

SECURITIES AND EXCHANGE COMMISSION

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Initial annual and semi-annual reports mailed to investment company shareholders pursuant to Rule 30e-1 (other than those required to be submitted as part of Form NCSR)

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FILER

FRANKLIN NEW YORK TAX FREE INCOME FUND INC

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Mutual funds, annuities, and other investment products:

- - are not FDIC insured;
- - are not deposits or obligations of, or guaranteed by, any financial institution;
- - are subject to investment risks, including possible loss of the principal amount invested.

Charles B. Johnson
President

July 20, 1995

Dear Shareholders:

We're pleased to bring you the annual report of the Franklin New York Tax-Free Income Fund for the period ended May 31, 1995.

Calendar year 1994 was the worst for fixed-income securities since the fund's inception in 1983. In fact, the 20-year U.S. Treasury bond recorded its poorest performance since 1967.(1) Following this disappointing year, 1995 to date has been a welcome change. Stock and bond markets enjoyed strong performance through the first four months of the year. In February, the Dow Jones Industrial Average broke the 4000 mark for the first time, and finished the period above 4300. The bond market, as measured by the Lehman Brothers Municipal Bond Index, rose to \$10,286 on May 31, 1995, from \$9,890 on June 30, 1994.

Of more importance to shareholders of the Franklin New York Tax-Free Income Fund is the recent strength of the municipal bond market. Although the rally was sidetracked in early December by the municipal bankruptcy filing of Orange County, California, the municipal market has recovered nicely. Through May 31, 1995, municipal bond prices, as measured by the Bond Buyer 40 Index, had risen 5.17% since the beginning of 1995. Of course, there's no guarantee that these markets will continue to rise as they have recently. In fact, current debate regarding a national flat tax has caused the municipal market to pause in recent months.

There has been a tremendous amount of press discussing various tax reform issues, including a "flat tax" proposal, consumption tax, a national sales tax, and a "Super IRA." Each of these proposals carry a variety of underlying questions -- Will there be any allowed deductions? Will I lose the benefit of investing in tax-free municipal bonds? As you can imagine, a number of details need to be fully considered. Such news coverage has understandably caused some concern among investors; however, it is probably too early to draw clear-cut conclusions on how any of the proposed tax reform plans could impact the municipal bond market. We will continue to monitor this situation and keep our shareholders apprised of any changes that may affect their investments.

As you know, markets experience both ups and downs, which is a normal part of investing. That's why we've always encouraged our shareholders to focus on their long-term investment goals. History has shown that, over the long term, stocks and bonds have delivered impressive results.(2) By concentrating on long-term investment goals, you need not be unduly concerned with short-term market fluctuations.

(1.) Source: Ibbotson Associates. Based on one-year total returns of long-term government bonds from January 1926 to December 1994.

(2.) Past performance cannot guarantee future results.

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Furthermore, many financial experts agree that a technique known as "dollar cost averaging" may be one of the best ways to take advantage of market downturns and rallies. With dollar cost averaging, you invest a fixed dollar amount at regular intervals, regardless of the market's direction. Using this method, you auto-matically purchase more shares when prices are low, and fewer shares when prices are high, which can significantly reduce your average cost per share. Of course, no investment technique can assure a profit or protect against loss. Dollar cost averaging can, however, provide you with a simple investment strategy that can minimize the effects of market volatility and help you make the most of your investment dollars.(3) For more information on dollar cost averaging, please see your investment advisor or call Franklin Templeton Fund Information, toll free, at 1-800/DIAL BEN.

You can also help minimize the effects of market fluctuations by diversifying your investments. Mutual funds offer a level of diversification that would be almost impossible for individual investors to achieve on their own. For example, the Franklin New York Tax-Free Income Fund's \$4.7 billion in assets are spread over 400 issues and a variety of cities and counties, which helps safeguard the fund from losses experienced by any one issuer.

Mutual funds also provide full-time, professional management, and Franklin's Municipal Bond Research Department is one of the largest in the industry.(4) Our analysts frequently make site visits to obtain invaluable first-hand information about issuers and specific municipal projects.

As always, we welcome your questions, appreciate your trust and support, and look forward to serving you in the years to come.

Sincerely,

Charles B. Johnson
President

(3.) When using this strategy, you should consider your financial ability to continue purchases through periods of low price levels or changing economic conditions.

(4.) Source: Research and Ratings Review, Vol. II. Issue 8, November 14, 1994. Franklin's municipal research team ranks second out of 1,000 investment advisory firms, in terms of municipal bond analysts, in a survey by TMS Holdings, Inc.

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MANAGER'S DISCUSSION

Fund Objective:

Seeks to provide high current income exempt from regular federal, New York state and New York City personal income taxes through a diversified portfolio consisting primarily of municipal securities.*

Nineteen ninety-four reminded all of us that volatility is a fundamental market condition. Not only did we see an unprecedented six interest rate increases in federal funds during the calendar year, we also witnessed the largest municipal

bankruptcy filing in history by Orange County, California. As a result, the municipal market experienced higher yields, which translated into lower securities prices.

The bond market decline of 1994 affected your fund's share price through the first half of its fiscal year, with the fund's net asset value price bottoming in late November 1994. During the first six months of the reporting period, your fund's net asset value price declined 75 cents per share to \$10.97 on November 30, 1994, after starting the reporting period at \$11.72 per share. Shortly after the Fed raised the federal funds rate for the sixth time in November, bond markets experienced a rally and the fund's share price rebounded. This recovery, while not yet reaching the highs of early 1994, has resulted in an 8% gain in the fund's net asset value price per share from the lows of November 1994. In fact, the fund's Class I share price finished the fiscal year at \$11.75, slightly higher than the price of \$11.72 on May 31, 1994.

The municipal bond market recovery can be attributed to a couple of factors. First, the perception is that the seven increases in the federal funds rate since February 1994 have finally slowed economic growth to a more sustainable level. This perception is further strengthened by the indications that certain banking institutions are currently contemplating reductions in their prime lending rates. Second, the dramatically curtailed supply of municipal issuance, together with continued strong demand, has played an important role in the recovery. For example, during the first four months of 1994, 170 municipal issues came to market in New York, having a total value of \$7.8 billion. During the first four months of 1995, municipal issuance declined 42% to 99 issues, and total value declined 45% to \$4.3 billion.**

*For investors subject to the federal alternative minimum tax, a small portion of these dividends may be subject to such tax. Distributions of capital gains and of ordinary income from accrued market discount, if any, are generally taxable.

**Source: The Bond Buyer.

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We used this period of extreme volatility to further strengthen the long-term prospects of the fund. When the municipal market began its decline in 1994, we took the opportunity to sell our lowest coupon bonds and move into higher coupons. As the decline continued, we stayed with this program. This benefited your fund in several ways. First, it improved the income generated by the fund. Second, higher coupon bonds exhibited greater price stability than those with lower coupons, and this helped to decrease the fund's volatility. With these sales, we funded purchases of current coupon bonds during that recovery.

The majority of the pre-refunded bonds we sold were due to be called by their issuers within the next few years. We chose to sell these bonds prior to their call dates (the date on which a bond issuer may redeem an outstanding bond) as we felt that the risk -- that the supply of new issues and secondary bonds might be insufficient to satisfy demand on the call dates, resulting in higher bond prices -- was too great to be left to chance. Additionally, the majority of the proceeds from these sales were reinvested during the early stages of the recovery, when interest rates were higher than those currently available.

As always, we purchased only investment-grade bonds for the fund; that is, bonds whose credit quality ratings at the time of purchase fell within Standard & Poor's and Moody's four highest categories. As the chart to the left indicates, over 60% of the securities held in the fund's portfolio were rated A or better. We evaluate each issue on an individual basis, favoring highly rated "essential service" bonds. These securities have a reliable income stream generated from hospitals, utilities, and transportation projects, to name a few. As a result, these bonds tend to be less affected by budgetary and political changes, and are believed to be very attractive in a municipal cost-cutting environment. Like all mutual funds, however, the principal value of the fund's holdings, which directly affects the price of its shares, will vary with market conditions.

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FRANKLIN NEW YORK
TAX-FREE INCOME FUND

Portfolio Breakdown on May 31, 1995
As a percentage of total net assets

SECTOR	% OF TOTAL NET ASSETS
Hospitals	23.0%
Pre-Refunded	16.1%
Housing	14.2%
Utilities	11.6%
Transportation	8.9%
Health Care	6.6%
General Obligations	5.1%
Education	4.8%
Other Revenue	3.9%
Sales Tax	3.3%
Certificates of Participation	1.9%
Industrial	0.4%
Miscellaneous	0.2%

For a complete list of portfolio holdings, please see page 9 of this report.

We also seek to reduce the fund's risk through diversification. On May 31, 1995, the fund held over 400 issues, spanning a broad range of cities and counties throughout New York. Furthermore, we purchase securities from a variety of municipal investment sectors, as the table to the left illustrates.

Our outlook for the fund is positive. While New York entered the recession earlier than the rest of the nation and, in the opinion of some analysts, is rebounding more slowly, we are optimistic about the state's long-term prospects. This outlook reflects positive fiscal debt reforms over the past two years, and an anticipation that the trends will continue in 1995 and beyond. Further, the state has demonstrated its ability to address revenue shortfalls by reducing expenditures.(7) These factors, coupled with the fact that new issuance is likely to remain low relative to the last few years, lead us to believe that the modest restructuring put into place during the past fiscal year will be beneficial to the long-term health of the fund.

(7.) Source: Standard & Poor's Creditweek Municipal, 12/04/94.

PERFORMANCE SUMMARY

As of May 1, 1995, your fund now offers two classes of shares, designated as "Class I" and "Class II." Class I shares will continue to have the same pricing structure, which is the standard front-end sales charge (with breakpoints) and annual 12b-1 fees. Class II shares have a different pricing structure, with a lower initial sales charge than Class I shares; however, they have higher annual 12b-1 Plan fees. Also, with certain exceptions, a contingent deferred sales charge (back-end sales charge) will generally be assessed on Class II shares redeemed within 18 months of a purchase. The different expenses borne by each class of shares will result in different net asset values, dividends and, ultimately, different total performance. Please see the prospectus for more details regarding Class I and Class II shares.

The Franklin New York Tax-Free Income Fund's Class I share price, as measured by net asset value, increased to \$11.75 on May 31, 1995, from \$11.72 on May 31, 1994. The fund's Class II share price, as measured by net asset value, was \$11.50 on May 1, 1995, the Class II share inception date, and ended the reporting period at \$11.73 on May 31, 1995.++

The fund continued to meet its investment objective of providing high current income to its shareholders. For the one-year period ended May 31, 1995, your fund's Class I shares paid monthly income distributions totaling 75.6 cents (\$0.756) per share. The fund's Class II shares began distributing income on May 1, 1995, with a distribution totaling 6.3 cents (\$0.063) per share. Dividends will vary based on the earnings of the fund's portfolio, and past distributions are not necessarily predictive of future results.

GRAPHIC MATERIAL 1 OMITTED - SEE APPENDIX AT END OF DOCUMENT

At the end of the reporting period, your fund's Class I shares distribution rate was 6.16%, based on an annualization of the current monthly dividend of 6.3 cents (\$0.063) per share and the maximum offering price of \$12.27 on May 31, 1995. The Class II shares reported a distribution rate of 5.77%, based on the annualization of the current monthly dividend of 5.7 cents per share and the maximum offering price of \$11.85 on May 31, 1995. These tax-free rates are generally higher than the after-tax return on a comparable taxable investment. For example, if you are in the maximum combined federal, New York state and New York City personal income tax bracket of 46.9%, you would have to earn 11.60% from a taxable investment to match your fund's Class I shares tax-free distribution rate, and 10.87% to match your fund's Class II shares tax-free distribution rate.

GRAPHIC MATERIAL 2 OMITTED - SEE APPENDIX AT END OF DOCUMENT

Since 1985, your fund's performance has exceeded the Consumer Price Index (CPI), keeping your purchasing power well ahead of inflation -- a primary goal of any investment. The fund, however, has slightly underperformed the unmanaged Lehman Brothers Municipal Bond Index, as illustrated by the chart to the right.

++ The fund paid a dividend to shareholders of record at the beginning of business on May 1, 1995, in the amount of 6.3 cents (\$0.063) per share. The \$11.50 net asset value price includes this dividend.

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The index has some inherent performance differentials over any fund as it holds no cash in its portfolio and involves no sales charges or management expenses. In addition, the index includes municipal securities from across the country while your fund is composed primarily of New York municipal bonds. Please remember that an index is simply a measure of performance and cannot be invested in directly.

Your fund's managers maintain a long-term investment perspective, and we encourage our shareholders to view their investments in a similar manner. While the fund may experience volatility from time to time, we believe that its performance will be rewarding over the long term. For example, as the table to the right illustrates, the fund provided a total return of over 221% since its inception in 1982.

FRANKLIN NEW YORK TAX-FREE INCOME FUND
Periods ended May 31, 1995

</TABLE>
 <TABLE>
 <CAPTION>

	1-Year	5-Year	10-Year	Since Inception (09/13/82)	Since Inception (05/01/95)
<S>	<C>	<C>	<C>	<C>	<C>
Cumulative					
Total Return(1)					
Class I Shares	7.10%	52.13%	140.88%	221.04%	---
Class II Shares	---	---	---	---	2.56%
Average Annual					
Total Return(2)					
Class I Shares	2.55%	7.82%	8.71%	9.23%	---
Class II Shares	---	---	---	---	0.51%

</TABLE>

<TABLE>

<S>		<C>	
Distribution Rate(3)			
Class I Shares	6.16%	Class I Shares	11.60%
Class II Shares	5.77%	Class II Shares	10.87%
30-Day			
Standardized Yield(5)			
Class I Shares	5.15%	Class I Shares	9.70%
Class II Shares	4.93%	Class II Shares	9.28%

</TABLE>

*This performance graph assumes an initial \$10,000 investment and includes the maximum 4.25% initial sales charge, all fund expenses and account fees. It also assumes that your dividends and capital gains were reinvested at net asset value. The Lehman Brothers Municipal Bond Index includes price appreciation or depreciation as part of the original investment. Due to their recent inception, Class II shares are not represented in the above illustration. Per SEC guidelines, their performance is not yet sufficient for demonstration. Past performance cannot guarantee future results.

(1.) Cumulative total return measures the change in value of an investment over the periods indicated and does not include the maximum 4.25% initial sales charge for Class I Shares, or the maximum 1.00% initial sales charge and 1.00% Contingent Deferred Sales Charge (CDSC) for Class II Shares, applicable to shares redeemed within the first 18 months of investment. See note below.

(2.) Average annual total return represents the average annual change in value of an investment over the specified periods. The figures have been restated to reflect the maximum 4.25% initial sales charge for Class I Shares, and the maximum 1.00% initial sales charge and 1.00% CDSC for Class II Shares, assuming redemption of shares within the first 18 months of investment. See note below.

(3.) Class I shares distribution rate is based on an annualization of the fund's current 6.3 cent per share monthly dividend and the maximum offering price of \$12.27 on May 31, 1995. Class II shares distribution rate is based on an annualization of the fund's current 5.7 cent per share monthly dividend and the maximum offering price of \$11.85 on May 31, 1995.

(4.) Taxable equivalent distribution rate and yield assume the 1995 maximum combined federal, New York state and New York City tax bracket of 46.9%, based on the 39.6% federal income tax rate.

(5.) Yield, calculated as required by the SEC, is based on the earnings of the fund's portfolio for the 30 days ended 5/31/95.

Note: Prior to July 1, 1994, fund shares were offered at a lower initial sales charge, with dividends reinvested at the offering price. Thus, actual total return for purchasers of shares during that period would have been different than noted above. Effective May 1, 1994, the fund eliminated the sales charge on reinvested dividends and implemented a plan of distribution under Rule 12b-1, which will affect future performance. Class II shares, which the fund began offering on May 1, 1995, are subject to different fees and expenses, which will affect their performance. Please see the prospectus for more details regarding

All total return calculations assume reinvestment of dividends and capital gains at net asset value. Investment return and principal value will fluctuate with market conditions, and you may have a gain or loss when you sell your shares. Past performance cannot guarantee future results.

ANNUAL MEETING OF SHAREHOLDERS

Franklin New York Tax-Free Income Fund, Inc., May 31, 1995

At an annual meeting of shareholders of the Fund held on March 7, 1995, shareholders of the Fund voted as follows: Regarding the election of the nominees for directors, shareholders of the Fund voted as follows:

<TABLE>

<CAPTION>

Director	For	Withhold
<S>	<C>	<C>
Harris J. Ashton	254,369,273	10,058,798
S. Joseph Fortunato	254,317,735	10,110,335
Charles B. Johnson	254,302,620	10,125,450
Rupert H. Johnson, Jr.	254,261,605	10,166,465
Gordon S. Macklin	254,353,439	10,074,632

</TABLE>

Regarding the selection of Coopers & Lybrand L.L.P., Certified Public Accountants, as the independent auditors for the Fund for the fiscal year ending May 31, 1995, the proposal was approved by the shareholders and the vote was as follows:

<TABLE>

<CAPTION>

For	Against	Abstain
<C>	<C>	<C>
252,746,844	1,823,432	9,857,794

</TABLE>

Regarding an amendment to the Fund's Articles of Incorporation to permit the issuance of additional classes of shares and to make other conforming changes, the proposal was approved by shareholders and the vote was as follows:

<TABLE>

<CAPTION>

For	Against	Abstain	Broker Non-Vote
<C>	<C>	<C>	<C>
205,443,811	12,127,212	16,701,220	30,155,827

</TABLE>

STATEMENT OF INVESTMENTS IN SECURITIES AND NET ASSETS

FRANKLIN NEW YORK TAX-FREE INCOME FUND, INC., MAY 31, 1995

<TABLE>

<CAPTION>

FACE AMOUNT		VALUE (NOTE 1)
<S>	<C>	<C>
	BONDS 96.6%	
\$ 1,610,000	Albany Parking Authority Revenue, Refunding, Series A, 6.85%, 11/01/12	\$ 1,696,377
6,100,000	Auburn IDA, MFR, Auburn Memorial Home, 6.50%, 02/01/34	6,235,237
	Babylon IDA, Resource Recovery Revenue, Ogden Martin System, Inc.,	
8,090,000	Series A, 8.50%, 01/01/19	8,879,503
4,290,000	Series B, 8.50%, 01/01/19	4,708,661
2,845,000	Series C, 8.50%, 01/01/19	3,122,644
10,750,000	Babylon IDA, Waste Facilities Revenue, Community Waste Management, Series A, Pre-Refunded, 7.875%, 07/01/06	12,241,885
1,000,000	Batavia Housing Authority Mortgage Revenue, Refunding, Washington Towers, Series A, 6.50%, 01/01/23.....	1,020,660
89,045,000	Battery Park City Authority Revenue, Refunding, Series A, 5.80%, 11/01/22	85,962,262
8,160,000	Bethany Retirement Home, Inc., Mortgage Loan Revenue, 7.50%, 02/01/34	9,317,904
1,440,000	Cattaraugus County COP, Olean Project Facility, Series A, Pre-Refunded, 8.50%, 08/01/09 ..	1,635,494
5,375,000	Clinton County COP, Correctional Facilities Project, 8.125%, 08/01/17	6,456,826
6,400,000	Cortland County IDA, Civic Facilities Revenue, Cortland Memorial Hospital, Inc. Project, 6.25%, 07/01/24	6,348,736
5,730,000	Franklin County COP, Court House Redevelopment Project, 8.125%, 08/01/06	6,396,856
4,790,000	Franklin County IDA, Lease Revenue, County Correctional Facilities Project, 6.75%,	

11/01/12.....		5,002,868
Glen Cove, Refunding,		
200,000	Series 1993, 5.90%, 01/15/07	198,824
190,000	Series 1993, 5.95%, 01/15/08	188,822
185,000	Series 1993, 6.00%, 01/15/09	183,629
Guam Power Authority Revenue,		
4,550,000	Series A, 6.30%, 10/01/12	4,590,905
2,900,000	Series A, 6.625%, 10/01/14	2,994,047
45,340,000	Series A, 6.30%, 10/01/22	45,429,773
25,500,000	Series A, 6.75%, 10/01/24	26,373,630
1,405,000	Hamilton Elderly Housing Corp. Mortgage Revenue, Hamilton Apartments Project, 11.25%, 01/01/15	1,503,111
1,915,000	Ilion Elderly Housing Corp. Mortgage Revenue, Section 8, Housing Assistance Revenue, 7.25%, 07/01/09	1,915,364
1,380,000	Lincoln Towers Housing Corp. Mortgage Revenue, Lincoln Towers Project, 11.25%, 01/01/15 ..	1,459,571
5,045,000	Livingston County IDA, PCR, General Foods Manufacturing Corp., 8.875%, 08/01/05	5,227,074
Metropolitan Transportation Authority, Commuter Facilities Revenue,		
33,120,000	Series A, 6.50%, 07/01/24	34,092,403
525,000	Series G, Pre-Refunded, 8.50%, 07/01/11	559,298
17,450,000	Series H, Pre-Refunded, 8.50%, 07/01/11	18,590,009
Metropolitan Transportation Authority, Service Contract Revenue,		
12,255,000	Commuter Facilities, 6.00%, 07/01/21	12,222,278
4,235,000	Commuter Facilities, Series 3, 6.00%, 07/01/19	4,202,814
2,790,000	Commuter Facilities, Series 4, Pre-Refunded, 8.00%, 07/01/08	3,250,238
31,605,000	Commuter Facilities, Series 5, 7.00%, 07/01/12	34,016,778
12,950,000	(a)Commuter Facilities, Series 6, 6.00%, 07/01/21	12,781,262
8,825,000	Commuter Facilities, Series O, 5.75%, 07/01/13	8,630,762
3,000,000	Commuter Facilities, Series O, 5.75%, 07/01/13	2,933,970
6,000,000	Commuter Facilities, Series P, 5.75%, 07/01/15	5,785,380
24,160,000	Refunding, Commuter Facilities, Series N, 7.125%, 07/01/09	26,403,981
35,695,000	Refunding, Series 5, 6.50%, 07/01/16	36,752,286
1,000,000	Refunding, Series 5, 6.00%, 07/01/18	992,540
30,935,000	Refunding, Transit Facilities, Series 5, 7.00%, 07/01/12	33,295,650
17,470,000	Refunding, Transit Facilities, Series 5, 6.50%, 07/01/16	17,987,461
7,725,000	Refunding, Transit Facilities, Series 5, 6.00%, 07/01/18	7,667,372
12,625,000	Refunding, Transit Facilities, Series N, 7.125%, 07/01/09	13,797,610
11,250,000	Refunding, Transit Facilities, Series N, 6.00%, 07/01/11	11,274,975
2,050,000	Transit Facilities, Series 4, Pre-Refunded, 8.00%, 07/01/08	2,388,168
2,000,000	Transit Facilities, Series 6, 7.00%, 07/01/09	2,152,620
Metropolitan Transportation Authority, Transit Facilities Revenue,		
750,000	Series F, Pre-Refunded, 8.375%, 07/01/05	798,030
10,650,000	Series H, Pre-Refunded, 8.50%, 07/01/05	11,345,765
28,540,000	Series H, Pre-Refunded, 8.50%, 07/01/11	30,404,517
6,400,000	Series O, MBIA Insured, 6.00%, 07/01/24	6,482,240
Monroe County IDAR, Civic Facilities,		
1,285,000	De Paul Community Facilities, 6.50%, 02/01/24	1,345,189
6,125,000	Genesee Hospital, Series A, 7.00%, 11/01/18	6,229,186

</TABLE>

The accompanying notes are an integral part of these financial statements. 9

STATEMENT OF INVESTMENTS IN SECURITIES AND NET ASSETS CONTINUED

FRANKLIN NEW YORK TAX-FREE INCOME FUND, INC., MAY 31, 1995

<TABLE>		
<CAPTION>		
FACE		VALUE
AMOUNT		(NOTE 1)

<S>	<C>	<C>
	BONDS (CONT.)	
	NEW YORK CITY GO,	
\$ 2,420,000	Series 1985-B, Pre-Refunded, 9.625%, 10/01/08	\$ 2,510,363
335,000	Series 1986-D, 8.50%, 08/01/02	353,542
5,000,000	Series 1986-D, 7.00%, 02/01/12	5,127,100
125,000	Series 1986-D, 8.50%, 08/01/14	131,185
730,000	Series 1986-D, 8.50%, 08/01/15	765,201
360,000	Series 1986-D, Pre-Refunded, 8.50%, 08/01/02	384,329
340,000	Series 1986-D, Pre-Refunded, 8.50%, 08/01/02	362,977
1,570,000	Series 1986-D, Pre-Refunded, 8.50%, 08/01/11	1,676,101
80,000	Series 1986-D, Pre-Refunded, 8.50%, 08/01/11	83,930
345,000	Series 1986-D, Pre-Refunded, 8.50%, 08/01/13	362,071
2,375,000	Series 1986-D, Pre-Refunded, 8.50%, 08/01/14	2,535,503
3,220,000	Series 1986-D, Pre-Refunded, 8.50%, 08/01/16	3,437,608
175,000	Series 1986-D, Pre-Refunded, 8.50%, 08/01/16	183,439
2,900,000	Series 1987-A, Pre-Refunded, 8.50%, 11/01/12	3,218,913
2,115,000	Series 1987-A, Pre-Refunded, 8.75%, 11/01/14	2,354,397
1,180,000	Series 1987-D, 8.50%, 08/01/08	1,264,252

1,055,000	Series 1987-D, 8.50%, 08/01/09	1,131,434
1,395,000	Series 1987-D, 8.50%, 08/01/10	1,496,068
5,720,000	Series 1987-D, Pre-Refunded, 8.50%, 08/01/08	6,314,708
5,330,000	Series 1987-D, Pre-Refunded, 8.50%, 08/01/09	5,884,160
6,815,000	Series 1987-D, Pre-Refunded, 8.50%, 08/01/10	7,523,556
4,000,000	Series 1990-B, 7.00%, 06/01/13	4,148,120
6,725,000	Series 1990-B, 7.00%, 06/01/14	6,974,027
4,250,000	Series 1990-B, 7.00%, 06/01/15	4,472,870
2,000,000	Series 1991-A, 7.75%, 08/15/13	2,156,220
10,000,000	Series 1991-A, 7.75%, 08/15/14	10,781,100
1,400,000	Series 1991-A, 7.75%, 08/15/15	1,509,354
2,000,000	Series 1991-B, 7.75%, 02/01/10	2,171,780
5,000,000	Series 1991-B, 7.75%, 02/01/11	5,429,450
500,000	Series 1991-B, 7.75%, 02/01/12	542,945
1,875,000	Series 1991-B, 7.75%, 02/01/13	2,028,619
10,950,000	Series 1991-B, 7.75%, 02/01/14	11,847,134
22,610,000	Series 1991-B, 7.75%, 02/01/15	24,462,437
1,485,000	Series 1991-B, 7.00%, 02/01/18	1,543,301
3,615,000	Series 1991-B, Pre-Refunded, 8.00%, 08/01/17	4,279,762
110,000	Series 1991-D, 8.25%, 08/01/13	121,910
65,000	Series 1991-D, 8.00%, 08/01/17	71,220
4,710,000	Series 1991-D, Pre-Refunded, 8.25%, 08/01/13	5,638,340
7,500,000	Series 1991-F, 8.40%, 11/15/08	8,470,350
3,350,000	Series 1991-F, 8.40%, 11/15/09	3,770,090
1,500,000	Series 1992-B, 6.75%, 10/01/15	1,536,225
4,500,000	Series 1992-C, Sub-Series C, 7.00%, 08/01/16	4,684,275
2,500,000	Series 1992-D, 7.50%, 02/01/18	2,671,400
10,000,000	Series 1992-H, 7.20%, 02/01/13	10,523,900
4,000,000	Series 1992-H, 7.20%, 02/01/14	4,209,560
4,600,000	Series 1992-H, 7.20%, 02/01/15	4,840,994
2,500,000	Series 1992-H, 7.00%, 02/01/16	2,598,150
6,500,000	Series 1992-H, 7.00%, 02/01/17	6,755,190
4,225,000	Series 1992-H, 7.00%, 02/01/18	4,390,874
12,750,000	Series 1992, Rite-1, 7.00%, 10/01/11	13,342,748
2,000,000	Series 1994-B, Sub-Series B-1, 7.00%, 08/15/16	2,093,340
10,000,000	Series 1994-B, Sub-Series B-1, 7.50%, 08/15/20	10,810,000
4,000,000	Series 1995-C, 7.20%, 08/15/14	4,160,880
22,745,000	Series 1995-C, 7.25%, 08/15/24	23,681,867
5,000,000	Series 1995-F, 6.25%, 02/15/25	5,078,650

</TABLE>

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STATEMENT OF INVESTMENTS IN SECURITIES AND NET ASSETS CONTINUED

FRANKLIN NEW YORK TAX-FREE INCOME FUND, INC., MAY 31, 1995

FACE AMOUNT		VALUE (NOTE 1)
<S>	<C>	<C>
	BONDS (CONT.)	
	NEW YORK CITY HDC, MFMR,	
\$ 19,450,000	Series A, 6.55%, 10/01/15	\$ 19,971,455
10,000,000	Series A, 6.55%, 04/01/18	10,231,200
26,795,000	Series A, 5.85%, 05/01/26	26,084,128
51,500,000	Series A, 6.60%, 04/01/30	52,498,585
1,500,000	Series I, FGIC Insured, 8.50%, 05/01/07	1,551,045
114,635,000	New York City Health and Hospital Authority, Local Government Revenue, Refunding,	
	Series A, 6.30%, 02/15/20	109,121,057
	New York City IDA, Civic Facilities Revenue,	
2,765,000	Federation Protestant Welfare, 6.95%, 11/01/11	2,897,112
4,000,000	New York Blood Center, Inc. Project, 7.20%, 05/01/12	4,297,280
7,000,000	New York Blood Center, Inc. Project, 7.25%, 05/01/22	7,535,640
2,500,000	St. Christopher Ottilie Project, 7.50%, 07/01/21	2,564,000
8,000,000	The Lighthouse, Inc. Project, 6.50%, 07/01/22	8,197,520
	New York City Municipal Water Finance Authority, Water and Sewer System Revenue,	
74,215,000	Refunding, Series A, 6.00%, 06/15/17	74,985,352
10,610,000	Refunding, Series A, 5.50%, 06/15/20	10,124,911
6,660,000	Series 1987-A, BIG Insured, Pre-Refunded, 8.75%, 06/15/10	7,366,693
5,000,000	Series 1989-A, 6.00%, 06/15/19	5,017,550
2,185,000	Series 1991-A, 7.00%, 06/15/15	2,364,476
3,010,000	Series 1991-A, 6.75%, 06/15/16	3,195,326
36,850,000	Series 1991-A, 6.75%, 06/15/17	39,118,855
15,700,000	Series 1991-A, Pre-Refunded, 7.10%, 06/15/12	17,774,755
1,570,000	Series 1991-A, Pre-Refunded, 7.00%, 06/15/15	1,769,326

4,210,000	Series 1991-C, AMBAC Insured, 6.50%, 06/15/21	4,330,574
13,185,000	Series 1992-B, 6.50%, 06/15/20	13,838,053
37,250,000	Series 1992-B, 6.375%, 06/15/22	38,719,513
17,785,000	Series 1994-A, 7.10%, 06/15/12	19,383,516
2,215,000	Series 1994-A, Pre-Refunded, 7.10%, 06/15/12	2,507,712
690,000	Series 1994-A, Pre-Refunded, 7.00%, 06/15/15	777,602
New York Housing Corp. Revenue,		
5,000,000	Series A, MBIA Insured, Pre-Refunded, 8.625%, 11/01/06	5,586,600
70,065,000	Series A, Pre-Refunded, 9.00%, 11/01/17	78,878,476
New York State COP,		
3,800,000	City University, John Jay College, 7.25%, 08/15/07	3,974,610
2,500,000	Commissioner Office Mental Health, 8.25%, 09/01/07	2,709,150
1,750,000	Commissioner Office Mental Health, 8.30%, 09/01/12	1,900,955
6,575,000	Hanson Redevelopment Project, 8.25%, 11/01/01	7,328,890
18,045,000	Hanson Redevelopment Project, 8.375%, 05/01/08	20,778,818
New York State Dormitory Authority Revenue,		
1,650,000	City University System Consolidated, Series A, 6.50%, 07/01/14	1,658,811
26,605,000	City University System Consolidated, Series A, 6.50%, 07/01/15	26,733,502
8,200,000	City University System Consolidated, Series A, 6.00%, 07/01/16	8,160,722
13,040,000	City University System Consolidated, Series A, 6.50%, 07/01/16	13,102,983
14,900,000	City University System Consolidated, Series C, 7.50%, 07/01/10	17,371,463
3,430,000	City University System Consolidated, Series D, 7.00%, 07/01/09	3,821,911
10,970,000	City University System Consolidated, Series E, 7.75%, 07/01/17	11,202,235
73,320,000	City University System Consolidated, Series F, Pre-Refunded, 7.875%, 07/01/17	85,043,135
1,000,000	Crouse Irving Memorial Hospital, HIBI Insured, 10.50%, 07/01/17	1,021,990
11,520,000	Court Facilities Lease, Series A, 5.70%, 05/15/22	10,928,218
2,530,000	Department of Education, 7.75%, 07/01/21	2,839,799
14,725,000	Department of Health, 6.20%, 07/01/17	14,865,035
5,355,000	Department of Health, Rosewell Park Cancer, 6.625%, 07/01/15	5,620,394
9,175,000	Department of Health, Rosewell Park Cancer, 6.625%, 07/01/24	9,629,713
3,190,000	Department of Health, Veterans Home, 7.25%, 07/01/11	3,487,499
8,480,000	Department of Health, Veterans Home, 6.25%, 07/01/20	8,580,742
9,775,000	Department of Health, Veterans Home, 7.25%, 07/01/21	10,592,190
2,115,000	Fashion Institute of Technology, 7.50%, 07/01/20	2,298,540
2,355,000	Genessee Valley, Series A, 6.90%, 02/01/32	2,519,096
2,445,000	Heritage House Nursing Center, 7.00%, 08/01/31	2,678,375
14,355,000	Long Island Jewish Medical Center, Series A, 7.75%, 08/15/27	15,484,595

</TABLE>

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STATEMENT OF INVESTMENTS IN SECURITIES AND NET ASSETS CONTINUED

FRANKLIN NEW YORK TAX-FREE INCOME FUND, INC., MAY 31, 1995

<TABLE>

<CAPTION>

FACE AMOUNT		VALUE (NOTE 1)
<S>	<C>	<C>
BONDS (CONT.)		
New York State Dormitory Authority Revenue, (cont.)		
\$ 5,375,000	New York Medical College, Asset Guaranty, 6.875%, 07/01/21	\$ 5,742,489
5,835,000	Our Lady of Mercy, FHA Insured, Mortgage Revenue, 6.30%, 08/01/32	6,018,452
5,000,000	Refunding, City University, 7.625%, 07/01/14	5,277,650
2,000,000	Refunding, City University, Series C, 8.20%, 07/01/14	2,248,860
2,885,000	Refunding, City University, Series U, 6.375%, 07/01/08	2,973,886
5,405,000	Refunding, City University, Series U, 6.70%, 07/01/09	5,712,707
19,390,000	Refunding, Manhattan College, 6.50%, 07/01/19	20,031,809
2,970,000	Refunding, State University Educational Facilities, Series B, 6.00%, 05/15/17	2,955,506
2,565,000	State University Athletic Facilities, 7.25%, 07/01/12	2,800,057
4,750,000	State University Athletic Facilities, 7.25%, 07/01/21	5,159,830
4,000,000	State University Educational Facilities, Series A, Pre-Refunded, 7.125%, 05/15/17	4,449,800
7,025,000	State University Educational Facilities, Series B, 7.35%, 05/15/14	7,663,151
7,995,000	State University Educational Facilities, Series B, 7.00%, 05/15/16	8,500,764
18,190,000	State University Educational Facilities, Series B, 6.25%, 05/15/20	18,375,538
3,500,000	State University Educational Facilities, Series B, 5.75%, 05/15/24	3,334,275
2,000,000	State University Educational Facilities, Series C, 6.125%, 05/15/20	2,002,840
4,000,000	The Highlands Living, 6.60%, 02/01/34	4,146,560
3,250,000	Upstate Community Colleges, Series A, Pre-Refunded, 7.60%, 07/01/20	3,729,700
1,000,000	Upstate Community Colleges, Series B, Pre-Refunded, 7.20%, 07/01/21	1,145,670
New York State Energy Research and Development Authority, Gas Facilities Revenue,		
24,135,000	Brooklyn Union Gas Co. Project, 9.00%, 05/15/15	25,061,060
4,010,000	Brooklyn Union Gas Co. Project, 8.75%, 07/01/15	4,100,506
2,390,000	Brooklyn Union Gas Co. Project, Series 1, 7.125%, 12/01/20	2,511,388
8,400,000	Brooklyn Union Gas Co. Project, Series II, 7.00%, 12/01/20	8,811,852
New York State Energy Research and Development Authority, PCR,		
3,300,000	Long Island Projects, 7.80%, 12/01/09	3,321,515

5,000,000	Long Island Projects, Series A, 7.50%, 12/01/06	5,013,550
38,145,000	Niagara Mohawk Power Corp. Project, Series 1, 8.875%, 11/01/25	39,545,684
11,420,000	Orange and Rockland Utilities, Inc. Project, 9.00%, 08/01/15	11,715,892
3,000,000	New York State Environmental Facilities Corp., Special Obligation, PCR, New York City Municipal Water Finance Authority Project, Series E, 6.875%, 06/15/14	3,324,600
4,000,000	Riverbank State Park, 7.25%, 04/01/07	4,306,040
4,300,000	Riverbank State Park, 7.25%, 04/01/12	4,616,523
28,525,000	Riverbank State Park, 7.375%, 04/01/22	30,655,532
4,500,000	Water Facilities Revenue, Jamaica Water Supply Co. Project, 10.875%, 12/01/14	4,657,185
2,425,000	New York State HFA, Henry Phipps Plaza, West Urban Project, Section 236, 8.00%, 05/01/18	2,486,838
1,295,000	Urban Rentals, Series A, 8.25%, 11/01/19	1,338,318
2,500,000	New York State HFA, Service Contract Obligation Revenue, Refunding, Series C, 6.30%, 09/15/12	2,552,450
43,275,000	Refunding, Series C, 5.875%, 09/15/14	42,415,126
12,590,000	Refunding, Series C, 6.00%, 09/15/21	12,424,693
24,000,000	Series 1990-A, Pre-Refunded, 7.80%, 09/15/20	27,996,000
37,310,000	Series 1991-A, Pre-Refunded, 7.80%, 09/15/20	43,872,083
2,375,000	Series 1992-A, 7.25%, 09/15/12	2,612,999
28,370,000	Series 1992-C, 6.30%, 03/15/22	28,663,913
8,890,000	Series 1993-A, 5.875%, 09/15/14	8,713,355
93,260,000	Series 1993-C, 6.125%, 03/15/20	93,425,070
28,330,000	Series 1994-A, 6.50%, 03/15/24	29,124,090
5,285,000	New York State HFAR, Children's Rescue Fund Housing, Series A, 7.625%, 05/01/18	5,598,083
2,045,000	FHA Insured, Adult Care Center, Series A, 7.85%, 02/15/30	2,242,343
4,245,000	MF Housing, Second Mortgage, Series A, 7.00%, 08/15/23	4,457,208
2,500,000	MF Housing, Second Mortgage, Series D, 6.25%, 08/15/23	2,506,625
5,500,000	MF Housing, Second Mortgage, Series D, 6.60%, 08/15/27	5,643,440
7,250,000	MF Housing, Second Mortgage, Series E, 6.75%, 08/15/25	7,520,135
1,820,000	MF Mortgage, AMBAC Insured, Series 1994-A, 6.35%, 02/15/23	1,853,342
34,515,000	MF Mortgage, AMBAC Insured, Series 1994-B, 6.35%, 08/15/23	35,147,315

</TABLE>

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STATEMENT OF INVESTMENTS IN SECURITIES AND NET ASSETS CONTINUED

FRANKLIN NEW YORK TAX-FREE INCOME FUND, INC., MAY 31, 1995

<TABLE> <CAPTION>		VALUE (NOTE 1)
FACE AMOUNT		
<S>	<C>	<C>
	BONDS (CONT.)	
	New York State Hfar, (cont.)	
\$ 2,760,000	MF Mortgage, AMBAC Insured, Series B, 6.25%, 08/15/14	\$ 2,810,839
12,575,000	MF Mortgage, FHA Insured, Series 1985-B, 8.50%, 05/15/28	12,924,459
8,630,000	MF Mortgage, FHA Insured, Series 1991-A, 7.10%, 08/15/35	9,031,640
4,885,000	MF Mortgage, FHA Insured, Series 1992-A, 7.00%, 08/15/22	5,151,526
6,870,000	MF Mortgage, FHA Insured, Series 1992-C, 6.50%, 08/15/24	7,007,057
1,000,000	Refunding, MF Mortgage, FHA Insured, Series 1992-C, 6.45%, 08/15/14	1,023,520
96,650,000	Refunding, New York City Health Facilities, Series A, 8.00%, 11/01/08	109,434,862
	New York State Local Government Assistance Corp.,	
10,120,000	Series 1991-B, 6.50%, 04/01/20	10,669,516
39,935,000	Series 1991-C, 6.50%, 04/01/15	41,633,835
8,750,000	Series 1992-A, 6.875%, 04/01/19	9,582,913
11,195,000	Series 1992-B, 6.00%, 04/01/18	11,323,630
20,125,000	Series 1992-B, 6.25%, 04/01/21	20,629,333
42,260,000	Series 1992-C, 6.25%, 04/01/18	43,319,036
16,000,000	Series 1995-A, 6.00%, 04/01/24	16,228,320
	New York State Medical Care Facilities Finance Agency,	
43,465,000	Albany Medical Center, Alice Hyde Project, FHA Insured, Mortgage Revenue, Pre- Refunded, Series A, 8.00%, 02/15/28	49,131,532
3,500,000	Buffalo General Hospital, FHA Insured, Mortgage Revenue, Series C, Pre-Refunded, 7.70%, 02/15/22	3,928,645
22,150,000	Catholic Medical Center of Brooklyn and Queens, Inc., FHA Insured, Mortgage Revenue, Series A, Pre-Refunded, 8.30%, 2/15/22	24,782,085
9,060,000	FHA Insured, Mortgage Revenue, Series B, 6.15%, 02/15/25	9,233,046
4,900,000	FHA Insured, Mortgage Revenue, Series B, 6.15%, 02/15/35	4,972,912
6,415,000	Hospital and Nursing Home, FHA Insured, Mortgage Revenue, Series A, 6.125%, 02/15/15 ..	6,524,119
8,330,000	Hospital and Nursing Home, FHA Insured, Mortgage Revenue, Series A, 6.20%, 02/15/21 ...	8,565,073
9,000,000	Hospital and Nursing Home, FHA Insured, Mortgage Revenue, Series A, 6.30%, 08/15/23 ...	9,356,040

12,235,000	Hospital and Nursing Home, FHA Insured, Mortgage Revenue, Series A, 6.25%, 02/15/27 ...	12,579,415
25,160,000	Hospital and Nursing Home, FHA Insured, Mortgage Revenue, Series A, 6.20%, 02/15/28 ...	25,745,473
28,750,000	Hospital and Nursing Home, FHA Insured, Mortgage Revenue, Series A, 7.45%, 08/15/31 ...	31,493,038
7,940,000	Hospital and Nursing Home, FHA Insured, Mortgage Revenue, Series A, 6.375%, 08/15/33 ..	8,178,994
7,650,000	Hospital and Nursing Home, FHA Insured, Mortgage Revenue, Series B, 10.50%, 01/15/24 ..	7,732,467
12,405,000	Hospital and Nursing Home, FHA Insured, Mortgage Revenue, Series B, 8.875%, 08/15/27 ..	13,680,481
24,000,000	Hospital and Nursing Home, FHA Insured, Mortgage Revenue, Series B, 6.95%, 02/15/32 ...	25,623,840
1,805,000	Hospital and Nursing Home, FHA Insured, Mortgage Revenue, Series B, Pre-Refunded, 9.125%, 02/15/25.....	1,856,912
33,220,000	Hospital and Nursing Home, FHA Insured, Mortgage Revenue, Series B, Pre-Refunded, 8.00%, 02/15/28.....	36,687,836
8,000,000	Hospital and Nursing Home, FHA Insured, Mortgage Revenue, Series C, 6.50%, 08/15/21 ...	8,435,120
2,610,000	Hospital and Nursing Home, FHA Insured, Mortgage Revenue, Series C, 9.00%, 02/15/26 ...	2,684,359
78,865,000	Hospital and Nursing Home, FHA Insured, Mortgage Revenue, Series C, 6.375%, 08/15/29 ..	81,427,324
15,000,000	Hospital and Nursing Home, FHA Insured, Mortgage Revenue, Series C, 6.65%, 08/15/32 ...	15,700,800
13,375,000	Hospital and Nursing Home, FHA Insured, Mortgage Revenue, Series D, 6.60%, 02/15/31 ...	14,056,858
55,500,000	Hospital and Nursing Home, FHA Insured, Mortgage Revenue, Series D, 6.45%, 02/15/32 ...	58,013,595
11,670,000	Hospital and Nursing Home, FSA Insured, Mortgage Revenue, Series A, 6.50%, 02/15/34 ...	12,161,540
5,500,000	Hospital and Nursing Home, Methodist Medical Center, FHA Insured, Series A, 6.70%, 08/15/23.....	5,852,165
3,200,000	Hospital Mortgage, AMBAC Insured, Series A, 6.80%, 08/15/24	3,474,208
5,125,000	Hospital Mortgage, AMBAC Insured, Series A, 6.50%, 08/15/29	5,412,513
31,210,000	Hospital Mortgage, AMBAC Insured, Series A, 6.90%, 08/15/34	33,870,340
4,000,000	Huntington Hospital Mortgage, Refunding, Project A, 6.50%, 11/01/14	4,057,520
68,050,000	Long Island College Hospital, FHA Insured, Mortgage Revenue, Series B, Pre-Refunded, 8.10%, 02/15/22.....	75,794,090
2,670,000	Medina Memorial Hospital Project, Series A, 7.30%, 05/01/11	2,910,914
64,110,000	Mental Health Services Facilities, Series A, 8.875%, 08/15/07.....	70,512,024
7,405,000	Mental Health Services Facilities, Series A, 7.70%, 02/15/18	7,955,340
57,100,000	Mental Health Services Facilities, Series A, Pre-Refunded, 8.875%, 08/15/07.....	63,689,340
2,210,000	Mercy Community Hospital Project, Sisters of Mercy, Series A, 9.80%, 11/01/16	2,253,206
7,185,000	Montefiore Medical Center, AMBAC Insured, Series A, 5.75%, 02/15/25	7,083,620
9,000,000	Montefiore Medical Center, AMBAC Insured, Series A, 6.00%, 02/15/35	9,089,370
3,800,000	Mortgage Revenue Project, Series A, 6.50%, 02/15/35	3,928,820
23,775,000	Mortgage Revenue Project, Series B, 6.60%, 08/15/34	24,942,353
10,200,000	Mortgage Revenue Project, Series C, 6.375%, 08/15/29	10,405,224
5,380,000	North General Hospital, Series 1989-A, 7.35%, 08/15/09	5,704,145

</TABLE>

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STATEMENT OF INVESTMENTS IN SECURITIES AND NET ASSETS CONTINUED

FRANKLIN NEW YORK TAX-FREE INCOME FUND, INC., MAY 31, 1995

<TABLE> <CAPTION>		VALUE (NOTE 1)
FACE AMOUNT		
<S>	<C>	<C>
	BONDS (CONT.)	
	New York State Medical Care Facilities Finance Agency,	
\$ 9,145,000	Refunding, Beth Israel Medical Center Project, Series A, 7.20%, 11/01/14	\$ 9,406,638
72,200,000	Refunding, Columbia Presbyterian Hospital, FHA Insured, Mortgage Revenue, Series A, Pre-Refunded, 8.00%, 02/15/25	79,223,615
10,730,000	Refunding, FHA Insured, Mortgage Hospital, Series A, 7.25%, 02/15/12	11,328,949
1,185,000	Refunding, Good Samaritan Hospital Project Revenue, Series A, 8.00%, 11/01/13	1,279,539
5,050,000	Refunding, Hospital and Nursing Home, FHA Insured, Mortgage Revenue, Series A, 6.20%, 02/15/23	5,182,512
17,700,000	Refunding, Hospital and Nursing Home, Series B, 6.20%, 08/15/22	18,146,217
5,000,000	Refunding, Hospital and Nursing Home, Series B, 6.125%, 08/15/24	5,086,550
4,005,000	Refunding, John T. Mather Memorial Hospital Project, 7.00%, 11/01/15	4,120,024
6,400,000	Refunding, Nyack Hospital Project Revenue, Series A, 8.30%, 11/01/13	6,979,648
9,900,000	Refunding, Vassar Brothers Hospital Project Revenue, Series A, 8.25%, 11/01/13	10,656,360
1,665,000	Saranac Lake General Hospital Project Revenue, Series A, 7.875%, 11/01/10	1,847,800
1,500,000	Second Mortgage, Health Care Project Revenue, Series B, 6.35%, 11/01/14	1,566,150
62,770,000	Secured Hospital Revenue, Bronx, Lebanon and The Jamaica Hospital, Series A, 7.10%, 02/15/27	64,516,261
72,180,000	Secured Hospital Revenue, North General Hospital, Series A, 7.40%, 02/15/19	76,276,215
22,150,000	Secured Hospital Revenue, Series A, 7.35%, 08/15/11	23,587,978
55,225,000	Secured Hospital Revenue, Series A, 7.40%, 08/15/21	58,912,373
15,780,000	Secured Hospital Revenue, Series A, 6.25%, 02/15/24	15,208,448
32,450,000	St. Vincent's Hospital, FHA Insured, Mortgage Revenue, Series A, Pre-Refunded, 8.00%, 02/15/27	35,535,022
36,650,000	The Hospital for Special Surgery Revenue, Series A, 6.45%, 08/15/34	38,006,050
	New York State Mortgage Agency, HMR,	
285,000	5th Series, 9.75%, 10/01/10	295,086
70,000	7th Series, 8.50%, 10/01/04	71,597

815,000	7th Series, 8.625%, 04/01/11	834,258
9,670,000	8th Series C, 8.40%, 10/01/17	10,139,382
6,235,000	8th Series D, 8.375%, 10/01/17	6,582,352
4,885,000	8th Series E, 8.10%, 10/01/17	5,162,810
3,975,000	10th Series A, 8.10%, 04/01/14	4,214,732
17,250,000	29th Series B, 6.45%, 04/01/15	17,737,140
6,225,000	37th Series A, 6.375%, 10/01/14	6,380,501
9,000,000	37th Series A, 6.45%, 10/01/17	9,242,010
6,560,000	Series BB-2, 7.95%, 10/01/15	6,883,802
3,405,000	Series EE-1, 8.05%, 04/01/16	3,649,240
2,835,000	Series FF, 7.95%, 10/01/14	2,983,696
13,890,000	Series OO, 8.05%, 10/01/11	15,078,428
14,650,000	Series RR, 7.75%, 10/01/17	15,723,259
	New York State Mortgage Agency Revenue,	
13,685,000	8th Series A, 6.875%, 04/01/17	13,964,585
5,000,000	Homeowners Mortgage, Series 27, 6.90%, 04/01/15	5,276,050
8,945,000	Homeowners Mortgage, Series 39, 6.00%, 10/01/17	8,933,103
9,880,000	Homeowners Mortgage, Series 41-A, 6.50%, 10/01/17	10,184,798
3,800,000	Homeowners Mortgage, Series 43, MBIA Insured, 6.45%, 10/01/17	3,900,320
23,730,000	Homeowners Mortgage, Series 45, 7.20%, 10/01/17	25,586,635
27,060,000	Homeowners Mortgage, Series 47, 6.375%, 10/01/17	27,650,990
5,000,000	New York State Tollway Authority, Highway and Bridge Trust Fund, Series A, 6.00%, 04/01/14	5,051,000
	New York State Tollway Authority, Service Contract Revenue,	
1,300,000	Local Highway and Bridge, 7.25%, 01/01/10	1,405,482
12,630,000	Local Highway and Bridge, 6.20%, 04/01/10	12,887,905
23,700,000	Local Highway and Bridge, 6.00%, 01/01/11	23,720,856
21,865,000	Local Highway and Bridge, 6.375%, 04/01/12	22,327,226
3,000,000	Local Highway and Bridge, 5.875%, 04/01/14	2,931,300
1,500,000	New York State Urban Development Corp. Revenue, Syracuse University Center, 7.875%, 01/01/17	1,612,065
	Niagara Falls GO, Public Improvement,	
805,000	Refunding, Pre-Refunded, 8.15%, 04/01/04	881,176
790,000	Refunding, Pre-Refunded, 8.15%, 04/01/05	864,758
775,000	Refunding, Pre-Refunded, 8.15%, 04/01/06	848,338
755,000	Refunding, Pre-Refunded, 8.15%, 04/01/07	826,446
1,000,000	Series A, Pre-Refunded, 8.15%, 12/01/04	1,115,980
1,000,000	Series A, Pre-Refunded, 8.15%, 12/01/05	1,115,980

</TABLE>

14 The accompanying notes are an integral part of these financial statements.

STATEMENT OF INVESTMENTS IN SECURITIES AND NET ASSETS CONTINUED

FRANKLIN NEW YORK TAX-FREE INCOME FUND, INC., MAY 31, 1995

<TABLE>

<CAPTION>

FACE AMOUNT		VALUE (NOTE 1)
<S>	<C>	<C>
	BONDS (CONT.)	
	Niagara Falls GO, Public Improvement,	
\$ 1,000,000	Series A, Pre-Refunded, 8.15%, 12/01/06	\$ 1,115,980
1,000,000	Series A, Pre-Refunded, 8.15%, 12/01/07	1,115,980
1,000,000	Series A, Pre-Refunded, 8.15%, 12/01/08	1,115,980
1,000,000	Series A, Pre-Refunded, 8.15%, 12/01/09	1,115,980
1,000,000	Series A, Pre-Refunded, 8.15%, 12/01/10	1,115,980
1,000,000	Series A, Pre-Refunded, 8.15%, 12/01/11	1,115,980
11,530,000	North County, Development Authority, Solid Waste Management Systems Revenue, Series A, 6.75%, 07/01/12	11,828,281
2,155,000	Oneida Health Care Corp., Mortgage Revenue, Oneida Health Care, Series A, 7.20%, 08/01/31 Oneida-Herkimer, Solid Waste Management Authority,	2,267,082
1,390,000	Solid Waste Systems Revenue, 6.20%, 04/01/00	1,438,261
1,035,000	Solid Waste Systems Revenue, 6.30%, 04/01/01	1,071,991
1,930,000	Solid Waste Systems Revenue, 6.40%, 04/01/02	2,008,532
2,075,000	Solid Waste Systems Revenue, 6.50%, 04/01/03	2,168,998
1,115,000	Solid Waste Systems Revenue, 6.65%, 04/01/05	1,169,735
17,330,000	Solid Waste Systems Revenue, 6.75%, 04/01/14	18,033,944
	Port Authority of New York and New Jersey,	
8,000,000	Consolidated 53rd Series Revenue, 8.70%, 07/15/20	8,272,640
1,675,000	Consolidated 67th Series Revenue, 6.875%, 01/01/25	1,761,196
4,400,000	Consolidated 74th Series Revenue, 6.75%, 08/01/26	4,641,824
17,000,000	Port Authority of New York and New Jersey, Delta Air Lines, Inc. Special Project, Series 1, 6.95%, 06/01/08	17,903,720
14,645,000	Puerto Rico Commonwealth Aqueduct and Sewer Authority Revenue, Series A, 7.875%, 07/01/17	16,088,118
29,455,000	Puerto Rico Commonwealth Highway Authority Revenue, Series P, Pre-Refunded, 8.125%,	

07/01/13.....		33,284,445
8,000,000	Puerto Rico Commonwealth Infrastructure Financing Authority, Special Tax Revenue, Series A, 7.90%, 07/01/07.....	8,743,600
8,100,000	Puerto Rico Commonwealth Urban Renewal and Housing Corp., Refunding, 7.875%, 10/01/04	9,090,468
28,435,000	Puerto Rico Electric Power Authority Revenue, Refunding, Series 1987-K, Pre-Refunded, 9.375%, 07/01/17	31,942,173
6,500,000	Refunding, Series 1987-L, Pre-Refunded, 8.375%, 07/01/07	7,174,050
4,740,000	Series 1992-R, 6.25%, 07/01/17	4,848,262
12,565,000	Series 1994-T, 6.375%, 07/01/24	13,023,623
1,000,000	Puerto Rico Industrial, Medical and Environmental Facilities, PCFA, Baxter Travenol Labs., Series A, 8.00%, 09/01/12	1,116,230
21,015,000	Special Facilities, American Airlines Corp., Series A, 8.75%, 12/01/25	21,836,687
14,760,000	Puerto Rico Municipal Finance Agency, Series A, 8.25%, 07/01/08	16,316,590
11,000,000	Series A, 6.50%, 07/01/19	11,621,830
2,615,000	Puerto Rico PBA, Guaranteed Public Education and Health Facilities, Refunding, Series I, 6.00%, 07/01/12.....	2,627,943
2,500,000	Puerto Rico PBA, Guaranteed Revenue, Refunding, Series L, 5.75%, 07/01/16	2,452,025
10,000,000	Rensselaer Municipal Leasing Corp., Leasehold Mortgage Revenue, Rensselaer County Nursing Home, Series A, 6.90%, 06/01/24	10,184,600
3,345,000	Series B, 6.90%, 06/01/24	3,406,749
4,230,000	Schenectady Municipal Housing Authority Housing Revenue, Annie Schaffer Senior Center, Inc. Project, 6.45%, 05/01/24	4,456,517
4,750,000	Suffolk County IDA, Civic Facilities Revenue, Dowling College Civic Facilities, 8.25%, 12/01/20	5,271,740
2,000,000	Dowling College Civic Facilities, 6.625%, 06/01/24	2,055,720
1,345,000	Sunnybrook Elderly Housing Corp. Mortgage Revenue, Sunnybrook Apartments Project, 11.25%, 12/01/14.....	1,414,644
2,000,000	Syracuse IDA, Civic Facility Revenue, St. Joseph's Hospital Health Center Project, 7.50%, 06/01/18.....	2,136,380
27,325,000	United Nations Development Corp. Revenue, Refunding, Sub-Lien, Series A, 6.00%, 07/01/26	27,590,599
15,370,000	Sub-Lien, Series B, 6.25%, 07/01/26	15,808,352
3,100,000	Virgin Islands Water and Power Authority Electric System, Series A, 7.40%, 07/01/11	3,321,340
41,000,000	Warren and Washington Counties IDAR, Refunding, Adirondack Resource Recovery Project, Series A, 7.90%, 12/15/07	42,157,430
500,000	Yonkers GO, Series A, 9.20%, 02/01/01	587,945
1,090,000	Series A, 9.20%, 02/01/03	1,322,988
1,095,000	Series A, 9.20%, 02/01/04	1,351,174
1,095,000	Series A, 9.20%, 02/01/05	1,371,663
	TOTAL BONDS (COST \$4,290,819,494)	4,564,950,130

</TABLE>

The accompanying notes are an integral part of these financial statements. 15

STATEMENT OF INVESTMENTS IN SECURITIES AND NET ASSETS CONTINUED

FRANKLIN NEW YORK TAX-FREE INCOME FUND, INC., MAY 31, 1995

<TABLE> <CAPTION>		VALUE (NOTE 1)
FACE AMOUNT		
<S>	<C>	<C>
	(b)ZERO COUPON/STEP-UP BONDS 1.4%	
\$ 1,120,000	Erie County Water Authority, Water Revenue, Refunding, Fourth Resolution, AMBAC Insured, Pre-Refunded, (original accretion rate 7.30%), 12/01/17	\$ 223,418
8,205,000	Metropolitan Transportation Authority, Transit Facilities Revenue, Refunding, Series 7, (original accretion rate 5.75%), 07/01/09	3,557,442
9,000,000	Refunding, Series 7, (original accretion rate 5.80%), 07/01/10	3,677,040
7,500,000	Refunding, Series 7, (original accretion rate 5.80%), 07/01/10	3,064,200
21,200,000	Refunding, Series 7, (original accretion rate 5.80%), 07/01/11	8,098,612
8,490,000	Refunding, Series 7, (original accretion rate 5.85%), 07/01/12	3,029,487
7,935,000	Refunding, Series 7, (original accretion rate 5.85%), 07/01/13	2,665,525
3,500,000	Refunding, Series 7, (original accretion rate 5.546%), 07/01/14	1,100,715
5,160,000	Series E, (original accretion rate 6.40%), 05/15/19	1,115,850
8,875,000	New York City GO, Citysavers, Series B, (original accretion rate 8.25%), 08/01/09	3,624,461
1,030,000	Citysavers, Series B, (original accretion rate 8.66%), 06/01/12	351,591
1,030,000	Citysavers, Series B, (original accretion rate 8.50%), 12/01/12	340,631
1,030,000	Citysavers, Series B, (original accretion rate 8.50%), 06/01/13	326,026
1,030,000	Citysavers, Series B, (original accretion rate 8.50%), 12/01/13	315,767
1,030,000	Citysavers, Series B, (original accretion rate 8.50%), 06/01/14	305,827
1,030,000	Citysavers, Series B, (original accretion rate 8.50%), 12/01/14	296,197

1,030,000	City savers, Series B, (original accretion rate 8.50%), 06/01/15	286,876
1,030,000	City savers, Series B, (original accretion rate 8.50%), 12/01/15	277,843
1,030,000	City savers, Series B, (original accretion rate 8.50%), 06/01/16	269,098
1,030,000	City savers, Series B, (original accretion rate 8.50%), 12/01/16	260,631
1,030,000	City savers, Series B, (original accretion rate 8.50%), 06/01/17	252,422
1,030,000	City savers, Series B, (original accretion rate 8.50%), 12/01/17	244,481
1,030,000	City savers, Series B, (original accretion rate 8.50%), 06/01/18	236,787
1,005,000	City savers, Series B, (original accretion rate 8.50%), 12/01/18	223,763
1,030,000	City savers, Series B, (original accretion rate 8.50%), 06/01/19	222,109
1,030,000	City savers, Series B, (original accretion rate 8.50%), 12/01/19	215,116
10,000,000	City savers, Series B, (original accretion rate 8.50%), 06/01/20	2,022,800
2,500,000	M-Raes, Series 29, zero coupon to 03/15/00, (original accretion rate 8.50%), 8.00% thereafter, 03/15/12.....	1,893,450
3,875,000	M-Raes, Series 30, zero coupon to 03/15/00, (original accretion rate 8.50%), 8.00% thereafter, 03/15/13.....	2,925,354
20,400,000	M-Raes, Series 36, zero coupon to 10/01/02, (original accretion rate 7.00%), 7.00% thereafter, 10/01/14.....	13,008,875
2,690,000	Series A-2, (original accretion rate 5.95%), 08/01/10	1,031,184
21,170,000	Orangetown Housing Authority, Housing Facilities Revenue, Refunding, Orangetown Senior Housing Center Project, MBIA Insured, (original accretion rate 6.60%), 04/01/30	2,616,400
21,625,000	Triborough Bridge and Tunnel Authority, Convention Center Project, Series E, (original accretion rate 7.50%), 01/01/12	8,055,960
	TOTAL ZERO COUPON/STEP-UP BONDS (COST \$62,904,345)	66,135,938
	TOTAL INVESTMENTS (COST \$4,353,723,839) 98.0%	4,631,086,068
	OTHER ASSETS AND LIABILITIES, NET 2.0%	95,882,612
	NET ASSETS 100.0%	\$4,726,968,680
	At May 31, 1995, the net unrealized appreciation based on the cost of investments for income tax purposes of \$4,354,718,498 was as follows:	
	Aggregate gross unrealized appreciation for all investments in which there was an excess of value over tax cost.....	\$ 281,589,850
	Aggregate gross unrealized depreciation for all investments in which there was an excess of tax cost over value.....	(5,222,280)
	Net unrealized appreciation	\$ 276,367,570

</TABLE>

16 The accompanying notes are an integral part of these financial statements.

STATEMENT OF INVESTMENTS IN SECURITIES AND NET ASSETS CONTINUED

FRANKLIN NEW YORK TAX-FREE INCOME FUND, INC., MAY 31, 1995

PORTFOLIO ABBREVIATIONS:

AMBAC - American Municipal Bond Assurance Corp.
BIG - Bond Investors Guaranty Insurance Co.
COP - Certificate of Participation
FGIC - Financial Guaranty Insurance Corp.
FHA - Federal Housing Authority/Agency
FSA - Financial Security Assistance
GO - General Obligation
HDC - Housing Development Corp.
HFA - Housing Finance Authority/Agency
HFAR - Housing Finance Authority/Agency Revenue
HIBI - Health Industry Bond Insurance
HMR - Home Mortgage Revenue
IDA - Industrial Development Authority/Agency
IDAR - Industrial Development Authority/Agency Revenue
MBIA - Municipal Bond Investors Assurance Corp.
MF - Multi-Family
MFMR - Multi-Family Mortgage Revenue
MFR - Multi-Family Revenue
PBA - Public Building Authority
PCFA - Pollution Control Financing Authority
PCR - Pollution Control Revenue

(a) See Note 1 regarding securities purchased on a when-issued basis.

(b) Zero coupon/step-up bonds. The current effective yield may vary. The original accretion rate will remain constant.

The accompanying notes are an integral part of these financial statements. 17

FINANCIAL STATEMENTS

FRANKLIN NEW YORK TAX-FREE INCOME FUND, INC.

STATEMENT OF ASSETS AND LIABILITIES
MAY 31, 1995

<TABLE>	<C>	<C>
<S>		
Assets:		
Investment in securities, at value (identified cost \$4,353,723,839)		\$4,631,086,068
Cash		6,610,160
Receivables:		
Interest		88,967,111
Investment securities sold		22,881,184
Capital shares sold		7,439,016

Total assets		4,756,983,539

Liabilities:		
Payables:		
Investment securities purchased:		
Regular delivery		15,408,132
When-issued basis (Note 1)		10,043,367
Capital shares repurchased		2,134,217
Management fees		1,791,394
Distribution fees		271,336
Shareholder servicing costs		56,017
Accrued expenses and other liabilities		310,396

Total liabilities		30,014,859

Net assets, at value		\$4,726,968,680
		=====
Net assets consist of:		
Undistributed net investment income		\$ 6,864,571
Unrealized appreciation on investments		277,362,229
Accumulated net realized loss		(6,823,522)
Class I capital shares		4,022,950
Class II capital shares		1,630
Additional paid-in capital		4,445,540,822

		\$4,726,968,680
		=====
Computation of net asset value and offering price per share:		
Class I		
Net asset value* per share (\$4,725,055,811 / 402,295,032 shares outstanding)		\$11.75
		=====
Maximum offering price (100/95.75 of \$11.75)		\$12.27
		=====
Class II		
Net asset value* per share (\$1,912,869 / 163,023 shares outstanding)		\$11.73
		=====
Maximum offering price (100/99.00 of \$11.73)		\$11.85
		=====

STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MAY 31, 1995

Investment income:		
Interest income (Note 1)		\$ 317,384,816
Expenses:		
Management fees (Note 5)	\$ 20,769,558	
Distribution fees-Class I (Note 5)	2,799,576	
Distribution fees-Class II (Note 5)	303	

Shareholder servicing costs (Note 5)	725,433	
Reports to shareholders	937,464	
Custodian fees	429,831	
Professional fees (Note 5)	110,125	
Directors' fees and expenses	58,929	
Registration and filing fees	24,142	
Other	144,574	
Total expenses		25,999,935

Net investment income		291,384,881

Realized and unrealized gain (loss) on investments:		
Net realized gain	45,909,121	
Net unrealized depreciation	(27,550,974)	

Net realized and unrealized gain on investments	18,358,147	

Net increase in net assets resulting from operations	\$ 309,743,028	
		=====

</TABLE>

*Redemption price per share is equal to net asset value less any applicable contingent deferred sales charge.

18 The accompanying notes are an integral part of these financial statements.

FINANCIAL STATEMENTS CONTINUED

FRANKLIN NEW YORK TAX-FREE INCOME FUND, INC.

STATEMENTS OF CHANGES IN NET ASSETS
FOR THE YEARS ENDED MAY 31, 1995 AND 1994

<TABLE>
<CAPTION>

	1995	1994
	-----	-----
	<C>	<C>
Increase (decrease) in net assets:		
Operations:		
Net investment income	\$ 291,384,881	\$ 286,246,889
Net realized gain (loss) from security transactions	45,909,121	(24,088,876)
Net unrealized depreciation on investments.....	(27,550,974)	(114,464,524)
	-----	-----
Net increase in net assets resulting from operations.....	309,743,028	147,693,489
Distributions to shareholders from undistributed net investment income (Note 8):		
Class I.....	(300,084,670)	(289,819,098)
Class II.....	(1)	--
Increase in net assets from capital share transactions (Note 3).....	107,311,550	412,874,905
	-----	-----
Net increase in net assets.....	116,969,907	270,749,296
Net assets:		
Beginning of year	4,609,998,773	4,339,249,477
	-----	-----
End of year (including undistributed net investment income of \$6,864,571 - 1995 and \$15,564,361 - 1994).....	\$4,726,968,680	\$4,609,998,773
	=====	=====

</TABLE>

The accompanying notes are an integral part of these financial statements. 19

NOTES TO FINANCIAL STATEMENTS

FRANKLIN NEW YORK TAX-FREE INCOME FUND, INC.

1. SIGNIFICANT ACCOUNTING POLICIES

Franklin New York Tax-Free Income Fund, Inc., (the Fund) is an open-end diversified management investment company (mutual fund), registered under the Investment Company Act of 1940 as amended.

The Fund offers two classes of shares, Class I and Class II. Class I shares are sold with a higher front-end sales charge. Class II shares are sold with a lower

front-end sales charge, but may be subject to a contingent deferred sales charge. Each class of shares has the same rights, except with respect to the effect of the respective sales charges, the distribution fees borne by each class, voting rights on matters affecting a single class, and the exchange privilege of each class.

The offering of Class II shares began May 1, 1995, at which time all previously outstanding shares became Class I shares. Realized and unrealized gains or losses and net investment income, other than class specific expenses, are allocated daily to each class of shares based upon the relative proportion of net assets of each class.

The following is a summary of significant accounting policies consistently followed by the Fund in the preparation of its financial statements. The policies are in conformity with generally accepted accounting principles for investment companies.

A. SECURITY VALUATIONS: Tax-free bonds generally trade in the over-the-counter market rather than on a national securities exchange. Often there are no transactions in a particular security on any given day. In the absence of a recorded sale or reported bid and ask prices, information with respect to bond and note transactions, quotations from bond dealers, market transactions in comparable securities, and various relationships between securities are used to determine the value of the security. The Fund may utilize a pricing service, bank or broker/dealer experienced in such matters to perform any of the pricing functions, under procedures approved by the Board of Directors.

B. INCOME TAXES: The Fund intends to continue to qualify for the tax treatment applicable to regulated investment companies under the Internal Revenue Code and make the requisite distributions to its shareholders which will be sufficient to relieve it from income and excise taxes. Therefore, no income tax provision is required.

C. SECURITY TRANSACTIONS: Security transactions are accounted for on the date the securities are purchased or sold (trade date). Realized gains and losses on security transactions are determined on the basis of specific identification for both financial statement and income tax purposes.

D. INVESTMENT INCOME, EXPENSE AND DISTRIBUTIONS: Distributions to shareholders are recorded on the ex-dividend date. Interest income and estimated expenses are accrued daily. Bond discount and premium, if any, are amortized as required by the Internal Revenue Code.

Net realized capital gains and losses differ for financial statement and tax purposes primarily due to differing treatment of wash sale transactions.

E. SECURITIES PURCHASED ON A WHEN-ISSUED OR DELAYED DELIVERY BASIS: The Fund may trade securities on a when-issued 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 Fund will generally purchase these securities with the intention of acquiring such securities, it may sell such securities before the settlement date. These securities are identified on the accompanying Statement of Investments in Securities and Net Assets. The Fund has set aside sufficient investment securities as collateral for these purchase commitments.

2. DISTRIBUTIONS AND CAPITAL LOSS CARRYOVERS

At May 31, 1995, for tax purposes, the Fund had capital loss carryover of \$5,828,863 expiring in 2002.

For tax purposes, the aggregate cost of securities is higher (and unrealized appreciation is lower) than for financial reporting purposes at May 31, 1995 by \$994,659.

3. CAPITAL STOCK

At May 31, 1995, there were 2,500,000,000 Class I shares and 2,500,000,000 Class II shares of \$0.01 par value capital stock authorized, and paid-in capital aggregated \$4,447,667,790 and \$1,897,612, respectively. Transactions in the Fund's Class I and Class II shares for the year ended May 31, 1995 and 1994 were as follows:

<TABLE>
<CAPTION>
CLASS I SHARES

YEAR ENDED MAY 31,

	1995		1994	
	SHARES	AMOUNT	SHARES	AMOUNT
<S>	<C>	<C>	<C>	<C>

Shares sold.....	34,595,936	\$ 397,060,751	51,458,903	\$ 624,610,727
Shares issued in reinvestment of distributions.....	11,609,779	132,502,096	9,616,839	115,957,302
Shares redeemed.....	(33,675,983)	(383,309,501)	(24,059,238)	(289,963,825)
Changes from exercise of exchange privilege:				
Shares sold.....	11,664,593	132,914,323	7,296,444	87,461,565
Shares redeemed.....	(15,290,142)	(173,753,731)	(10,421,181)	(125,190,864)
Net increase.....	8,904,183	\$ 105,413,938	33,891,767	\$ 412,874,905

</TABLE>

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NOTES TO FINANCIAL STATEMENTS CONTINUED

FRANKLIN NEW YORK TAX-FREE INCOME FUND, INC.

3. CAPITAL STOCK (CONT.)

<TABLE>

<CAPTION>

CLASS II SHARES

	PERIOD ENDED	
	MAY 31, 1995*	
	SHARES	AMOUNT
<S>	<C>	<C>
Shares sold.....	163,023	\$1,897,611
Shares issued in reinvestment of distributions.....	--	1
Net increase.....	163,023	\$1,897,612

</TABLE>

*For the period May 1, 1995 (effective date) to May 31, 1995.

4. PURCHASES AND SALES OF SECURITIES

Purchases and sales of securities (excluding purchases and sales of short-term securities) for the year ended May 31, 1995 aggregated \$1,919,560,416 and \$1,821,267,656, respectively.

5. TRANSACTIONS WITH AFFILIATES AND RELATED PARTIES

Franklin Advisers, Inc., under the terms of an agreement, provides investment advice, administrative services, office space and facilities to the Fund, and receives fees computed monthly on the net assets of the Fund on the last day at an annualized rate of 5/8 of 1% of the first \$100 million of net assets, 1/2 of 1% of net assets in excess of \$100 million up to and including \$250 million and 45/100 of 1% of net assets in excess of \$250 million up to and including \$10 billion. Fees are reduced further on net assets over \$10 billion. Fees incurred by the Fund aggregated \$20,769,558 for the year ended May 31, 1995. The terms of the management agreement provide that aggregate annual expenses of the Fund be limited to the extent necessary to comply with the limitations set forth in the laws, regulations and administrative interpretations of the states in which the Fund's shares are registered. For the year ended May 31, 1995, the Fund's expenses did not exceed these limitations.

Under the terms of a Distribution plan pursuant to Rule 12b-1 of the Investment Company Act of 1940, which was effective May 1, 1994 for Class I shares, and which became effective on May 1, 1995 for Class II shares. Class I and II shares will reimburse Franklin/Templeton Distributors, Inc., in an amount up to a maximum of 0.10% and 0.65% per annum, respectively, of the average daily net assets of each class for costs incurred in the promotion, offering and marketing of the Class I and II shares. Fees incurred by the classes under the agreement aggregated \$2,799,879 for the year ended May 31, 1995.

In its capacity as underwriter for the capital stock of the Fund, Franklin/Templeton Distributors, Inc., received commissions on sales of the Fund's capital stock. Commissions are deducted from the gross proceeds received from the sale of the capital stock of the Fund and as such are not expenses of the Fund. Franklin/Templeton Distributors, Inc. may also make payments, out of its own resources, to dealers for certain sales of Class I and Class II shares.

Commissions received by Franklin/Templeton, Distributors, Inc. and the amounts paid to other dealers for the year ended May 31, 1995 were as follows:

<TABLE>

<CAPTION>

	CLASS I	CLASS II
<S>	<C>	<C>
Total commissions received	\$13,714,510	\$19,562
	=====	=====
Paid to other dealers	\$12,948,469	\$38,342
	=====	=====

</TABLE>

Pursuant to a shareholder servicing agreement with Franklin/Templeton Investor Services, Inc., the Fund pays costs on a per shareholder account basis. Such costs incurred for the year ended May 31, 1995 aggregated \$725,433 of which \$627,409 was paid to Franklin/Templeton Investor Services, Inc.

During the year ended May 31, 1995, legal fees of \$27,791 were incurred to a law firm in which Brian E. Lorenz, Secretary of the Fund, is a partner.

Certain officers and directors of the Fund are also officers and/or directors of Franklin/Templeton Distributors, Inc., Franklin Advisers, Inc., and Franklin/Templeton Investor Services, Inc., all wholly-owned subsidiaries of Franklin Resources, Inc.

6. SUBSEQUENT EVENTS

On May 16, 1995 and June 20, 1995, the Board of Directors declared distributions per share as follows:

<TABLE>

<CAPTION>

	Record Date	Payment Date	From Undistributed Net Investment Income
<S>	<C>	<C>	<C>
Class I	5/31	6/15	\$0.063
Class II	5/31	6/15	0.057

Class I	6/30	7/14	0.063
Class II	6/30	7/14	0.057

</TABLE>

7. CREDIT RISK

Although the Fund has a diversified portfolio, substantially all of its investments are in the securities of issuers in Guam, New York and Puerto Rico. Such concentration may subject the Fund more significantly to economic changes occurring within that state and territories.

NOTES TO FINANCIAL STATEMENTS CONTINUED

FRANKLIN NEW YORK TAX-FREE INCOME FUND, INC.

8. FINANCIAL HIGHLIGHTS

Selected data for each share of capital stock outstanding throughout the year are as follows:

<TABLE>

<CAPTION>

	Year Ended May 31,				
CLASS I SHARES:	1995	1994	1993	1992	1991
<S>	<C>	<C>	<C>	<C>	<C>
PER SHARE OPERATING PERFORMANCE					
Net asset value at beginning of year.....	\$11.72	\$12.07	\$11.45	\$10.94	\$10.85
Net investment income.....	0.73	0.75	0.77	0.78	0.80
Net realized and unrealized gain (loss) on securities.....	0.056	(0.338)	0.630	0.523	0.086
Total from investment operations.....	0.786	0.412	1.400	1.303	0.886
Distributions from net investment income.....	(0.756)	(0.762)	(0.780)	(0.793)	(0.796)

Net asset value at end of year.....	\$11.75	\$11.72	\$12.07	\$11.45	\$10.94
	=====	=====	=====	=====	=====
Total return*.....	7.10%	3.18%	12.35%	12.05%	8.20%
RATIOS/SUPPLEMENTAL DATA					
Net assets at end of year (in 000's).....	\$4,725,056	\$4,609,999	\$4,339,249	\$3,570,851	\$3,108,151
Ratio of expenses to average net assets.....	0.57%	0.52%	0.52%	0.51%	0.50%
Ratio of net investment income to average net assets.....	6.39%	6.19%	6.56%	7.01%	7.34%
Portfolio turnover rate.....	40.56%	25.67%	12.28%	19.37%	18.62%

<TABLE>
<CAPTION>

CLASS II SHARES:

	PERIOD ENDED
	MAY 31, 1995+

<S>	<C>
PER SHARE OPERATING PERFORMANCE**	
Net asset value at beginning of period.....	\$11.50+++
Net investment income.....	0.05
Net realized and unrealized gain on securities.....	0.243
Total from investment operations.....	0.293
Distributions from net investment income.....	(0.063)
Net asset value at end of period.....	\$11.73

TOTAL RETURN*.....	2.56%
RATIOS/SUPPLEMENTAL DATA	
Net assets at end of year (in 000's).....	\$1,913
Ratio of expenses to average net assets.....	1.09%++
Ratio of net investment income to average net assets.....	5.32%++
Portfolio turnover rate.....	40.56%

*Total return measures the change in value of an investment over the periods indicated. It is not annualized. It does not include the maximum initial sales charge or the deferred contingent sales charge. The total return for Class I shares also assumes reinvestment of dividends at the offering price and capital gains, if any, at net asset value. Effective May 1, 1994, with the implementation of the Rule 12b-1 distribution plan for Class I shares, as discussed in Note 5, the existing sales charge on reinvested dividends has been eliminated.

**Per share amounts have been calculated using the daily average shares outstanding during the period.

+ For the period May 1, 1995 (effective date) to May 31, 1995.

++ Annualized.

+++The Fund paid a dividend to shareholders of record on the beginning of business, May 1, 1995 in the amount of \$0.063 per share. The net asset value per share at beginning of period includes this dividend.

During the year ended May 31, 1995, the Fund paid distributions from undistributed net investment income in the amounts shown in the Statement of Changes in Net Assets. The Fund hereby designates the total amount of these distributions as exempt-interest dividends under Section 852 (b) (5) of the Internal Revenue Code.

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REPORT OF INDEPENDENT AUDITORS

FRANKLIN NEW YORK TAX-FREE INCOME FUND, INC.

To the Shareholders and Board of Directors of Franklin New York Tax-Free Income Fund, Inc.:

We have audited the accompanying statement of assets and liabilities of Franklin New York Tax-Free Income Fund, Inc. (the Fund), including the statement of investments in securities and net assets, as of May 31, 1995, and the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of May 31, 1995, by correspondence with the custodian and brokers. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of Franklin New York Tax-Free Income Fund Inc. as of May 31, 1995, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended in conformity with generally accepted accounting principles.

COOPERS & LYBRAND L.L.P.

San Francisco, California
June 30, 1995

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APPENDIX
DESCRIPTION OF GRAPHIC MATERIAL OMITTED FROM EDGAR FILING
(PURSUANT TO ITEM 304 (a) of REGULATION S-T)

GRAPHIC MATERIAL (1)

This bar chart shows the comparison between the fund's distribution rate of 6.16% and the taxable equivalent rate of 11.60%.

GRAPHIC MATERIAL (2)

The following line graph hypothetically compares the performances of the Franklin New York Tax-Free Income Fund to that of the Lehman Brothers Municipal Bond Index and the Consumer Price Index (CPI), based on a \$10,000 investment from 6/1/85 to 5/31/95.

<TABLE>

<CAPTION>

Period Ending	New York Tax-Free Muni Index	CPI
<S>	<C>	<C>
6/1/85	9,571	10,000
6/30/85	9,699	10,105
7/31/85	9,736	10,125
8/31/85	9,848	10,054
9/30/85	9,613	9,954
10/31/85	9,935	10,295
11/30/85	10,211	10,665
12/31/85	10,509	10,759
1/31/86	10,847	11,392
2/28/86	11,306	11,845
3/31/86	11,570	11,848
4/30/86	11,373	11,858
5/31/86	11,154	11,664
6/30/86	11,244	11,775
7/31/86	11,305	11,847
8/31/86	11,814	12,378
9/30/86	11,845	12,409
10/31/86	12,175	12,623
11/30/86	12,310	12,873
12/31/86	12,372	12,837
1/31/87	12,642	13,224
2/28/87	11,770	12,425
6/30/87	11,984	12,790
7/31/87	12,109	12,921
8/31/87	12,205	12,949

9/30/87	11,510	12,472	10,719
10/31/87	11,555	12,515	10,747
11/30/87	11,925	12,842	10,756
12/31/87	12,135	13,028	10,756
1/31/88	12,639	13,492	10,784
2/29/88	12,839	13,635	10,812
3/31/88	12,553	13,477	10,859
4/30/88	12,613	13,579	10,915
5/31/88	12,673	13,540	10,953
6/30/88	12,915	13,737	11,000
7/31/88	12,964	13,827	11,046
8/31/88	13,050	13,839	11,092
9/30/88	13,321	14,090	11,167
10/31/88	13,607	14,338	11,203
11/30/88	13,477	14,206	11,212
12/31/88	13,636	14,351	11,231
1/31/89	13,846	14,648	11,288
2/28/89	13,752	14,481	11,334
3/31/89	13,747	14,446	11,400
4/30/89	14,064	14,788	11,474
5/31/89	14,358	15,096	11,539
6/30/89	14,535	15,301	11,567
7/31/89	14,675	15,509	11,595
8/31/89	14,616	15,357	11,613
9/30/89	14,544	15,311	11,650
10/31/89	14,619	15,498	11,706
11/30/89	14,816	15,769	11,734
12/31/89	14,946	15,899	11,753
1/31/90	14,845	15,824	11,874
2/28/90	15,045	15,965	11,930
3/31/90	14,998	15,969	11,996
4/30/90	14,923	15,854	12,015
5/31/90	15,155	16,200	12,042
6/30/90	15,355	16,354	12,368
10/31/90	15,421	16,650	12,442
11/30/90	15,690	16,984	12,470
12/31/90	15,655	17,059	12,470
1/31/91	15,884	17,288	12,545
2/28/91	16,026	17,438	12,563
3/31/91	16,140	17,445	12,582
4/30/91	16,345	17,679	12,601
5/31/91	16,445	17,836	12,639
6/30/91	16,532	17,818	12,676
7/31/91	16,785	18,036	12,695
8/31/91	17,026	18,274	12,731
9/30/91	17,344	18,511	12,788
10/31/91	17,479	18,678	12,807
11/30/91	17,583	18,730	12,844
12/31/91	17,782	19,133	12,853
1/31/92	17,778	19,177	12,872
2/29/92	17,800	19,183	12,918
3/31/92	17,950	19,191	12,984
4/30/92	18,197	19,361	13,002
5/31/92	18,479	19,590	13,021
6/30/92	18,812	19,919	13,068
7/31/92	19,423	20,516	13,095
8/31/92	19,234	20,315	13,132
9/30/92	19,325	20,447	13,168
10/31/92	19,034	20,247	13,215
11/30/92	19,493	20,609	13,233
12/31/92	19,753	20,820	13,224
1/31/93	20,014	21,061	13,289
2/28/93	20,531	21,824	13,335
3/31/93	20,454	21,592	13,382
4/30/93	20,566	21,810	13,419
5/31/93	20,815	21,933	13,438
6/30/93	21,153	22,299	13,457
7/31/93	21,162	22,328	13,457
8/31/93	21,556	22,792	13,495
9/30/93	21,790	23,052	13,523
10/31/93	21,831	23,096	13,578
11/30/93	21,659	22,893	13,588
12/31/93	22,111	23,376	13,588
1/31/94	22,314	23,642	13,624
2/28/94	21,922	23,030	13,671
3/31/94	21,293	22,092	13,717
4/30/94	21,337	22,280	13,736
5/31/94	21,526	22,474	13,746
6/30/94	21,475	22,337	13,793
7/31/94	21,759	22,746	13,830
8/31/94	21,877	22,825	13,885
9/30/94	21,620	22,490	13,923
10/31/94	21,305	22,090	13,933

11/30/94	20,819	21,690	13,951
12/31/94	21,319	22,167	13,951
1/31/95	21,766	22,801	14,007
2/28/95	22,235	23,464	14,063
3/31/95	22,396	23,734	14,109
4/30/95	22,441	23,763	14,156
5/31/95	23,055	24,521	14,183

</TABLE>