FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

OMB APPRO	OVAL							
OMB Number:	3235-0287							
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hours per response:	0.5							

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

1. Name and Address of Reporting Person* BACH ROBERT J							2. Issuer Name and Ticker or Trading Symbol MICROSOFT CORP [MSFT]									10%	10% Owner		
(Last) (First) (Middle) C/O MICROSOFT CORPORATION ONE MICROSOFT WAY							3. Date of Earliest Transaction (Month/Day/Year) 08/02/2006									X Officer (give title below) Other (specify below) President, Entertainment Div.			
(Street)						4. If Amendment, Date of Original Filed (Month/Day/Year)									6. Individual or Joint/Group Filing (Check Applicable Line) X Form filed by One Reporting Person Form filed by More than One Reporting Person				
(5	itate)	(Zip)																	
	Tab	le I - No	n-Deriv	ative	Se	curiti	es Acc	juired,	Dis	posed o	f, or	Bene	ficia	ally Own	ed				
Date						2A. Deemed Execution Date, if any (Month/Day/Year)				Disposed				d Secui Bene Owne	ities icially d Following	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	Trans	action(s)		(30.1 4)			
Stock		2/2006	2006			S		10,000 E		D	\$24.	4.14 751,831		D					
Stock	2/2006	2006			S		10,000)	D	\$24	.4 7	41,831	D						
Common Stock 08/03/2								S 10,00)	D	\$24	.4 7	31,831	D				
	Ta													y Owned					
ty or Exercise Price of Derivative Security (Month/Day/Year) if any (Month/Day/Year) 8)			Transa Code (str. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)		Expiration Date (Month/Day/Year)			Amoun		ount ober	8. Price of Derivative Security (Instr. 5)	derivative Securities Beneficially Owned Following Reported	Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	Beneficial Ownership (Instr. 4)			
	(FECROSOFT CROSOFT CRO	(First) (CROSOFT CORPORATION CROSOFT WAY OND WA (State) Tab Security (Instr. 3) Stock Stock Stock Tab Conversion or Exercise Price of Derivative (Month/Day/Year)	(First) (Middle) CROSOFT CORPORATION CROSOFT WAY OND WA 98052-63 (State) (Zip) Table I - No Security (Instr. 3) Stock Stock Stock Table II - (Month/Day/Year) Conversion or Exercise Price of Derivative (Month/Day/Year) Price of Derivative (Month/Day/Year)	(First)	Middle Security (Instr. 3) Middle Security (Instr. 3) Stock Stock	MICE ROBERT J MICE CROSOFT CORPORATION 3. Date 08/02/2	(First) (Middle) CROSOFT CORPORATION CROSOFT WAY Table I - Non-Derivative Securities (Month/Day/Year) Security (Instr. 3) 2. Transaction Date (Month/Day/Year) Stock Table II - Derivative Securities (e.g., puts, calls, war (Month/Day/Year) 2. Transaction Date (e.g., puts, calls, war (Month/Day/Year) 3. Date of Earlie 08/02/2006 2. Transaction Date (e.g., puts, calls, war (Month/Day/Year) 3. Date of Earlie 08/02/2006 2. Transaction Date (e.g., puts, calls, war (Month/Day/Year) 3. Date of Earlie 08/02/2006 4. If Amendmer 24. Dee Execution Date (e.g., puts, calls, war (Month/Day/Year) 3. Date of Earlie 08/02/2006 4. If Amendmer 24. Dee Execution Date (e.g., puts, calls, war (Month/Day/Year) 3. Date of Earlie 08/02/2006 4. If Amendmer 24. Dee Execution Date (e.g., puts, calls, war (Month/Day/Year) 4. Dee Execution Date (e.g., puts, calls, war (Month/Day/Year) 5. No for Code (Instr. Security) 6. No for Code (Instr. Security) 8. Deemed 4. Transaction Code (Instr. Security) 9. Disjoint Code (Instr. Security)	(First) (Middle) CROSOFT CORPORATION CROSOFT WAY Table I - Non-Derivative Securities Acquired (Ronth/Day/Year) Stock Stock Table II - Derivative Securities Acquired (e.g., puts, calls, warrants, or Date (Month/Day/Year) Table II - Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) MICROSOFT Composition (Middle) 3. Date of Earliest Transa 08/02/2006 4. If Amendment, Date of Earliest Transa 08/02/2006 Stock 2. Transaction Date (Month/Day/Year) Stock Table II - Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	MICROSOFT CORP MICR	Conversion or Exercise Price of Derivative Security Security	(First) (Middle) CROSOFT CORPORATION CROSOFT WAY Table I - Non-Derivative Securities Acquired, Disposed of Code (Instr. 3) Stock 12. Transaction Date (Month/Day/Year) (Month/Day/Year) Stock 13. Date of Earliest Transaction (Month/Day/Year) 4. If Amendment, Date of Original Filed (Month/Day/Year) Execurity (Instr. 3) 2. Transaction Date (Month/Day/Year) Stock 12. Transaction Date (Month/Day/Year) Stock 13. Date of Earliest Transaction (Month/Day/Year) 2. Transaction Date (Month/Day/Year) Stock 13. Date of Earliest Transaction (Month/Day/Year) Execurities Acquired, Disposed of Code (Instr. 8) Code V Amount Table II - Derivative Securities Acquired, Disposed of S 10,000 Table II - Derivative Securities Acquired, Disposed of S 10,000 Table II - Derivative Securities Acquired, Disposed of S 10,000 Table II - Derivative Securities Acquired, Disposed of S 10,000 Table II - Derivative Securities Acquired, Disposed of S 10,000 Table II - Derivative Securities Acquired, Disposed of Operivative Securities Acquired (Month/Day/Year) Stock 13. Transaction Date Execution Date (Instr. 8) Code V Amount Day/Year (Privative Securities Acquired (Day Disposed of Operivative Securities Acquired (Month/Day/Year) Conversion or Exercisable and Execution Date (Month/Day/Year) Stock 14. Transaction Date (Privative Securities Acquired (Day Day Day Perivative Securities Acquired (Month/Day/Year) Conversion or Exercisable and Execution Date (Month/Day/Year) Conversion or Exercisable and Exercisa	MICROSOFT CORP [MSFT]	Code V Amount Code V Amount Code V Amount Code V Amount Code Ceg., puts, calls, warrants, options, convertible security Ceg., puts, calls, warrants, options, convertible Ceg., puts,	Code V Amount Code (Instr. 3) Stock O8/02/2006 S 10,000 D \$24 Stock O8/02/2006 S 10,000 D \$24 Stock O8/03/2006 S 10,000 D Stock O8/03/2006 S	MICROSOFT CORP MSFT MSFT Check all application Microsoft Corporation Microsoft Corporation	MICROSOFT CORP [MSFT] MICROSOFT CORP [MSFT] MICROSOFT CORP (Check all applicable) Director X Officer (give title below) President, Ent Director X Officer (give title below) Director Director Director Director Director Director Director Director Director D	MICROSOFT CORP MSFT		

Explanation of Responses:

Remarks:

<u>Keith R. Dolliver, Attorney-in-</u> <u>Fact for Robert J. Bach</u>

08/03/2006

** Signature of Reporting Person Da

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.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.