

logo not found or type unknown

Trump Imposes \$100,000 Fee on H-1B Visa Sponsors, Targeting Outsourcing Firms and Pledging to Protect U.S. Workers

The proclamation adds a \$100k surcharge per petition, directs wage hikes and prioritization of higher-paid applicants, and seeks to curb abuses. The H-1B program allows U.S. firms to hire foreign professionals in specialty fields like engineering and tech

US / **Published On September 20, 2025 06:24 AM /**

Staff Consortium **September 20, 2025**

Image not found or type unknown



Amazon, the top H-1B visa sponsor in 2025 with over 12,000 approvals, now faces millions in added costs under Trump's new \$100,000 fee policy. By. GETTY IMAGES.

President Donald J. Trump signed a proclamation on Friday introducing a \$100,000 annual fee for companies sponsoring H-1B visas, a move designed to curb what the administration describes as

abuses in the program that displace American workers. The fee, payable by employers for each new H-1B petition, applies for the duration of the initial three-year approval period and supplements existing application costs.

According to the White House fact sheet, the measure targets outsourcing firms that have exploited the program to hire lower-paid foreign labor, particularly in information technology roles, where H-1B workers now make up over 65% of the workforce in recent years. The proclamation also directs the Department of Labor to revise prevailing wage levels for H-1B positions and the Department of Homeland Security to prioritize higher-paid applicants, ensuring the program supplements rather than supplants domestic talent.

The H-1B visa, established under the Immigration Act of 1990, allows U.S. employers to hire foreign professionals in specialty occupations requiring at least a bachelor's degree, such as engineering or software development. Administered by U.S. Citizenship and Immigration Services (USCIS), the program is capped at 85,000 visas annually—65,000 for the regular lottery and 20,000 for those with advanced U.S. degrees—with demand far exceeding supply, leading to a random selection process. Employers must file a Labor Condition Application with the Department of Labor attesting that the hire won't harm U.S. workers' wages or conditions, followed by a USCIS petition. Initial approvals last up to three years, extendable to six, and provide a potential pathway to permanent residency, though backlogs often delay green cards.

During the Oval Office signing, flanked by Commerce Secretary Howard Lutnick, Trump noted the policy's intent to foster domestic hiring. “We need great workers, and this pretty much ensures that that’s what’s going to happen,” Trump said, adding that the tech industry would ultimately support the change. Lutnick, who helped shape the initiative, elaborated on its economic rationale, stating, “If you’re going to train somebody, you’re going to train one of the recent graduates from one of the great universities across our land. Train Americans. Stop bringing in people to take our jobs.” He noted that major companies had been consulted in setting the \$100,000 figure, describing it as a deterrent to using visas for entry-level training rather than elite expertise.

The proclamation builds on Trump's first-term efforts to tighten H-1B rules, including 2020 restrictions during the COVID-19 pandemic that raised wage thresholds and limited approvals. Official data from USCIS shows that in fiscal year 2025, top recipients included Amazon with over 12,000 approvals, followed by Microsoft and Meta Platforms with more than 5,000 each, predominantly for Indian and Chinese nationals who accounted for 71% and 11.7% of beneficiaries, respectively. The White House highlighted cases of fraud, such as outsourcing firms investigated for visa abuse and money laundering, where U.S. workers were reportedly forced to train their replacements under nondisclosure agreements. While the fee awaits formal rulemaking, it takes effect immediately for new entries, potentially adding millions in costs for high-volume users.

Reactions from stakeholders underscore the policy's divisive potential. Industry groups have voiced concerns about elevated expenses stifling innovation, with shares of IT firms like Cognizant dropping nearly 5% following the announcement. Aaron Reichlin-Melnick, policy director at the American Immigration Council, questioned its legality, noting that Congress authorizes fees only to cover adjudication costs, not to impose punitive surcharges. On the other hand, labor advocates and some displaced U.S. tech workers welcomed the step as a safeguard against wage suppression. Stuart Anderson of the National Foundation for American Policy cautioned that it might drive talent abroad, potentially harming U.S. competitiveness, though Lutnick countered that “all the big companies are on board.”

The fee represents a bold recalibration of legal immigration pathways, coinciding with the launch of a separate “Gold Card” program for wealthy investors offering expedited visas for \$1 million donations. Legal challenges are anticipated, given precedents on executive authority over immigration fees, but the administration views it as fulfilling Trump's mandate to prioritize American labor. With H-1B applications already down to a four-year low of about 359,000 for the next fiscal year, per USCIS data, the policy could further reshape the talent pipeline, prompting businesses to invest more in domestic training while ensuring only the most skilled foreign workers enter at a premium.

© Viconsortium 2025