

US to double H1B, L1 visa fee to upto USD4.5k for Indian firms

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Washington: The US Congress has imposed a special fee of up to USD 4,500 on the H-1B and L-1 visas popular among Indian IT companies to fund a 9/11 healthcare act and biometric tracking system.

Congressional leaders, while agreeing on the USD 1.1 trillion spending bill, yesterday decided to impose a special fee of USD 4,000 on certain categories of H-1B visas and USD 4,500 on L-1 visas. The US House of Representative is slated to vote on the USD 1.1 trillion spending bill deal tomorrow.

The money generated, expected to be more than a billion USD per annum, would be used to fund a biometric entry and exit tracking system, in addition to funding health screenings and treatments for 9/11 first responders.

According to the agreed bill, the new USD 4,000 fee would apply to companies having at least 50 employees with 50 per cent of their employees on H-1B or L-1 visa. Such companies would have to pay a new fee of USD 4,000 for H-1B visas and USD 4,500 for L-1 visas.

While the specific provisions of the spending bill has no mention of Indian IT companies, the language of the bill has been written in such a way that it would have a big impact on Indian IT companies.

Though the lawmakers behind the bill described it as a temporary provision, the new H-1B and L-1 visa fee increase is for a period of 10 years as against a previous provision of five years. The previous such provision from 2010 to 2015 of USD 2,000 for H-1B visas lapsed on September 30.

In a study released in September this year, NASSCOM, a trade association of Indian IT industry, said Indian IT companies have paid between USD 70 to USD 80 million annually for the US Treasury approximately. Given that, the new punitive measure is expected to raise between USD 1.4 billion and USD 1.6 billion every year for the next one decade.

Expecting that this provision would generate more than USD

1 billion per annum, the bill says that after USD 1 billion is deposited for 9/11 first responders and the Biometrics Ext account, the rest of the money would be deposited in the general fund of the Treasury.

Notably, Prime Minister Narendra Modi has raised the issue with US President Barack Obama when the latter telephoned him to thank for his leadership role on achieving the historic agreement on climate change in Paris on December 12.

"The Prime Minister shared with President Obama the concerns of the Indian IT industry and professionals on the proposed legislation in the US Congress relating to H-1B and L-1 visas," according to the Prime Minister's Office.

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