

When Talent Becomes a Toll

“The \$100,000 H-1B fee through two lenses”

Clearing the Smokescreen

Headlines in India have cast Washington’s new \$100,000 H-1B levy as a weapon aimed squarely at our IT industry. But the truth, as always, lies in the fine print and in the politics behind it.

This fee applies to fresh H-1B applications, non-existent holders. It is paid by U.S. employers, not Indian applicants. Some exemptions are expected in healthcare and other critical roles. The rule text is still being finalized.

So, this is not a blanket strike against India. It is, in form, an American employment and revenue measure. In impact, it is concentrated on Indian talent, because Indians make up the majority of H-1B recipients. To understand it, we must read it through two lenses.

The U.S. Lens: Worker Protection and Revenue

From Washington’s vantage, this is worker protection dressed as price discipline. Each fresh petition now carries a six-figure cost paid by the employer.

- o It signals fairness to U.S. workers anxious about substitution.
- o It disciplines employers by making global hiring more expensive.
- o It raises revenue, billions a year without touching household taxes.

The politics are neat. The economy is not. Scarce skills taxed at the border do not vanish; they move. Some firms will offshore more aggressively. Some projects will stall. A blunt entry toll risks taxing innovation itself, not just abuse.

Every new visa is not a transaction. It is an investment in America’s own future. “

The India Lens: Shock and Backbone

On the Indian side, the shock is immediate. Nearly 70% of H-1Bs are held by Indians. Our professionals power not only Silicon Valley but Wall Street, U.S. airlines, telecoms, and healthcare systems.

Most significant Fortune 500 companies have an indelible Indian footprint in the making of their greatness. The fingerprints are everywhere, in the code, in compliance, in the architecture, in the design.

In glass towers in Bangalore, or new campuses in Mohali, Pune, Jaipur, and Coimbatore, Indian professionals keep Citibank, JP Morgan, Verizon, and UnitedHealth running.

Quietly, steadily, they generate over \$250 billion a year in value, much of it flowing back to the United States.

This is what makes the levy so jarring. To tax away the inflow of talent that seeded Silicon Valley is to forget the bridge that built you. It is to saw the limb you are standing on.

This is not a toll on talent. It is a tax on trust.

The Corporate Cost

The pain is not only personal for Indian professionals; it is structural for Indian corporations.

India's IT giants TCS, Infosys, Wipro, and Tech Mahindra are no longer back-office firms. They are global conglomerates with deep U.S. footprints, serving Fortune 500 clients in banking, telecom, retail, and healthcare. Their American subsidiaries run critical projects and employ tens of thousands.

For these companies, the levy is a direct cost of doing business abroad. Every time they deploy an Indian engineer onsite through an H-1B, they must now absorb an extra \$100,000. For firms that send thousands of staff each year, this runs into billions.

The effect is not confined to technology. India's pharmaceutical leaders Sun Pharma and Dr. Reddy's are major players in the U.S. generics and healthcare markets. While their dependency on H-1Bs is smaller, their R&D, compliance, and regulatory staff posted in America will also attract the surcharge. Margins tighten, competitiveness shifts, and bids become harder to win.

What Washington calls worker protection looks, from Mumbai or Hyderabad, like a new cost line that distorts global competition.

Belief and Betrayal

Beyond economics lies something harder to measure. Generations of Indians built careers in America's hospitals, labs, banks, and boardrooms on a simple belief: that loyalty and effort would be met with fairness and respect.

But what of today, of those already on H-1Bs, of those awaiting renewals, of those preparing to apply? What psychological turmoil must this cause: for the older generation who gave their lives, for the second generation building its present, and for the third just beginning its journey?

You cannot build ladders of prosperity and then set fire to the rungs. “

Yet patriotism is not panic. This is not an outright attack on India. It is America's recalibration. Our response must be mature, measured, and opportunistic.

The Excellence Question

There is also a deeper question, one that goes beyond India, America, or the arithmetic of visas.

Safeguarding national interest is a sovereign right. But at what cost? At the cost of excellence? At the cost of quality?

Building a future is not like filling a shift roster. It is like assembling an Olympic squad. You don't pick based on birthplace; you pick the best in the world.

The U.S. Navy SEALs don't ask whether a recruit's grandparents came from Jamaica or Japan. They ask: Can he endure the trial? Can she meet the standard? Can they win the mission?

Should America's labs, startups, and boardrooms demand anything less?

A toll on talent is not protection. It is self-sabotage. You cannot shrink the pool of possibility and still expect to swim at the front.

Reciprocity Without Retaliation

India too has levers. Reciprocity does not mean retaliation. It means recognition.

If Washington can charge for importing Indian skill, Delhi can require American corporations to reinvest more of their Indian profits locally in labs, training, and Tier-2 hubs. If U.S. firms depend on Indian backbones, safeguards must prevent them from stranding tens of thousands overnight.

And let us be clear: America does depend. From Amex to Verizon, from AT&T to Citibank, from airlines to hospitals, Indian professionals are not just manning data centers, they are the central nervous system of these corporations. They write the code, process the claims, run the risk models, keep the planes flying and the banks solvent. Over \$65 billion of value flows out of India each year into the veins of the American economy.

And yet, the payouts are over. That money leaves our shores. This is where Indian policymakers can recalibrate and negotiate. If Washington can levy a \$100,000 fee at the gate, Delhi can ask: should more of these billions be deployed here? Should tax regimes on foreign corporations be higher? Should a foreign workforce surcharge or investment mandate apply? These are not acts of retaliation, but instruments of balance, the sweet spot where policy becomes leverage.

It is here that the Indian government and foreign ministry must act with depth, foresight, and discipline. The goal is not to mirror hostility, but to negotiate equity. America calls it national interest. India must too.

The Test of Maturity

Global economics is tilting. Apple is moving production into India. Tesla is setting up its largest ventures here. Amazon is expanding. Meta has tied itself to Jio. The world's largest corporations are anchoring their future in India.

So why step back now? Perhaps because India is rising too quickly. Perhaps because politics demands optics.

But maturity means more than reaction. It means design.

- The U.S. lens: A policy that answers voters, raises revenue, and shows resolve.
- The India lens: A concentrated shock, but also a chance to redirect brilliance home.
- The truth is both.

The Unavoidable Truth

Around the world, economies are rebalancing the terms of labor, capital, and mobility. Washington may call this worker protection. Delhi may see it as talent taxation. Both perspectives hold a fragment of truth.

But here lies the real paradox: the U.S. acts from a mindset of scarcity, anxious to protect jobs, while India points to sufficiency, already contributing billions in value, already powering critical systems. The question is not who has more, but how we balance fairly.

And one truth stands taller.

Author:

Siddhartha Kumar, partner

Email: siddhartha@duaassociates.com