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The Wolf administration on Wednesday released projections of how much revenue Pennsylvania would bring in by taxing various categories of goods and services — from candy to non-prescription drugs to cable television — through an expanded sales tax.

Gov. Tom Wolf's budget proposal, which is the subject of ongoing hearings before the House and Senate appropriations committees, would increase the rates of both the sales and personal income taxes, while cutting corporate net income taxes and providing homeowners with relief from school property taxes.
Applying a proposed 6.6 percent sales tax — an increase from the current statewide rate of 6 percent — to a host of new purchases would bring Pennsylvania about $1.16 billion in the fiscal year beginning July 1 and $2.97 billion in the following year, according to the Department of Revenue. Mr. Wolf has proposed changing the rate and expanding the list of taxable purchases on Jan. 1, 2016, halfway through the state's fiscal year.

The categories projected to bring the most money into the state coffers include cable television, at $106 million next year and $260 million the following, and higher education meal plans and other non-tuition fees, at $102 million next year and $120 million the following. New taxes on amusement and recreation industries, a category that includes fitness centers and golf courses, are projected to bring the state $94 million next year and $258 million the following. Taxing social assistance, which includes child care, would bring in $72 million next year and $200 million the following.

Diane Barber, director of the Pennsylvania Child Care Association, said Mr. Wolf's budget proposal presents a "balancing act" between new state investment in early education and the tax on child care and other items, such as diapers. "It would be a significant impact for families," she said. "They're not paying a tax on child care services now." It may be months before Pennsylvanians know whether these items will be taxed. Legislative Republicans, who hold the majority in both the Senate and the House, have expressed skepticism about Mr. Wolf's tax proposals. The state budget is due June 30, the final day of the fiscal year.

In the Department of Revenue memo, acting Secretary Eileen McNulty notes that the changes Mr. Wolf proposes for the sales tax are similar to ones Republicans have put forward in plans to reduce property taxes. – ***Pittsburgh Post-Gazette;*** **more from *Associated Press***

Hoping to advance his net neutrality bill, a top Senate Republican called the Federal

Fierce Cable
[Report: FCC meetings over Comcast-TWC outnumber those for AT&T-DirecTV over 4-to-1]

Forbes
[FCC's Recent Rulings Add Uncertainty To Time Warner Cable's Deal With Comcast]

Pittsburgh Tribune-Review
[Rep. John Payne says PA should study Internet gaming]

Communications Commission "a potentially threatening and unpredictable agency" because it used decades-old authority to adopt new rules ensuring the free flow of content over the Internet.

Congress should enshrine those rules in law to give broadband providers certainty and grant the FCC specific power to police the Internet while avoiding heavy-handed government regulation, said Senate Commerce Committee Chairman John Thune (R-S.D.). "I believe there should be clear rules for the digital road with clear authority for the FCC to enforce them," Thune told all five commissioners during a hearing Wednesday.

Thune and his fellow Republicans criticized FCC Chairman Tom Wheeler and the agency's other two Democrats for their 3-2 vote last month to reclassify broadband as a more highly regulated telecommunications service, which gave the agency more explicit authority to enact the net neutrality regulations. "Rather than exercising regulatory humility, the three majority commissioners chose to take the most radical, polarizing and partisan path possible," Thune said. "Simply put, your actions jeopardize the open Internet that we are all seeking to protect." The FCC's regulations prohibit broadband providers from blocking, slowing or selling faster delivery of legal content flowing through their networks.

Thune and two leading House Republicans have proposed net neutrality legislation that would include those prohibitions but limit the FCC's authority to deal with future broadband problems. Many Democrats oppose those limitations on the FCC's power, and President Obama would be unlikely to sign such legislation. Thune admitted that the draft bill is "not perfect." But he said a legislative solution to net neutrality is preferable to the FCC using authority that dates to the 1934 Communications Act and was designed for monopoly telephone service.

Thune told the FCC Democrats that "the Internet is not the telephone network, and you cannot apply the old rules of telecom to the new world of the Internet." Sen. Bill Nelson (D-Fla.), the committee's top Democrat, said he was willing to work with Republicans on net neutrality legislation as long as it ensured the authority contained in the FCC's new regulations. "I remain open to a truly bipartisan congressional action provided that such action fully protects consumers, does not undercut the FCC's role and leaves the agency with flexible, forward-looking authority to respond to the changes in this dynamic broadband marketplace," he said.

Wheeler defended the FCC's net neutrality regulations. And Democrats applauded the agency's action. "What these rules do, plain and simple, is keep broadband providers from discriminating," said Sen. Cory Booker (D-N.J.). Republicans have warned that broadband rate regulation now is possible because the FCC reclassified broadband under Title 2 of the Communications Act, which closely regulates utilities. Wheeler said that the net neutrality rules specifically avoid rate regulation.

But Ajit Pai, one of the two Republicans on the FCC who opposed the rules, said the agency now would need to respond to complaints about prices that are not just and reasonable. "The Internet is not broken. The FCC didn't need to fix it," Pai said. And Thune said he was worried the door was open to heavy-handed government oversight of the Internet. "I'd have a hard time explaining how that adjudicatory process would not be rate regulation," Thune said. – ***Los Angeles Times***

Comcast isn't putting out the welcome mat for an Apple TV service. But the cable giant may not be able to block its way, either.

NBCUniversal, which Comcast owns, is the only broadcast-network owner not in discussions with Apple. But it may be forced to the negotiating table because of agreements Comcast made with regulators when it first took a stake in NBCU in 2011. That would be a coup for Apple as some consider NBC and cable channels such as USA Network and MSNBC key to the success of any TV package. This could actually be of benefit to NBCU since it is thought Apple will have had to pay well to secure rights to content. But anything that helps Apple's service could be bad for Comcast's cable business, putting pressure on margins.

In play is the merger consent decree, which was designed to prevent Comcast from intentionally hindering the performance of NBCU for the benefit of its cable business. It contains language requiring NBCU to negotiate with any online video distributor, provided the distributor has already done a deal with another "similarly situated" provider such as Walt Disney or 21st Century Fox. In that case, NBCU would have to make "comparable programming" available to the online distributor on similar economic terms. That suggests Comcast may be biding its time, awaiting news that a competitor has signed a deal with Apple, or that it is prepared to go into arbitration with regulators. This would mark the first time Comcast has taken such a step since the merger conditions were put in place, although it has gone to regulators before to resolve questions about how the details of competitor deals should be shared.

Still, if Apple does try to leverage the merger conditions, litigation before the Federal Communications Commission seems likely. This would be at least to hash out what is considered "comparable" programming and terms, according to Paul Gallant, an analyst with Guggenheim Partners. And, depending on the deal structure, the FCC seems likely to back an innovative service from a powerful player like Apple. Granted, the merger conditions could also limit Apple's ability to choose which NBCU channels it gets. If, for example, Fox sells Apple less than the full bundle of the channels it owns, NBCU may be free to do the same, Mr. Gallant says. But Apple likely will take what it can get. For Comcast, a TV deal with Apple may only be a matter of time. – ***Wall Street Journal***

Been sticking with Comcast Xfinity or Verizon FiOS just for local sports on the Comcast SportsNet Philadelphia channel? Big surprise: Sony's PlayStation Vue streaming TV service, which launched yesterday in Philly, boasts SportsNet as part of its "Core" service, costing $59.99 a month - plus whatever you'll pay for the necessary broadband Internet service.

For best picture results, Sony recommends that subscribers have a 10 Mbps or better download service to pull in Vue channels through a connected PS3 or PS4 video-game system or Apple iPad. More connectable devices working with Vue will be added soon. SportsNet still isn't available from satellite-TV rivals DirecTV and Dish despite legal wrangling, nor can you get it from Sling TV, an "over-the-top" streaming alternative from Dish. Vue also stands apart by offering live, local CBS, FOX and NBC stations, plus "cloud" DVR recording of shows (up to 500 hours, stored for 28 days). A smart search engine revs up on-demand prime-time programming.

Another lure? No contract commitment. So after a free week's Vue trial, you might sign on for just a March Madness month from CBS, Turner's TBS and TNT channels, and the apps NCAA March Madness and Watch TBS (unlockable with a Vue account). Channel bundles from Discovery, Fox, NBCUniversal, Scripps Networks Interactive, Turner, Viacom and AMC Networks build up the basic VUE Access package ($49.99) to more than 45 channels, and the top "Elite" package ($69.99) to more than 70 channels. – ***Philadelphia Daily News***

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