MICROSOFT CORP

Form 4

March 09, 2007

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person [*] **CASH JAMES I**	2. Issuer Name **and** Ticker or Trading Symbol **MICROSOFT CORP [MSFT]**	5. Relationship of Reporting Person(s) to Issuer (Check all applicable)
(Last) (First) (Middle)	3. Date of Earliest Transaction (Month/Day/Year) 03/08/2007	__X__ Director _____ 10% Owner _____ Officer (give title _____ Other (specify below) below)
C/O MICROSOFT CORPORATION, ONE MICROSOFT WAY	4. If Amendment, Date 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
(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								14,444	D	

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

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 Underlying Securities (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)
								Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
				Code	V	(A)	(D)					
Restricted Stock Units	(1)	03/08/2007		A	V	30 (2)		(3)	(3)	Common Stock	30	$ 0

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
CASH JAMES I C/O MICROSOFT CORPORATION ONE MICROSOFT WAY REDMOND, WA 98052-6399	X			

Signatures

Keith R. Dolliver, Attorney-in-Fact for James I. Cash, Jr.	03/09/2007
**Signature of Reporting Person	Date

Explanation of Responses:

*   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).

(1)   Each restricted stock unit represents a contingent right to receive one share of Microsoft common stock.

(2)   Dividend equivalent rights accrue when and as dividends are paid on the Company's common stock and become exercisable proportionately with the restricted stock units to which they relate.

(3)   The restricted stock units are fully vested. Delivery of the shares to the reporting person will occur in equal installments on the first, second, third, fourth and fifth anniversary of the reporting person's separation from service to the Board of Directors.

Remarks:

The reporting person no longer has a reportable indirect beneficial interest in 200 shares of Microsoft common stock owned by

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

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