

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL	
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1. Name and Address of Reporting Person* SHIRLEY JON A			2. Issuer Name and Ticker or Trading Symbol MICROSOFT CORP [MSFT]			5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director 10% Owner Officer (give title below) Other (specify below)		
(Last)	(First)	(Middle)	3. Date of Earliest Transaction (Month/Day/Year) 01/04/2005			6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person Form filed by More than One Reporting Person		
ONE MICROSOFT WAY			4. If Amendment, Date of Original Filed (Month/Day/Year)					
(Street)	REDMOND WA	98052-6399						
(City)	(State)	(Zip)						

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	01/04/2005		A		4,000 ⁽¹⁾	A	\$0	2,050,750	D	
Common Stock	12/27/2004		G	V	18,000	D	\$0	2,033,194 ⁽²⁾	D	
Common Stock								1,308,940	I	Shirley Family Limited Partnership

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date					
Stock Option (Right to Buy) #0134943	\$31.725 ⁽³⁾							01/04/2000	01/04/2009	Common Stock	22,222	22,222 ⁽³⁾	D	
Stock Option (Right to Buy) #0168540	\$44.0438 ⁽⁴⁾							01/31/2001	01/31/2010	Common Stock	11,111	11,111 ⁽⁴⁾	D	
Stock Option (Right to Buy) #0283212	\$27.2532 ⁽⁵⁾							01/23/2002 ⁽⁶⁾	01/23/2008	Common Stock	22,222	22,222 ⁽⁵⁾	D	
Stock Option (Right to Buy) #0316194	\$29.007 ⁽⁷⁾							01/22/2003 ⁽⁸⁾	01/22/2012	Common Stock	22,222	22,222 ⁽⁷⁾	D	
Stock Option (Right to Buy) #0372478	\$24.174 ⁽⁹⁾							02/13/2004 ⁽¹⁰⁾	02/13/2013	Common Stock	22,222	22,222 ⁽⁹⁾	D	

Explanation of Responses:

- Represents stock award which shall vest over 5 years at the rate of 20% on the first anniversary of the date of grant and then at the rate of 20% on each of the following four anniversaries thereafter, subject to continuous service on the Board of Directors.
- Includes an increase of 444 shares to the existing 1/5/04 stock award in connection with the \$3.00 special dividend payable to shareholders of record on November 17, 2004.
- This option was previously reported as an option covering 10,000 shares at an exercise price of \$70.50 per share, and has been adjusted as a result of a 2-for-1 stock split on February 14, 2003. This option has been further adjusted in connection with the \$3.00 special dividend payable to shareholders of record on November 17, 2004.
- This option was previously reported as an option covering 5,000 shares at an exercise price of \$97.88 per share, and has been adjusted as a result of a 2-for-1 stock split on February 14, 2003. This option has been further adjusted in connection with the \$3.00 special dividend payable to shareholders of record on November 17, 2004.
- This option was previously reported as an option covering 10,000 shares at an exercise price of \$60.56 per share, and has been adjusted as a result of a 2-for-1 stock split on February 14, 2003. This option has

been further adjusted in connection with the \$3.00 special dividend payable to shareholders of record on November 17, 2004.

6. The option vests at the rate of 1/8 on January 23, 2002 and additional 1/8 increments every six months thereafter.

7. This option was previously reported as an option covering 10,000 shares at an exercise price of \$64.46 per share, and has been adjusted as a result of a 2-for-1 stock split on February 14, 2003. This option has been further adjusted in connection with the \$3.00 special dividend payable to shareholders of record on November 17, 2004.

8. The option vests at the rate of 1/8 on January 22, 2003 and additional 1/8 increments every six months thereafter.

9. This option was previously reported as an option covering 10,000 shares at an exercise price of \$53.72 per share, and has been adjusted as a result of a 2-for-1 stock split on February 14, 2003. This option has been further adjusted in connection with the \$3.00 special dividend payable to shareholders of record on November 17, 2004.

10. The option vests at the rate of 1/4 on February 13, 2004 and additional 1/8 increments every six months thereafter.

Remarks:

Keith R. Dolliver, Attorney-in-
Fact for Jon A. Shirley 01/06/2005

** Signature of Reporting Person Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

* If the form is filed by more than one reporting person, see Instruction 4 (b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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