laundering Compliance Officer, Legg Mason & Co., or its affiliates; Anti Money Laundering Compliance Officer; Senior Compliance Officer, Franklin Distributors, LLC; and officer of certain funds in the Franklin Templeton/Legg Mason fund complex.

Christopher Kings (1974) One Franklin Parkway San Mateo, CA 94403-1906	Chief Executive Officer – Finance and Administration	Since January 2024	Not Applicable	Not Applicable
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Principal Occupation During at Least the Past 5 Years:

Senior Vice President, Franklin Templeton Services, LLC; and officer of certain funds in the Franklin Templeton/Legg Mason fund complex.

Navid J. Tofigh (1972) One Franklin Parkway San Mateo, CA 94403-1906	Vice President and Secretary	Vice President since 2015 and Secretary since June 2023	Not Applicable	Not Applicable
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Principal Occupation During at Least the Past 5 Years:

Senior Associate General Counsel, Franklin Templeton; and officer of certain funds in the Franklin Templeton/Legg Mason fund complex.

Jeffrey W. White (1971) One Franklin Parkway San Mateo, CA 94403-1906	Chief Financial Officer, Chief Accounting Officer and Treasurer	Since January 2024	Not Applicable	Not Applicable
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Principal Occupation During at Least the Past 5 Years:

Chief Financial Officer, Chief Accounting Officer & Treasurer and officer of certain funds in the Franklin Templeton/Legg Mason fund complex; and **formerly**, Director and Assistant Treasurer within Franklin Templeton Global Fund Tax and Fund Administration and Financial Reporting (2017-2023).

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

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

1. Information is for the calendar year ended December 31, 2023, unless otherwise noted. We base the number of portfolios on each separate series of the U.S. registered investment companies within the Franklin Templeton/Legg Mason fund complex. These portfolios have a common investment manager or affiliated investment managers.

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

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

Interested Board Members and Officers (continued)

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

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

Shareholder Information

Proxy Voting Policies and Procedures

The Trust's investment manager has established Proxy Voting Policies and Procedures (Policies) that the Trust uses to determine how to vote proxies relating to portfolio securities. Shareholders may view the Trust's complete Policies online at franklintempleton.com. Alternatively, shareholders may request copies of the Policies free of charge by calling the Proxy Group collect at (954) 527-7678 or by sending a written request to: Franklin Templeton Companies, LLC, 300 S.E. 2nd Street, Fort Lauderdale, FL 33301, Attention: Proxy Group. Copies of the Trust's proxy voting records are also made available online at franklintempleton.com and posted on the U.S. Securities and Exchange Commission's website at sec.gov and reflect the most recent 12-month period ended June 30.

Quarterly Schedule of Investments

The Trust files a complete schedule of investments with the U.S. Securities and Exchange Commission for the first and third quarters for each fiscal year as an exhibit to its report on Form N-PORT. Shareholders may view the filed Form N-PORT by visiting the Commission's website at sec.gov. 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.

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

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



**FRANKLIN
TEMPLETON**

Annual Report and Shareholder Letter
Franklin Tax-Free Trust

Investment Manager
Franklin Advisers, Inc.

Distributor
Franklin Distributors, LLC
(800) DIAL BEN® / 342-5236
franklintempleton.com

Shareholder Services
(800) 632-2301