Magento: Sales Tax

For many sole proprietors and small businesses, setting up sales tax should be fairly straight forward (e.g. calculate and charge sales tax, on taxable goods, for shipments within the merchants sales tax zone).

A summary of the tax options in Magento can be found at:

http://www.magentocommerce.com/knowledge-base/entry/magento-ce-18-ee-113-tax-calc

Also, the following articles provide step by step instructions (best practices) for setting up your tax rules and zones:

Recommended Tax Configuration for US Stores (Magento CE 1.8 and EE 1.13)Recommended Tax Configuration for EU Stores (Magento CE 1.8 and EE 1.13)Recommended Tax Configuration for Canadian Stores (Magento CE 1.8 and EE 1.13)

https://support.lexiconn.com/kb/questions/415/