

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	
OMB Number:	3235-0287
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1. Name and Address of Reporting Person* <u>GATES WILLIAM H III</u> (Last) (First) (Middle) <u>ONE MICROSOFT WAY</u> (Street) <u>REDMOND WA 98052</u> (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>MICROSOFT CORP [MSFT]</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <u>Chairman of the Board</u>
	3. Date of Earliest Transaction (Month/Day/Year) <u>05/11/2005</u>	
	4. If Amendment, Date of Original Filed (Month/Day/Year)	6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person

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	05/11/2005		S		50,000	D	\$24.95	1,047,449,336	D	
Common Stock	05/11/2005		S		100	D	\$24.94	1,047,449,236	D	
Common Stock	05/11/2005		S		15,400	D	\$24.938	1,047,433,836	D	
Common Stock	05/11/2005		S		10,617	D	\$24.931	1,047,423,219	D	
Common Stock	05/11/2005		S		210,100	D	\$24.93	1,047,213,119	D	
Common Stock	05/11/2005		S		102,202	D	\$24.92	1,047,110,917	D	
Common Stock	05/11/2005		S		211,581	D	\$24.91	1,046,899,336	D	
Common Stock	05/11/2005		S		250,000	D	\$24.9	1,046,649,336	D	
Common Stock	05/11/2005		S		50,000	D	\$24.89	1,046,599,336	D	
Common Stock	05/11/2005		S		272,840	D	\$24.87	1,046,326,496	D	
Common Stock	05/11/2005		S		221,905	D	\$24.86	1,046,104,591	D	
Common Stock	05/11/2005		S		700	D	\$24.855	1,046,103,891	D	
Common Stock	05/11/2005		S		124,700	D	\$24.85	1,045,979,191	D	
Common Stock	05/11/2005		S		137,307	D	\$24.84	1,045,841,884	D	
Common Stock	05/11/2005		S		108,518	D	\$24.83	1,045,733,366	D	
Common Stock	05/11/2005		S		58,330	D	\$24.82	1,045,675,036	D	
Common Stock	05/11/2005		S		50,700	D	\$24.81	1,045,624,336	D	
Common Stock	05/11/2005		S		75,000	D	\$24.8	1,045,549,336	D	
Common Stock	05/11/2005		S		50,000	D	\$24.79	1,045,499,336	D	
Common Stock	05/11/2005		S		4,700	D	\$24.785	1,045,494,636	D	
Common Stock	05/11/2005		S		195,300	D	\$24.78	1,045,299,336	D	
Common Stock	05/11/2005		S		700	D	\$24.775	1,045,298,636	D	
Common Stock	05/11/2005		S		499,300	D	\$24.77	1,044,799,336	D	
Common Stock	05/11/2005		S		100,000	D	\$24.76	1,044,699,336	D	
Common Stock	05/11/2005		S		200,000	D	\$24.73	1,044,499,336 ⁽¹⁾	D	

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

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1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	4. Deemed Execution Date, if any (e.g., puts, calls, warrants, options, convertible securities) (Month/Day/Year)	5. Number of 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 Underlying 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)
<p>Remarks:</p> <p>1. In addition, the reporting person disclaims beneficial ownership of 428,520 shares owned by reporting person's spouse. The reporting person disclaims beneficial ownership of 428,520 shares owned by reporting person's spouse and this report shall be deemed to contain the reporting person is the beneficial owner of the securities for purpose of Section 16 or for other purposes.</p> <p>* Duly authorized under Special Power of Attorney appointing Michael Larson attorney-in-fact, dated February 4, 2005, by and on behalf of William H. Gates III, filed as Exhibit 99.3 to Cascade Investment, L.L.C.'s Amendment No. 5 to Schedule 13G with respect to Canadian National Railway Company on February 11, 2005, SEC File No. 005-06513 and incorporated by reference herein.</p> <p>Code V (A) (D) Date Exercisable Expiration Date</p> <p>William H. Gates III By: /s/ Michael Larson*, Attorney-In-Fact 05/13/2005</p>										

** 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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