

FORM 1099-DIV: Municipal interest income

Tax-free funds

Tax-free funds are mutual funds with income dividends that are earned from bonds issued by a municipality and are generally exempt from federal income tax. A portion of the federally exempt interest dividends from some state-specific tax-free Wells Fargo Funds may be exempt from state income tax, especially if you live in the state of issue.

To determine the amount of income exempt from state income tax, examine the table to find the fund you held during the 2017 tax year and its percentage value for your state of residence. Refer to your 2017 Form 1099-DIV, box 10, for your tax-exempt dividends. Multiply this amount by your fund's percentage value. This will give you the amount of income that is exempt from state income tax.

Income from territorial obligations (Guam, Puerto Rico, and the U.S. Virgin Islands) is generally exempt from both federal and state personal income taxes. Some states (such as California, Connecticut, Iowa, Massachusetts, Minnesota, Mississippi, and Virginia) impose restrictions on the ability to pass through to you the exempt nature of your fund's interest income. Other states (including Indiana, Utah, and Wisconsin) provide a limited tax exemption. Additional information for Utah residents is available on our website at wellsfargofunds.com, keyword: tax center. Please consult your tax advisor regarding these state restrictions and limited exemptions.

TABLE 1: Percentage of income derived from national tax-free funds

Wells Fargo Funds									
State/territory	High Yield Municipal Bond Fund (%)	Intermediate Tax/AMT-Free Fund (%)	Municipal Bond Fund (%)	Municipal Cash Management Money Market Fund* (%)	Municipal Money Market Fund ^{1**} (%)	National Tax-Free Money Market Fund ^{1**} (%)	Short-Term Municipal Bond Fund (%)	Strategic Municipal Bond Fund (%)	Ultra Short-Term Municipal Income Fund (%)
Alabama	1.39	0.26	1.90	1.57	3.83	3.42	1.56	1.54	3.25
Alaska	0.00	0.10	0.08	0.00	0.00	0.02	0.12	0.45	0.14
Arizona	3.26	2.00	1.89	4.61	2.22	2.65	2.14	3.27	1.01
Arkansas	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.15	0.02
California	7.04	10.87	7.03	6.54	10.57	10.93	6.49	5.77	7.89
Colorado	7.32	0.63	3.34	3.06	1.96	3.34	0.87	2.71	0.86
Connecticut	0.31	2.00	0.37	0.23	0.00	0.26	2.61	1.82	1.90
Delaware	1.23	0.17	0.63	0.03	0.00	0.01	0.02	0.27	0.13
District of Columbia	0.52	0.77	0.36	0.28	0.00	0.86	0.21	0.03	0.69
Florida	2.45	4.27	4.30	4.70	3.78	4.25	1.55	2.45	2.87
Georgia	1.92	1.04	0.59	1.48	2.38	0.99	3.18	3.79	2.07
Hawaii	0.00	0.05	0.13	0.00	0.00	0.00	0.04	0.29	0.19
Idaho	0.58	0.00	1.06	0.09	0.00	0.00	0.00	0.00	0.24
Illinois	17.47	18.75	20.66	10.24	2.02	4.02	13.04	21.90	11.52
Indiana	2.50	1.64	1.34	3.59	1.90	2.42	2.32	1.65	1.20
Iowa	0.15	0.71	0.12	2.88	0.38	2.65	0.55	0.10	1.10
Kansas	2.15	0.29	1.63	1.41	2.68	0.54	0.17	2.05	0.36
Kentucky	1.93	0.59	1.20	1.10	0.85	0.00	1.65	1.04	1.73
Louisiana	0.00	1.35	1.49	1.70	2.16	0.41	1.81	0.62	1.28
Maine	0.00	0.21	0.10	0.20	0.00	0.00	0.00	0.00	0.14
Maryland	1.21	1.10	1.13	0.61	0.70	1.41	2.12	2.08	2.40
Massachusetts	0.00	1.76	1.06	0.55	2.65	0.12	1.97	0.75	1.04
Michigan	8.67	4.22	8.46	3.16	5.81	2.95	4.95	5.69	3.93
Minnesota	1.08	0.20	0.03	4.00	4.76	2.86	0.18	0.54	0.73
Mississippi	0.42	0.86	0.35	1.58	3.50	2.47	0.25	0.44	0.67
Missouri	1.45	0.36	0.69	1.79	2.13	2.34	0.64	0.78	0.82
Montana	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01
Nebraska	0.00	0.16	0.06	1.03	1.49	2.77	0.02	0.00	0.02
Nevada	0.18	1.59	0.08	0.61	0.06	0.00	0.72	0.21	0.60
New Hampshire	0.00	0.08	0.00	0.00	0.00	0.00	0.23	0.08	0.00
New Jersey	4.16	4.24	5.61	1.70	0.19	2.19	6.98	6.04	6.80
New Mexico	0.00	0.73	0.17	0.00	0.00	0.00	0.69	0.54	1.02
New York	4.43	7.98	8.64	8.02	12.75	10.15	10.34	6.08	15.08
North Carolina	0.00	0.48	0.67	1.39	5.19	2.81	0.21	0.04	0.91
North Dakota	0.44	0.05	0.00	0.46	0.00	0.00	0.05	0.00	0.05
Ohio	2.36	2.30	2.92	5.74	3.67	4.61	4.31	2.34	4.61
Oklahoma	0.25	2.05	0.35	0.38	0.00	0.15	0.61	0.12	0.43
Oregon	0.67	0.27	0.15	0.99	0.00	0.04	0.00	0.07	0.40
Pennsylvania	6.60	9.42	6.87	2.38	4.40	3.39	7.93	7.79	5.24
Rhode Island	0.00	0.16	0.06	0.12	1.75	2.15	0.30	0.36	0.24
South Carolina	0.76	1.54	0.50	0.26	1.65	2.68	0.19	0.52	0.79
South Dakota	0.00	0.08	0.30	0.54	0.00	0.00	0.00	0.06	0.00

TABLE 1: Percentage of income derived from national tax-free funds (continued)

State/territory	Wells Fargo Funds								
	High Yield Municipal Bond Fund (%)	Intermediate Tax/AMT-Free Fund (%)	Municipal Bond Fund (%)	Municipal Cash Management Money Market Fund* (%)	Municipal Money Market Fund ^{1**} (%)	National Tax-Free Money Market Fund ^{1**} (%)	Short-Term Municipal Bond Fund (%)	Strategic Municipal Bond Fund (%)	Ultra Short-Term Municipal Income Fund (%)
Tennessee	1.59	0.34	0.60	1.76	0.97	3.28	1.50	1.49	1.45
Texas	5.11	8.14	6.07	10.44	6.61	9.19	11.85	7.01	10.75
Utah	0.88	0.26	1.02	0.34	2.37	1.07	0.16	0.23	0.15
Vermont	0.00	0.00	1.10	0.00	1.17	0.90	0.32	0.85	0.05
Virginia	1.21	0.58	0.33	0.70	0.00	0.91	1.86	1.11	1.17
Washington	1.65	3.55	1.13	3.20	1.42	0.62	0.34	1.31	0.23
West Virginia	0.89	0.28	0.09	0.91	0.00	0.00	0.05	0.13	0.45
Wisconsin	1.95	0.72	1.10	3.39	1.62	4.15	1.69	1.25	0.89
Wyoming	0.00	0.00	0.13	0.24	0.41	0.02	0.03	0.04	0.17
American Samoa	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Guam	0.29	0.43	0.15	0.00	0.00	0.00	0.18	0.10	0.14
Puerto Rico	0.40	0.00	0.23	0.00	0.00	0.00	0.73	0.54	0.04
Virgin Islands	3.13	0.37	1.73	0.00	0.00	0.00	0.27	1.51	0.13
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Federal tax-free	98.84	100.00	98.50	91.57	100.00	86.59	100.00	97.39	98.90
AMT	7.28	0.00	7.52	52.21	10.16	0.00	6.61	5.46	4.80

TABLE 2: Percentage of income derived from state-specific tax-free funds

Wells Fargo Fund	In-state tax-free percentage (%)	Other states' percentages (%)	Total (%)	Federal tax-free (%)	AMT (%)
California Limited Term Tax-Free Fund	98.42	1.58	100.00	100.00	3.24
California Tax-Free Fund	99.36	0.64	100.00	100.00	1.49
Colorado Tax-Free Fund	93.55	6.45	100.00	100.00	2.21
Minnesota Tax-Free Fund	99.64	0.36	100.00	98.14	1.43
North Carolina Tax-Free Fund	86.24	13.76	100.00	100.00	5.91
Pennsylvania Tax-Free Fund	99.15	0.85	100.00	100.00	1.75
Wisconsin Tax-Free Fund	88.00	12.00	100.00	100.00	2.53

Exempt-interest dividends paid to residents of California, Connecticut, Minnesota, and New York are required to be reported to the respective state tax authorities.

*For floating NAV money market funds: You could lose money by investing in the fund. Because the share price of the fund will fluctuate, when you sell your shares they may be worth more or less than what you originally paid for them. The fund may impose a fee upon sale of your shares or may temporarily suspend your ability to sell shares if the fund's liquidity falls below required minimums because of market conditions or other factors. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The fund's sponsor has no legal obligation to provide financial support to the fund, and you should not expect that the sponsor will provide financial support to the fund at any time.

**For retail money market funds: You could lose money by investing in the fund. Although the fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. The fund may impose a fee upon sale of your shares or may temporarily suspend your ability to sell shares if the fund's liquidity falls below required minimums because of market conditions or other factors. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The fund's sponsor has no legal obligation to provide financial support to the fund, and you should not expect that the sponsor will provide financial support to the fund at any time.

1. The Wells Fargo Municipal Money Market Fund merged into the Wells Fargo National Tax-Free Money Market Fund on January 20, 2017.

Bond values fluctuate in response to the financial condition of individual issuers, general market and economic conditions, and changes in interest rates. Changes in market conditions and government policies may lead to periods of heightened volatility in the bond market and reduced liquidity for certain bonds held by the fund. In general, when interest rates rise, bond values fall and investors may lose principal value. Interest-rate changes and their impact on the fund and its share price can be sudden and unpredictable. Some funds, including nondiversified funds and funds investing in high-yield bonds and/or more volatile segments of the economy, entail additional risk and may not be appropriate for all investors. Consult a fund's prospectus for additional information on these and other risks. A portion of the fund's income may be subject to federal, state, and/or local income taxes or the Alternative Minimum Tax (AMT). Any capital gains distributions may be taxable.

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